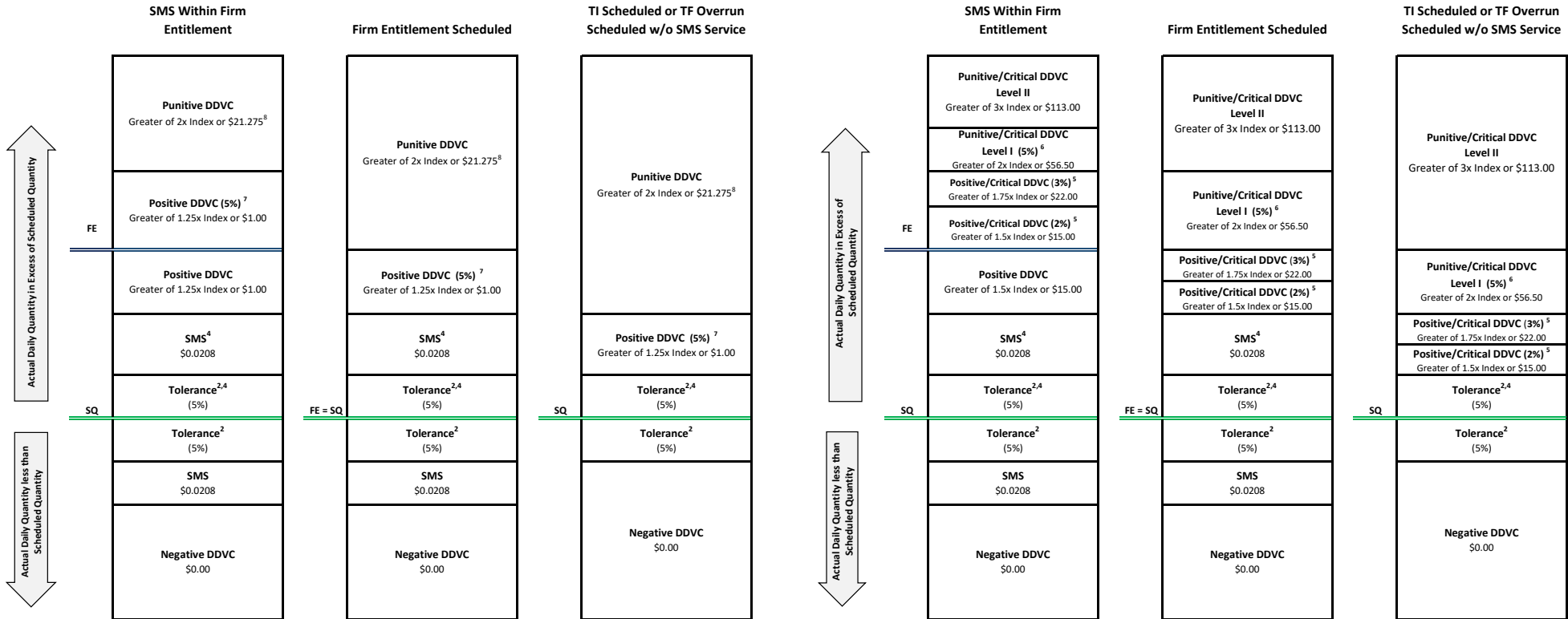


**System Management Service
Daily Delivery Variance Charges (DDVC)
Examples for Small Customers**

SOL in Effect¹

Critical Day¹



FE=Firm Entitlement¹ SQ=Scheduled Quantities TF=Firm Transport

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Footnotes:

- ¹ Small Customers are explicitly defined in Northern's tariff. Index is equal to the highest published Platts "Gas Daily" Midpoint price on the applicable day at any of the applicable index points of: Market Area - Northern, demarc and Northern, Ventura; or Field Area - Panhandle, Tx.-Okla. and El Paso, Permian.
- ² 5% tolerance is equal to the greater of 5% of total scheduled quantity at the delivery point or 650 Dth, whichever is greater. Exception: Bypassing Small Customer's tolerance is equal to the Small Customer's MDQ.
- ³ Firm entitlement (FE) is the sum of the legal entity's MDQ, alternate firm scheduled and overrun/interruptible scheduled. On an SOL day where primary scheduled is less than MDQ, FE is equal to MDQ.
- ⁴ Small Customers and Bypassing Small Customers retain the use of tolerance and SMS regardless of what percentage of SMS Northern has posted on its website as available for use on an SOL or Critical Day.
- ⁵ Small Customers' Positive/Critical DDVC levels are the greater of the first 2% or 260 Dth and the greater of the next 3% or 390 Dth.
- ⁶ The volume to which Punitive/Critical Level I applies is equal to the first 5% of all delivered quantities in excess of the Positive/Critical DDVC component or 650 Dth, whichever is greater.
- ⁷ Small Customers' Positive DDVC levels are the greater of 5% of all delivered quantities or 650 Dth, whichever is greater.
- ⁸ Charge equal to five (5) times the SMS reservation fee of \$4.255. Stipulation and Agreement of Settlement filed June 23, 2023.