Northern Natural Gas Company FERC Gas Tariff Seventh Revised Volume No. 1

Part 8 - General Terms and Conditions Section 48 - Daily Delivery Variance Charges (DDVC) 48.2 - DDVC Types Version 0.0.0

48.2 DDVC Types

A. <u>Positive DDVC</u>

In the absence of an SOL or Critical Day being called (as described in Subsections 48.3 and 48.4 below), the Positive DDVC shall apply under the following conditions:

For TF and TFX:

- 1. If daily volumes scheduled at the delivery point are less than the MDQ, the Positive DDVC applies to daily volumes in excess of all daily volumes scheduled at the point plus a tolerance of five percent (5%) of scheduled volumes at the point, up to a level equal to the MDQ plus five percent (5%) of the MDQ.
- 2. If daily volumes scheduled at the delivery point are equal to or greater than the MDQ, the Positive DDVC applies to the first five percent (5%) of the daily scheduled volumes in excess of all daily volumes scheduled at the point plus a tolerance of five percent (5%) of scheduled volumes at the point.
- 3. If the Shipper has subscribed to service under Rate Schedule SMS, the Positive DDVC, as determined in 1. and 2. above, will apply to volumes in excess of the scheduled volume plus the five percent (5%) tolerance plus the SMS Contract Quantity (SMSQ).
- 4. The tolerance level for Small Customers who have not bypassed Northern's system in 1. and 2. above shall be the greater of five percent (5%) of all scheduled volumes at the point or 650 Dth. The tolerance level for Bypassing Small Customers shall be equal to the Bypassing Small Customer's MDQ.

The Positive DDVC level for Small Customers who have not bypassed Northern's system is as follows: if daily volumes scheduled at the delivery point are less than the MDQ, the positive DDVC applies to daily volumes in excess of all daily volumes scheduled at the point plus a tolerance level of the greater of five percent (5%) of scheduled volumes at the point or 650 Dth, up to a level equal to the MDQ plus the greater of five percent (5%) of the MDQ or 650 Dth. If daily volumes scheduled at the delivery point are equal to or greater than the MDQ, the Positive DDVC applies to the greater of the first five percent (5%) of the daily scheduled volumes or 650 Dth in excess of all daily volumes scheduled at the point plus a tolerance of the greater of five percent (5%) or scheduled volumes or 650 Dth at the point.

The Positive DDVC level for Bypassing Small Customers is as follows: if daily volumes scheduled at the delivery point are less than the MDQ, the positive DDVC applies to daily volumes in excess of all daily volumes scheduled at the point plus a tolerance level equal to the Bypassing Small Customer's MDQ. If daily volumes scheduled at the delivery point are equal to or greater than the MDQ, the Positive DDVC applies to an amount equal to the Bypassing Small Customer's MDQ plus a tolerance of the Bypassing Small Customer's MDQ at the point.

For TI:

1. The Positive DDVC shall apply to the first five percent (5%) of daily scheduled volumes at each delivery point which are in excess of the scheduled volumes at the point plus a tolerance of five percent (5%) of the scheduled volumes at the point.

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The tolerance for Small Customers who have not bypassed Northern's system is the greater of five percent of all scheduled volumes at the point or 650 Dth. The tolerance level for Bypassing Small Customers shall be equal to the Bypassing Small Customer's MDQ.

B. Negative DDVC

Unless an SOL has been called (as described in Subsection 48.3 below), the Negative DDVC shall apply to the daily volumes at each delivery point which are less than the sum of all daily volumes scheduled at the point, after a tolerance of five percent (5%) of all daily volumes scheduled at the point has been considered. The tolerance for Small Customers who have not bypassed Northern's system is the greater of five percent (5%) of all daily volumes scheduled at the point or 650 Dth. The tolerance level for Bypassing Small Customers shall be equal to the Bypassing Small Customer's MDQ. If Shipper has subscribed to service under Rate Schedule SMS, the Negative DDVC applies only to the actual volumes taken that are less than the scheduled volumes, less the sum of the tolerance and the SMSQ.

C. Punitive DDVC

The Punitive DDVC shall apply to the daily volumes at each delivery point that are in excess of the Positive DDVC level as determined in Subpart A. above.

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