

48.4 Critical Day

- A. Northern shall have the right to post a Critical Day notice in order (1) to alleviate conditions which threaten the integrity of its pipeline system, (2) to maintain pipeline operations at the pressures required to provide an efficient and reliable firm transportation service to Shippers, and (3) to maintain its pipeline system in balance for the foregoing purposes. A Critical Day may be called for all or part of the system by localizing the smallest affected area, beginning with individual points, followed by a branchline, Operational Zone, Market/Field Area, and up to the entire system, in that order. When possible, Northern will limit the Critical Day notice to the offending Shipper(s).

The following events and/or operational variables could cause Northern to issue or end a Critical Day:

- (1) weather forecast;
- (2) system conditions including line pack;
- (3) overall projected pressures at monitored locations;
- (4) storage conditions; and
- (5) facility status including horsepower utilization and availability.

Before issuing a Critical Day notice, an SOL Day will be posted. Prior to posting a Critical Day notice, subject to timing and availability, Northern will use its operating tools to attempt to alleviate the operational concern. Such tools include line pack, operational storage, Carlton Resolution, LNG, and System Balancing Agreements (SBA).

1. Notice. Northern will post the Critical Day notice on its website no later than two and one-half (2 1/2) hours prior to the NAESB Grid Cycle nomination deadlines for the Critical Day Gas Day. The Critical Day will remain in effect for the remainder of the Gas Day. Northern will post a new notice for each subsequent Gas Day, as applicable. The notice will contain the following information:
 - a. The affected area;
 - b. Offending Shipper(s), if known, subject to the Critical Day;
 - c. The day and time that the Critical Day will become effective;
 - d. The operational variables for the following: line pack and projected long/short gas;
 - e. Weather forecasts; and
 - f. Demarc and MIP prices.
2. Reporting. Northern will post on its Internet website within a reasonable period of time following the conclusion of the Critical Day, a report describing the conditions that required the issuance and the termination of the Critical Day.
3. Critical Day DDVCs. In the event Northern calls a Critical Day, the determination of the volumes subject to Positive DDVC and Punitive DDVC are as set forth above in Subsection 48.2, and no tolerance will apply above the Shipper's MDQ (including any overrun volumes scheduled) before DDVC's apply. The tolerance on scheduled volumes below MDQ will be up to 3% not to exceed MDQ on a Critical Day. However, the rates such Positive volumes and Punitive volumes are charged shall be the Positive/Critical Day DDVC rates and Punitive/Critical Day DDVC rates, respectively. The first two percent (2%) of Positive/Critical Day DDVC volumes are charged the greater of \$15/Dth or 1.5 times the indices as set forth in Part 4, Section 8 and the next three percent (3%) are charged greater of \$22/Dth or 1.75 times the indices as set forth in Part 4, Section 8. The Punitive/Critical Day DDVC rates are also charged at two (2) levels: Level I shall apply to the five percent (5%) of the daily volumes at each delivery point that are in excess of the Positive/Critical DDVC level, and Level II shall apply to any excess volumes above Level I. Level I and II DDVC charges are set forth in

Part 4, Section 8. However, Small Customer and Bypassing Small Customer tolerances and positive DDVC levels as set forth in Subsection 48.2, Subpart A.4 above apply at all times, even when a Critical Day is called. Small Customer and Bypassing Small Customer Positive/Critical DDVC levels are the greater of \$15/Dth or 1.5 times the indices as set forth in Part 4, Section 8 for the greater of the first 2%, or 260 Dth, and the greater of \$22/Dth or 1.75 times the indices as set forth in Part 4, Section 8 for the greater of the next 3%, or 390 Dth. In addition, when a Critical Day is in effect, if the sum of the scheduled volume on all of Shipper's firm and interruptible Throughput Service Agreements is equal to or greater than the Shipper's MDQ, then the tolerance is not available above the MDQ level. However, in such case, SMS is available up to the Shipper's MDQ. Further, Small Customers and Bypassing Small Customers retain their use of tolerance and positive DDVC levels as set forth in Subsection 48.2, Subpart A.4 above, and SMS on SOL or Critical Days, and Small Customers are not subject to the foregoing limitation. In the event Northern posts a Critical Day notice to be effective during the Intraday 1, Intraday 2 or Intraday 3 nomination cycle, Northern will only impose penalties resulting from a Critical Day prospectively. However, should a Critical Day be called during an Intraday 2 or Intraday 3 nomination cycle, Northern will only apply the Critical Day penalty charges to shippers who reduce their nominations in the Intraday 2 or Intraday 3 cycle, but still take volumes in excess of the reduced nomination.

- B. Northern shall provide affected parties with notification of Critical Days through the Shipper's choice of Electronic Notice Delivery Mechanism. Unless the affected party and Northern have agreed to exclusive notification via EDI/EDM, the affected party should provide Northern with at least one Internet E-mail address to be used for Electronic Notice Delivery of notification of Critical Days. The obligation of Northern to provide notification is waived until the above requirement has been met. Northern will support the concurrent sending of electronic notification of Critical Days to two Internet E-mail addresses for each affected party. Affected parties will manage internal distribution of notices received by Electronic Notice Delivery.