

48. Daily Delivery Variance Charges (DDVC)

A. General

Shippers are required to take actual daily volumes at their delivery point(s) as close to daily scheduled volumes as possible. In the event that actual daily volumes vary from daily scheduled volumes, Shippers are subject to Daily Delivery Variance Charges (DDVC), after a tolerance has been considered (except as provided below in System Overrun Limitation).

There are five (5) types of DDVC's: a Positive DDVC, a Positive/Critical Day DDVC, a Negative DDVC, a Punitive DDVC and a Punitive/Critical Day DDVC. The rate for each is set forth on Sheet No. 53.

Also, see Rate Schedule SMS of this tariff, "System Management Service".

- B. Positive DDVC. In the absence of an SOL or Critical Day being called (as described 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 MMBtu. 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 MMBtu, up to a level equal to the MDQ plus the greater of five percent (5%) of the MDQ or 650 MMBtu. 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 MMBtu 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 MMBtu at the point.