

Illustration of the determination of a Daily Critical Condition Charge

Example based on Daily Unauthorized Overrun Activity, a Critical Condition Rate of \$5.00, and a Firm Rate Equivalent of \$0.30

		Daily Delivery Variance Quantity	Daily Delivery Variance Percent	Critical Condition Rate	
	Tier Level I	3,500 dth or Less	0% - 15%	1.5 * \$5 = \$ 7.50	
	Tier Level II	3,501 dth - 5,000 dth	>15% - 50%	2 * \$5 = \$10.00	
	Tier Level III	5,001 dth or greater	>50%	2.5 * \$5 = \$12.50	
A		B	C	D	E
Shipper A	Contract TCD	Gas Quantities Physically Taken at all Delivery Points	Daily Delivery Variance Quantity (B - A) and Percent	Safe Harbor Tolerance Quantity 1/	Daily Unauthorized Overrun Charge Quantity (C - D)
	TSA 123	100,000	93,000		
	TSA 345	35,000	37,000		
	TSA 678	48,000	88,000		
		183,000	218,000	35,000	18,300
			19.13%		

	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
Daily Delivery Variance Quantity Calculation	Daily Delivery Variance Quantity	Daily Unauthorized Overrun Charge Quantity	Critical Condition Rate	Daily Unauthorized Overrun Charge (G * H)
Safe Harbor	> 2,000 or 10%	18,300	\$0.30	\$5,490
Tier Level I	3,500 dth or Less	3,500	\$7.50	\$26,250
Tier Level II	3,501 dth - 5,000 dth	1,500	\$10.00	\$15,000
Tier Level III	5,001 dth or greater	11,700	\$12.50	\$146,250
Total Overrun		<u>16,700</u>		<u>\$187,500</u>
Total Variance/Charge		<u>35,000</u>		<u>\$192,990</u>

	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>
Daily Delivery Variance Percent Calculation	Daily Delivery Variance Percent	Daily Unauthorized Overrun Charge Quantity	Critical Condition Rate 2/	Daily Unauthorized Overrun Charge (K * L)
Safe Harbor	> 2,000 or 10%	18,300	\$0.30	\$5,490
Tier Level I	10 - 15% (5%)	9,150	\$7.50	\$68,625
Tier Level II	15 - 50% (35%)	7,550	\$10.00	\$75,500
Tier Level III	> 50% (50%)		\$12.50	\$0
Total Overrun		<u>16,700</u>		<u>\$144,125</u>
Total Variance/Charge		<u>35,000</u>		<u>\$149,615</u>

Daily Delivery Variance Quantity Charge \$192,990
Daily Delivery Variance Percent Charge \$149,615

Shipper Billed Lesser of: \$149,615

1/ Safe Harbor Tolerance Quantity equal to the greater of 10% of TCD or 2,000 dth

2/ The Critical Condition Rate is in addition to the Firm Rate Equivalent of \$0.30; the \$0.30 is charged to cover the costs of providing transportation service.

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Example based on Daily Unauthorized Overrun Activity, a Critical Condition Rate of \$5.00, and a Firm Rate Equivalent of \$0.30

		Daily Delivery Variance	Daily Delivery Variance	Critical Condition		
		Quantity	Percent	Rate		
Tier Level I		3,500 dth or Less	0% - 15%	1.5 * \$5 = \$ 7.50		
Tier Level II		3,501 dth - 5,000 dth	>15% - 50%	2 * \$5 = \$10.00		
Tier Level III		5,001 dth or greater	>50%	2.5 * \$5 = \$12.50		
A		B	C	D	E	
Shipper A	Contract TCD	Gas Quantities Physically Taken at all Delivery Points	Daily Delivery Variance Quantity (B - A) and Percent	Safe Harbor Tolerance Quantity 1/	Daily Unauthorized Overrun Charge Quantity (C - D)	
	TSA 123	2,700	4,300			
	TSA 345	5,000	7,100			
	TSA 678	3,000	6,200			
		10,700	17,600	6,900	2,000	4,900
			64.49%	10% = 1,070		
F		G	H	I		
Daily Delivery Variance Quantity Calculation	Daily Delivery Variance Quantity	Daily Unauthorized Overrun Charge Quantity	Critical Condition Rate	Daily Unauthorized Overrun Charge (F * G)		
Safe Harbor	> 2,000 or 10%	2,000	\$0.30	\$600		
Tier Level I	3,500 dth or Less	3,500	\$7.50	\$26,250		
Tier Level II	3,501 dth - 5,000 dth	1,400	\$10.00	\$14,000		
Tier Level III	5,001 dth or greater	0	\$12.50	\$0		
Total Overrun		4,900		\$40,250		
Total Variance/Charge		6,900		\$40,850		
J		K	L	M		
Daily Delivery Variance Percent Calculation	Daily Delivery Variance Percent	Daily Unauthorized Overrun Charge Quantity	Critical Condition Rate 2/	Daily Unauthorized Overrun Charge (K * L)		
Safe Harbor	> 2,000 or 10%	2,000	\$0.30	\$600		
Tier Level I	10 - 15% (5%)	535	\$7.50	\$4,013		
Tier Level II	15 - 50% (35%)	3,745	\$10.00	\$37,450		
Tier Level III	> 50% (50%)	620	\$12.50	\$7,750		
Total Overrun		4,900		\$49,213		
Total Variance/Charge		6,900		\$49,813		
Daily Delivery Variance Quantity Charge		\$40,850				
Daily Delivery Variance Percent Charge		\$49,813				
Shipper Billed Lesser of:		\$40,850				

1/ Safe Harbor Tolerance Quantity equal to the greater of 10% of TCD or 2,000 dth

2/ The Critical Condition Rate is in addition to the Firm Rate Equivalent of \$0.30; the \$0.30 is charged to cover the costs of providing transportation service.