

GENERAL TERMS AND CONDITIONS
(Continued)

5. OVERRUN AND UNDERRUN, BALANCING AND PENALTY PAYMENTS (Continued)

5.2 Restricted Entitlement Events: (Continued)

(2) Any quantity taken by Shipper in excess of its Daily Scheduled Quantity, as defined in Section 4.3(a) of the General Terms and Conditions, or in excess of Shipper's assigned portion of the ADQ, as defined in Section 4.5(c) of the General Terms and Conditions, if applicable, during an OFO period applicable to an overrun situation shall constitute a Scheduling Overrun. Any quantity taken by a Shipper less than the Daily Scheduled Quantity during an OFO period applicable to an underrun situation shall constitute a Scheduling Underrun. A Scheduling Overrun and a Scheduling Underrun are subject to the following penalties:

- a. No penalty shall apply to a Scheduling Overrun or Scheduling Underrun that is less than or equal to three percent of the Daily Scheduled Quantity (or Shipper's assigned portion of the ADQ, if applicable).
- b. A penalty of the greater of five dollars (\$5.00) or two times the highest price receipt point for Northwest listed in Gas Daily (or a successor publication) shall apply to all Scheduling Overrun or Scheduling Underrun gas for each Dekatherm that is in excess of three percent and not greater than five percent of the Daily Scheduled Quantity (or Shipper's assigned portion of the ADQ, if applicable). This penalty will apply each day that Shipper fails to comply with the OFO during the OFO period.
- c. A penalty of the greater of ten dollars (\$10.00) or four times the highest price receipt point for Northwest listed in Gas Daily (or a successor publication) shall apply to all Scheduling Overrun or Scheduling Underrun gas for each Dekatherm that is in excess of five percent of the Daily Scheduled Quantity (or Shipper's assigned portion of the ADQ, if applicable). This penalty will apply each day that Shipper fails to comply with the OFO during the OFO period.