

RATE SCHEDULE FDD
Firm Deferred Delivery Service

3. FIRM STORAGE QUANTITY (FSQ)

The FSQ shall be the maximum (or minimum) quantity of natural gas specified in Shipper's Service Agreement that Northern is obligated to accept for service on a firm basis. Shipper shall not be permitted to exceed the totals established in its Service Agreement for any period or for any day except as permitted in this Section.

Shipper's FSQ shall be specified as the maximum FDD Account Balance quantity. Periodic maximum and minimum Account Balance parameters and daily maximum quantities based on the Shipper's Injection and Withdrawal Periods shall be set forth in Appendix A to Shipper's Service Agreement.

Unless otherwise agreed, Shipper is required to comply with its periodic Account Balance parameters. If operationally feasible, Northern may agree to retain for a subsequent period any quantities remaining in the FDD account after the Withdrawal Period. Such volumes will be considered Rollover volumes. Such volumes shall be subject to the Annual Rollover Charge and will be included in the subsequent period's total contract quantity. The rollover quantity cannot exceed the next year's FSQ. If the FDD Service Agreement is not renewed or there are Rollover volumes in excess of the next year's FSQ, these Rollover volumes must be withdrawn in accordance with the provisions of Sections 5.b. and 5.c. of Rate Schedule IDD.

In the event that it is not operationally feasible for Northern to retain any (1) quantities in excess of Shipper's periodic Account Balance parameters, or (2) Rollover volumes to a subsequent Injection Period, such volumes must be withdrawn upon at least 15 days notification from Northern and will be subject to the provisions of Section 5.c. of Rate Schedule IDD. In the event that the volumes become subject to Section 5.c. of Rate Schedule IDD, the Rollover Charge shall not be applicable.

Authorized Overrun

Should Shipper, or its Designee, desire to nominate quantities for firm storage in excess of its current FDQ, such quantities shall be scheduled pursuant to the terms and conditions of Rate Schedule IDD if capacity is available, and will be subject to the authorized overrun charge. Northern shall have the right to interrupt all or part of the excess quantity. Northern shall notify Shipper, or its Designee, of such interruption.

Account Balance quantities that are less than the January 31 Account Balance parameters set forth in the Shipper's Service Agreement are subject to the authorized overrun charge. Account Balance quantities that are greater than the August 31 and March 1 Account Balance parameters set forth in the Shipper's Service Agreement are subject to the authorized overrun charge. However, as provided in Paragraph 2.B., in the event that the Shipper has multiple FDD Service Agreements, Northern will net the Shipper's FDD account balances prior to determining the authorized overrun charge, provided that the Shipper has selected the same service type for each of the FDD Service Agreements.