

RATE SCHEDULE FDD  
Firm Deferred Delivery Service

7. TERM OF SERVICE AGREEMENT

FDD Agreements entered into prior to implementation of Order No. 636, shall retain any unilateral rollover right (grandfathered rollover right) contained therein. However, should a Shipper request a rollover of an agreement which contains grandfathered rollover rights for less than the term of the original FDD agreement, or a rollover at less than maximum rates, then the FSQ shall be subject to the Right of First Refusal process described in Section 52 of The GENERAL TERMS AND CONDITIONS of this Tariff. If a Shipper under an agreement containing a grandfathered rollover right requests a rollover of less than the FSQ, then only that portion of the agreement for which a rollover was requested will remain subject to the grandfathered rollover right. The remaining quantity shall not be subject to the Right of First Refusal process. If a Shipper under an agreement containing a grandfathered rollover right provides notice of termination pursuant to the agreement, it must notify Northern at the same time of its wishes to have the capacity posted for bids in the Right of First Refusal process. If Shipper does not so notify Northern, the FSQ shall not be subject to the Right of First Refusal process.

FDD Service Agreements at maximum rates with a term of twelve (12) or more consecutive months of service or for a term of more than one (1) year for service not available for twelve consecutive months and FDD Service Agreements at discounted rates entered into prior to March 27, 2000, with a term equal to or greater than one (1) year, shall have a guaranteed Right of First Refusal as provided in Section 52 of the GENERAL TERMS AND CONDITIONS of this Tariff. Northern and Shipper may mutually agree to include ROFR rights in other FDD Agreements on a not unduly discriminatory basis.

Northern and Shipper may agree to different termination dates for specified volumes within the same service agreement on a not unduly discriminatory basis.

Northern and Shipper may agree, on a not unduly discriminatory basis, to contract extensions, including evergreens, rollovers and other extensions.

Northern and Shipper may agree to reduction rights. If Northern and Shipper are unable to agree, Shipper shall be entitled to the following: In the event a "firm customer of Shipper" served by use of Shipper's firm deferred delivery entitlement on Northern arranges either directly or indirectly for incremental firm deferred delivery service with Northern for the remaining term of the Shipper's Service Agreement in lieu of taking assignment from Shipper for such firm deferred delivery service, Northern agrees to reduce Shipper's firm deferred delivery entitlement by an amount determined by Shipper that is no greater than the level of contract demand of incremental firm deferred delivery service arranged for with Northern by the "firm customer of Shipper" (i.e., Northern is kept revenue neutral except to the extent Northern discounts to the customer), provided however, Shipper must first submit an affidavit to Northern verifying that such customer was being served by use of Shipper's firm deferred delivery entitlement on Northern. Reductions by Shipper will not be allowed if the "firm customer of Shipper" arranges either directly or indirectly for a non-incremental service (i.e., capacity release) on Northern or for interruptible service (i.e., IDD or PDD) on Northern.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Tariff are hereby made part of this Rate Schedule. In the event that there is any conflict between the General Terms and Conditions of this Tariff and this Rate Schedule, this Rate Schedule shall have precedence.