

RATE SCHEDULE PDD
Preferred Deferred Delivery Service

3. CONTRACT TOTAL QUANTITY:

The Contract Total Quantity (CTQ) shall be the maximum total volume of natural gas, specified in the Shippers' PDD Service Agreement Appendices, that Northern may accept for service under this Rate Schedule for injection or withdrawal to the Shipper's account. Shipper shall not be permitted to exceed the CTQ. Shipper is to perform within the daily, monthly and inventory parameters as outlined in Appendix A of the PDD Service Agreement.

4. RATE

The maximum and minimum rates for service under this Rate Schedule are listed on Sheet 55 of this Tariff. Shipper shall pay the maximum rate for service under this Rate Schedule unless a lower rate has been agreed to as set forth in Appendix A.

The rates and charges for service under this Rate Schedule shall include each of the following:

- (a) Capacity Fee - The Capacity Fee set forth on Sheet No. 55 shall be multiplied by the applicable CTQ. The Capacity Fee will be credited or refunded in proportion to the amount of service that Northern is unable to provide the PDD Shipper.
- (b) Injection Charge - The Injection Charge per MMBtu set forth on Sheet No. 55 shall apply to all quantities received for Shipper's account.
- (c) Withdrawal Charge - The Withdrawal Charge per MMBtu set forth on Sheet No. 55 shall apply to all quantities delivered to Shipper.
- (d) Monthly Inventory Charge - The Monthly Inventory Charge per MMBtu is set forth on Sheet No. 55 and shall apply to the absolute value of the inventory balances in the Shipper's PDD account for the month.
- (e) Annual Rollover Charge - The annual rollover charge per MMBtu is set forth on Sheet No. 55 of this Tariff. Such charge shall apply to the balance held in Shipper's PDD Account as of March 31st unless otherwise contractually authorized. Revenues received from the annual rollover charge shall be credited in accordance with Section 57 of the GENERAL TERMS AND CONDITIONS of this tariff.
- (f) In no event will Northern charge a PDD shipper more than that which it would have charged an FDD shipper using the same injection and withdrawal parameters over an FDD cycle year.

Discounted Rates: Northern may from time to time at its sole discretion charge any individual Shipper under this Rate Schedule a PDD rate which is lower than the maximum rate set forth on currently effective rate sheet, provided, however, that such rate charged may not be less than the minimum rate set forth in currently effective Tariff rate sheet for Rate Schedule PDD.

Negotiated Rates: Northern and Shipper may mutually agree to rates for services that may be above the maximum rates or below the minimum on the currently effective Rate Sheet for Rate Schedule PDD. Such rates shall be subject to Northern's negotiated rate authority granted by F.E.R.C.

Transportation Service Associated with Deferred Delivery Service

PDD quantities must be delivered to or redelivered from a Deferred Delivery point pursuant to a Throughput Service Agreement. Deliveries and redeliveries of the PDD quantities shall be subject to the rates, terms and conditions of the applicable Throughput Service Agreement including transportation entitlements and capacity allocations.