

GENERAL TERMS AND CONDITIONS

- E. Bids. During the open season, a Shipper desiring to bid on released capacity must use Northern's website to post all valid bids, listing all pertinent terms and conditions of the valid bids. Valid bids shall be partially executed Service Agreements. Any acquiring Shipper must meet Northern's creditworthiness requirements pursuant to Section 46, of GENERAL TERMS AND CONDITIONS of this Tariff.

Bids for released capacity shall be binding until written or electronic notice of withdrawal is received by Northern. A bidder may not withdraw a bid for the released capacity after the bid period ends. Once a bidder has withdrawn its bid, the bidder may only submit a new bid for that released capacity at a higher rate.

Northern shall allocate available capacity to the best bid first and continue allocating until all offered capacity is awarded. Unless the releasing Shipper has specified otherwise, in the event equivalent bids are submitted, the capacity will be made available on a pro rata basis to the equal bidders. Should any one of the equal bidders veto the pro rata allocation of the capacity, Northern will conduct a lottery to select the winning bidder, who will then be allocated its requested capacity. The remainder will be available to the other bidder(s) on a pro rata basis, which may again trigger the veto/lottery selection process.

- F. Determination and Posting of Best Offer; Awarding Capacity. At the close of the open season Northern will evaluate the bids and will determine which bid constitutes the best bid by determining the highest economic unit value unless the releasing Shipper has provided Northern an alternative best bid evaluation methodology. The releasing Shipper may designate one of the following options to determine the best bid: 1) highest rate; 2) net revenue and 3) present value. Other choices of bid evaluation methodology may be selected by the releasing shipper at the discretion of Northern. Northern will utilize a calculation based on rate, term and quantity to determine the highest economic unit value, utilizing the F.E.R.C. interest rate. The comparative economic unit value of each bid will be determined by calculating the Net Present Value (NPV) of each bid over the term of the bid, and then dividing by the quantity of the respective bid. The NPV calculation shall include only revenue generated by the reservation rate or a guaranteed throughput volume. In those cases where one or more bidders is willing to pay the maximum recourse reservation rate, the NPV used in such cases is capped at, and may not exceed, the NPV equal to the maximum reservation rate available to recourse shippers. Northern's evaluation will be completed and the bid to be matched (for pre-arranged deals) or awarded will be communicated by 2:00 p.m. (CCT). Any match response is due by 2:30 p.m. (CCT) and the award will be posted on the website by 3:00 p.m. (CCT). A contract with the contract number will be issued within one hour of award posting, with nomination possible beginning at the next available nomination cycle for the effective date of the contract.

The above capacity release timelines, as set forth in this Section 47, are applicable to all parties; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit worthy before the capacity release bid is tendered, 2) there are no special terms or conditions of the release and 3) one of the above listed best bid evaluation methodologies is selected. In the event the above conditions are not met, the transaction will be processed within three (3) business days or as soon as reasonably practicable, whichever is sooner.

A new service agreement(s) and contract number(s) will be issued for temporary released capacity. Permanently acquired capacity may be added to existing agreements if requested.