

GENERAL TERMS AND CONDITIONS

52. RIGHT OF FIRST REFUSAL

Shippers holding firm 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 may exercise the Right of First Refusal. Such agreements are not subject to pregranted abandonment provided notice is given as described herein. A Shipper may agree to waive its Right of First Refusal at any time. Firm Service Agreements at discounted rates entered into prior to March 27, 2000, with a term equal to or greater than one (1) year, retain the Right of First Refusal; however, any such grandfathered service agreement must extend at maximum rates for 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 in order to retain its Right of First Refusal beyond the extended term. Any Shipper with a contract having Right of First Refusal who wishes to extend their contract at maximum rates for a term of at least five (5) years, can be extended without exercising the Right of First Refusal process or posting. A firm Shipper may elect to retain a portion of its capacity, subject to the Right of First Refusal process and have Northern's pregranted abandonment authority apply to the remainder of the capacity.

The Right of First Refusal will not be applicable to interim service agreements for entitlement associated with (1) expansion projects as set forth in Section 26 of this Tariff, and (2) capacity that is already under contract for a future period subject to the following conditions:

- a) The future capacity must have been sold through an open season bidding process permitting bids for capacity for service to start immediately or anytime in the future;
- b) the bids must have been evaluated on a net present value basis; and
- c) the future capacity must have been awarded to the Shipper providing the highest net present value bid.

The process for exercising the Right of First Refusal is as follows:

1) Notice

Northern will provide no more than nine (9) months, and no less than eight (8) months advance written notice of pending contract expiration to firm Shippers with contract terms of one (1) year or more. Shippers must give written notice to Northern within sixty (60) days of the date of Northern's notification to Shipper that it wishes Northern to post its capacity to begin the Right of First Refusal process.