

RATE SCHEDULE PDD
Preferred Deferred Delivery Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for Preferred Interruptible Deferred Delivery Service (PDD) on a not unduly-discriminatory basis: (1) subject to Northern's availability to provide the service; and (2) provided the service requested sets forth the specific receipt and delivery terms and months in an Appendix A to the PDD Service Agreement; (3) at the sole discretion of Northern when Shipper and Northern have executed a PDD Service Agreement in the form contained in Northern's FERC Gas Tariff ("Tariff").

Northern shall not be required to provide service under this Rate Schedule that would require Northern to construct or acquire any new facilities or would prevent Northern from providing any other firm service.

2. APPLICABILITY AND CHARACTER OF SERVICE

Service under this Rate Schedule shall be provided on an interruptible basis as follows:

PDD is a preferred interruptible service which provides for: (a) the agreement by Shipper and Northern of the specified months of service and specific receipt and delivery terms specified in an Appendix A; (b) the receipt or delivery by Northern of gas quantities that have been delivered by Shipper to the Deferred Delivery point(s) designated in an Appendix A of an executed PDD Service Agreement between Shipper and Northern; (c) Northern holding or being owed the deferred gas quantities at such Deferred Delivery point(s); and (d) the return of the gas quantities to Northern or the Shipper at mutually agreed upon Deferred Delivery point(s) subject to Section 5 of this Rate Schedule. Northern shall defer quantities of gas for the Shipper up to the maximum total quantity as specified in the Appendix of an executed PDD Service Agreement.

Service under this Rate Schedule shall be provided for a minimum of one (1) day and a maximum term as established by the mutual agreement of Shipper and Northern. The terms of each PDD Service Agreement Appendix shall be attached to the executed PDD Service Agreement between Shipper and Northern.

In the event that a PDD transaction is terminated prior to its expiration or the contract total quantity is reduced thereunder, Northern may, on a not unduly discriminatory basis, agree with the Shipper on a termination fee. The termination fee shall take into account the remaining value of the transaction's service parameters.

Service under this Rate Schedule shall be subject to interruption under the terms of the upstream or downstream Firm or Interruptible Throughput Service Agreement with Northern. Any limitations imposed by such Throughput Service Agreement shall have precedence over Shipper's rights to service herein.

To the extent allowed by the PDD transaction terms of the Shippers' PDD accounts, Shippers may, upon advising Northern, transfer its account balances (1) among different Shippers' PDD Accounts, and/or, (2) between its own PDD accounts with no additional injection or withdrawal fees, and no transportation fees provided that the Shippers' accounts are held at the same Storage point. Transfer of account balances between Storage points, either on one account or between multiple accounts, shall not be charged injection or withdrawal fees but will be charged the applicable transportation fees.