

26.3 Reservation of Capacity – Expansion Projects

Northern may elect to reserve for a future expansion project any unsubscribed capacity or capacity under expiring or terminating service agreements where such agreements do not have a right of first refusal or Shipper does not exercise its right of first refusal. Northern may only reserve capacity for a future expansion project for which an open season has been or will be held within one (1) year of the date that Northern posts such capacity as being reserved. Prior to reserving capacity for an expansion project, Northern shall first post for bid all of its available capacity on its website for at least five (5) Business Days before capacity will be reserved.

Capacity may be reserved for expansion projects only for a 12-month period prior to Northern filing for certificate approval for construction of proposed expansion facilities, and thereafter until the effective date of any Service Agreement related to the certificate filing or the date the expansion facilities are placed into service.

If Northern reserves capacity for an expansion project, it will notify Shippers of its intent as part of Northern's posting of capacity on its Internet website. Northern's posting for reserved capacity for future expansion projects shall include the following information: (1) a description of the project for which the capacity will be reserved; (2) the total quantity of capacity to be reserved; (3) the location of the proposed reserved capacity on the pipeline system; (4) whether, and if so when, Northern anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (5) the projected in-service date of new facilities; and (6) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a right of first refusal. Northern will make reasonable efforts to update the reservation posting up to the in-service date of the project to reflect any material changes in the scope of the project. The reservation posting or open season will include a non-binding solicitation for turnback capacity from Northern's existing Shippers to serve the expansion project. In the event Northern includes the solicitation for turnback capacity in the reservation posting, the reservation of capacity must be posted no later than 90 days following an open season for a project.

Any capacity reserved under this Subsection 26.3 will be made available for transportation service pursuant to Northern's GENERAL TERMS AND CONDITIONS on a limited-term basis. Northern reserves the right to limit any extension rights provided in the service agreement and pursuant to Section 52 - Right of First Refusal of the GENERAL TERMS AND CONDITIONS - commensurate with the effective date of any Service Agreement supporting an expansion project or proposed in-service date of any facilities. Any capacity reserved for a project that does not go forward for any reason shall be reposted as generally available within 30 days of the date the capacity becomes available, with the exception of capacity committed to in contracts entered into on an interim limited term basis during the period the capacity was reserved.