

28.2 Nomination Process

The Timely and Evening Nomination Cycles pertain to transportation for the upcoming Gas Day. The Intraday 1, Intraday 2 and Intraday 3 Nomination Cycles pertain to the current Gas Day. Together the Timely, Evening, Intraday 1, Intraday 2 and Intraday 3 Nomination Cycles shall be referred to as the grid-wide synchronization times. Northern will process nominations in addition to the grid-wide synchronization times subject to the additional Intraday nomination subsection herein, and accordingly Northern is not required to hold capacity for grid-wide nominations until a standard nomination cycle. Bumping will only be permitted during the Evening, Intraday 1 and Intraday 2 Nomination Cycles.

All nominations for service, including firm overrun, will be required to be electronically nominated by path, i.e. specific receipt point to specific delivery point, provided that for nomination purposes, a Point of Delivery in the Market Area or Argus Zone in the Field Area may be a currently established Operational Zone, applicable to deliveries to the facilities of a single LDC. For Shipper(s) with combined service for both Market Area and Field Area, nominations from the Field Area to the Market Area (or vice versa) must include a nomination to and from the NNG Field/MKT Demarcation (POI 37654).

Northern will accept facsimile nominations in the event of a failure of electronic nomination communication equipment.

Overrun quantities shall be nominated as a separate transaction. All nominations must include Shipper-defined begin dates and end dates. Additionally, the upstream and/or downstream contract information and rankings must be provided for a nomination to be valid.

The receiver of a nomination initiates the confirmation process. The party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send.

Northern may accept "standing nominations," excluding intra-day nominations, for the then existing term of the Service Agreement. The term "standing nominations" shall mean a nomination of a specific volume to remain in effect until the earlier of:

- (1) the requested ending date of such nomination; or
- (2) a request by Shipper to change such nomination;

provided however, the term of the nomination is within the term of the Service Agreement.

With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the scheduled quantity for the Timely Nomination Cycle of the previous Gas Day should be the new confirmed quantity.

To the extent Northern's other scheduling requirements are met, a Shipper may redirect scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point at any of Northern's subsequent nomination cycle(s) for the subject Gas Day, under the same contract, without a requirement that the quantities be rescheduled through the point of constraint.

With respect to the processing of requests for increases during the intraday nominations/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a

Request For Confirmation or an unsolicited Confirmation Response, the scheduled quantity for the previous nomination cycle for the subject Gas Day should be the new confirmed quantity.

With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.

The Explicit Confirmation process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology.

The total nomination at the Point(s) of receipt, less designated Fuel, if any, must equal the nominations at the Point(s) of Delivery. For in-kind fuel reimbursement methods, Northern will not reject a nomination for reasons of rounding differences due to fuel calculations of less than 5 dekatherms.

The Point of Receipt for all gas to be purchased from Northern shall be identified as the furthest point upstream where gas enters Northern-owned facilities.

A package ID is a way to differentiate between discrete business transactions. When used, Package ID should be supported for nominating and scheduling; mutually agreed between the applicable parties for allocations and imbalance reporting; supported for invoicing (sales and purchase); and mutually agreed for transport invoicing. Use of the Package ID is at the discretion of the service requester, and if sent, should be accepted and processed by the service provider.

Northern shall electronically initiate the confirmation process. At the end of each Gas Day, Northern should provide the final scheduled quantities for the just completed Gas Day. With respect to the implementation of this process via the EDI/EDM, Northern should send an end of Gas Day Scheduled Quantity and Scheduled Quantity for Operator document. A receiver of either of these documents can waive Northern's requirement to send such documents.

The sending party shall adhere to nomination, confirmation, and scheduling deadlines. The receiving party has the right to waive the deadlines.

Shipper shall deliver, or cause to be delivered, to Northern at the Point(s) of receipt on a uniform daily and hourly basis that quantity of natural gas that has been scheduled for transportation.