

RATE SCHEDULE FDD  
Firm Deferred Delivery Service

2. APPLICABILITY AND CHARACTER OF SERVICE

Service under this Rate Schedule shall be firm up to Shipper's FSQ as specified in Shipper's FDD Service Agreement. This Rate Schedule shall provide Shipper the ability to have natural gas quantities transported to or received from Northern on a deferred basis under Rate Schedules for Northern's Firm or Interruptible Throughput Services.

Northern shall annually evaluate its capability to provide service under this Rate Schedule and shall reflect any changes in the amount and length of service it may provide by filing such changes with the Commission. In such event, the shipper shall have the right to reestablish its FDD quantity related to such change.

A Shipper is permitted to combine multiple FDD Agreements into a single FDD Agreement to the extent that the individual Agreement's rates, terms and conditions can be distinctly maintained within Northern's contracting and billing systems. Shipper may also combine its FDD Service Agreement(s) with other FDD Shippers under an FDD Consolidation Agreement pursuant to Section 2.G. of this Rate Schedule. Furthermore, a Shipper is permitted to separate an FDD Agreement into multiple FDD Agreements once a year, while maintaining the rates, terms and conditions of the original agreement, including the right, for each FDD Agreement, to select among the types of service in accordance with paragraph B. below, provided the separation can be accommodated by Northern's contracting and billing systems.

A. Annual Cycle Quantity

Northern shall offer an annual cycle quantity for service under this Rate Schedule of 65.1 Bcf. Additionally, Northern may acquire third party storage service for availability of service under this Rate Schedule in accordance with Section 55 of the GENERAL TERMS AND CONDITIONS of this Tariff. If Northern has additional annual cycle quantity available, Northern will post such capacity on its website.

B. Types of Service

Service under this Rate Schedule shall be available under one of the following options. A Shipper with an FDD Service Agreement with a term of two (2) years or more may select from these options on an annual cycle basis, provided, 1) Shipper shall not be allowed, unless mutually agreeable to both parties, to change between options within a cycle year, and 2) Shipper must maintain the same maximum FDD Account Balance and the same Maximum Daily Withdrawal quantity, unless otherwise agreed to by Northern.

- I. Gas-In-Place Option
- II. 4-Step Withdrawal Option
- III. 3-Step Withdrawal Option

To the extent monthly and daily capacity remains available after Northern has satisfied requests for service under the three options, Northern may, from time to time, offer service under this Rate Schedule on a partial-cycle basis. Northern will offer such service by posting a notice on its Internet website which requests bids for partial-cycle FDD Service. Northern will provide such service on a not unduly discriminatory basis and only if such service does not adversely affect Northern's obligation to existing Shippers receiving FDD service.