

RATE SCHEDULE PDD  
Preferred Deferred Delivery Service

7. NOMINATIONS AND SCHEDULING

Shipper shall nominate PDD service under this Rate Schedule in accordance with the nomination deadlines set forth in Section 28 of the GENERAL TERMS AND CONDITIONS of this Tariff.

8. ALLOCATION OF SERVICE

Shipper nominations shall be subject to confirmation by Northern which shall be based on the best operating information available to Northern.

Service under this Rate Schedule shall be scheduled and confirmed only after firm FDD service has been scheduled and confirmed by Northern. Service under this Rate Schedule shall be scheduled and confirmed prior to IDD service.

For purposes of allocating or curtailing service among Shippers under this Rate Schedule, Northern may give service priority based upon the highest total cost commitment to Shipper for PDD service. For the purposes of allocating capacity under this Rate Schedule, Shippers willing to pay more than the maximum tariff rate will be considered to be paying the maximum tariff rate. Service may be allocated or curtailed on a pro-rata basis among Shippers willing to pay the same total cost commitment to Northern for such service.

9. NOTIFICATION FROM NORTHERN

Shipper may be required, upon notification from Northern, to cease or reduce deliveries to, or receipts from, Northern's PDD service within the gas day to protect firm FDD service or to comply with the parameters of Shipper's PDD Service Agreement and Appendices. Further, Shipper may be required to return deferred quantities and/or remove deferred quantities upon notification from Northern. Such notification may be via e-mail or posting on Northern's website. Northern's notification shall specify the time frame within which deferred quantities shall be removed and/or deferred quantities shall be returned, consistent with Northern's operating conditions, but in no event shall the specified time be sooner than the next gas day after Northern's notification. In the event that the specified time for removal or return of gas quantities is the next gas day, the time of required removal or return shall begin from the time that Shipper receives actual notice from Northern. Notices required after business hours for the next gas day will be provided to Shipper via e-mail or posting on Northern's website. In the event that Shipper makes a timely nomination in response to notification by Northern to remove deferred quantities and/or return deferred quantities, the obligation of Shipper to comply with the notification shall begin when Northern schedules the nomination.

A. In the event that Shipper is required to return deferred quantities and/or remove deferred quantities or deferred quantities are not delivered or received in accordance with the daily or monthly parameters outlined in any existing PDD Service Agreement and Appendices, Northern and Shipper may mutually agree to an extended time frame and/or modified terms of such Appendices. In the event that Shipper and Northern are unable to come to such agreement, Northern shall notify Shipper and Shipper shall deliver or receive the deferred quantities within the time frame specified in Northern's notice, which in no instance shall be less than one (1) calendar day. Any deferred quantities not removed within the time frame specified by Northern's notice shall become the property of Northern at no cost to Northern, free and clear of any adverse claims. Any quantities not delivered for deferral within the time frame specified by Northern's notice shall be sold to Shipper at 150% of the applicable Average MIP, as defined in Section 32 of this Tariff which may be modified from time to time.