

Northern Natural Gas

Final 8:00 AM Enhancements

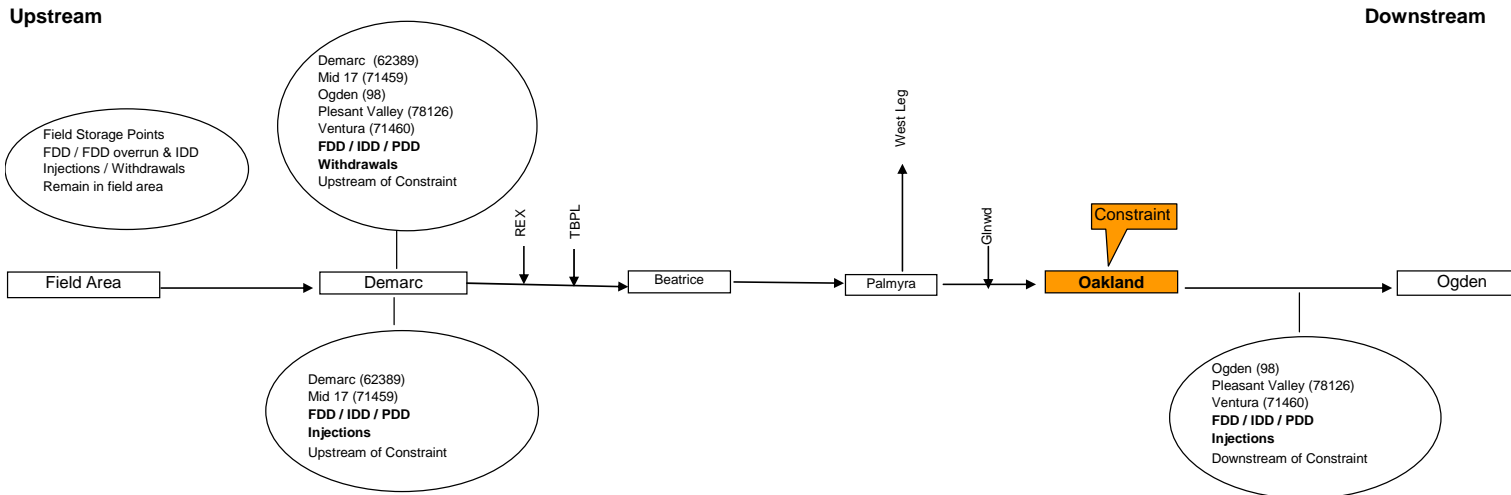
June 1, 2009

Summary of Changes

- Shipper access to *Final Cycle Nomination List*
- Shipper access to *Zone Percentages Screen*
- Ogden, Pleasant Valley and Ventura Deferred are considered downstream of Oakland for transportation delivery (Storage Injection/Rec)
- Ogden, Pleasant Valley and Ventura Deferred are considered upstream of Oakland for transportation receipt (Storage Withdrawal/Del)
- Redirected deliveries with receipts downstream of Nomination Groups are not viewed as part of the overall net true-up activity

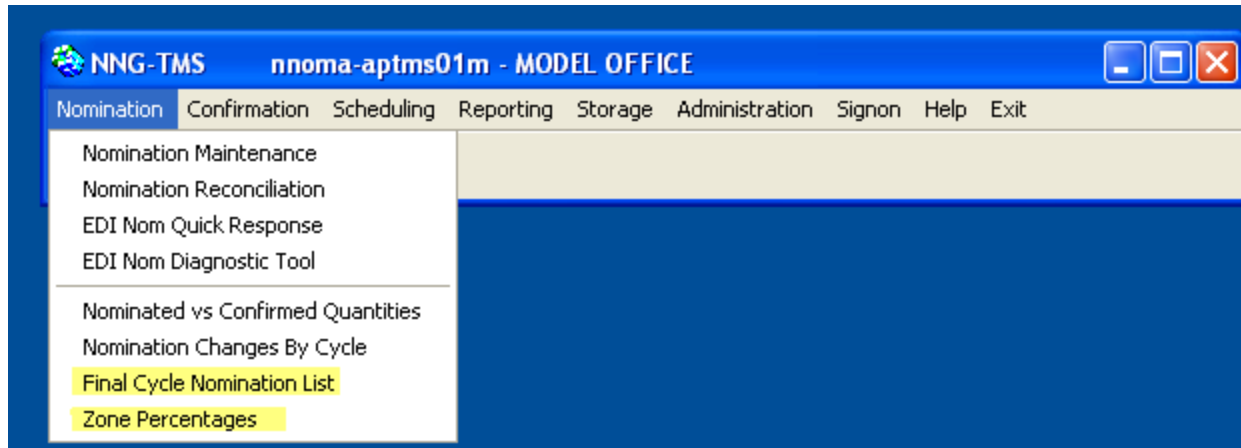
Storage Diagram

Storage - Oakland Allocation - Summer 2009



New TMS Screens

- Shippers have the option to view and verify their Final 8:00 AM nomination activity.
- Two new TMS screens are available to assist shippers:
 - Final Cycle Nomination List
 - Zone Percentages



Final Cycle Nomination Paths View

- Shipper's should first review ID2 allocations on the website under non-critical notices
- Enter Final AM nomination changes and submit.
- Retrieve the *Final Cycle Nomination Paths View* screen to check for invalid transactions
 - Sum By Contract is recommended, this enables shipper to view changes by contract
 - An asterisk (*) identifies a new nomination path. The ID2 scheduled quantity is below the new nomination
 - Net Volume change column displays overall net increase or decrease to group
 - This screen has sorting capabilities, can be exported and converted into an excel spreadsheet
- Shipper must correct invalids (INV) and resubmit.
 - In a group allocation review of the *Zone Percentages Screen* may be required to determine if the nomination change is a percentage path. Nominations for group allocations must be within percentage rights
 - Total overall change activity must be a decrease or net of zero during allocations
- An invalid path will show an "INV" reason code and the text message will display the group reference number (Grp: 740,583) (see *Zones in Allocation Groups* report for zone points in multiple groups)
 - The nomination for the first group needs to be resolved before making changes to the second group
 - Re-retrieval of screen will then show the 2nd group overage if any

Final Cycle Nomination Paths View Screen

Final Cycle Nomination Paths View - MODEL OFFICE

File Selection Tools Options Cancel

Asterisk (*) identifies New Path

TSP: NORTHERN NATURAL GAS COMPANY Cycle: Final AM

Gas Day: 5/1/2009 Reason: None

Invalid Transactions Only Sum By Contract Processed by: [Name]

Updated Date	N	Svc Req K	Service Requester	Svc Type	TT	Rec. Location	Rec. Loc. Name	Up K	Nom Qty	Sched Qty	Rec. Adj. Qty	Rank	Del. Loc.	Del. Loc. Name	Zone for Del Loc	Dn K	Nom Qty
May 2, 2009 7:14:	*			FT	01	78623	VENTURA		126	0		1			ZONE		126
									569								
May 2, 2009 7:14:				FT	01	78623	VENTURA		174	174		1			ZONE		174
May 2, 2009 7:14:				FT	01	78623	VENTURA		153	153		1			ZONE		153
May 2, 2009 7:15:				FT	01	78623	VENTURA		96	96		1			ZONE		96
May 2, 2009 7:16:				FT	01	78623	VENTURA		146	146		1			ZONE		146
									569								
May 2, 2009 7:25:	*			ID	07	0			0	0		0			MID 17		0
May 2, 2009 6:52:	*			FT	01	98	OGDEN DE		100	0		1			ZONE		100
May 2, 2009 6:52:	*			FT	01	98	OGDEN DE		600	0		1			ZONE		600
									700								
May 2, 2009 5:23:	*			FT	01				806	0		1					806
									806								
May 2, 2009 5:23:				FT	01				999	999		1					999
									999								
May 2, 2009 7:10:	*			FT	01	78623	VENTURA		626	0		1			ZONE		626
May 2, 2009 7:10:	*			FT	01	78623	VENTURA		4632	0		1			MID 17		4632
May 2, 2009 7:10:	*			FT	01	78623	VENTURA		299	0		1			ZONE		299
									5557								
May 2, 2009 7:10:				FT	01	78623	VENTURA		402	367		1			ZONE		402
May 2, 2009 7:10:				FT	01	78623	VENTURA		5155	4702		1			ZONE		5155
									5069								

Note: New intraday nomination paths are indicated by *.

Information displayed is representative of a shipper's specific zone delivery point nominations and contracts

Final Cycle Nomination Paths View Screen (cont)

Final Cycle Nomination Paths View - MODEL OFFICE

File Selection Tools Options Cancel

Undo Sort Print Preview Export Submit Delete Review Cancel

TSP: NORTHERN NATURAL GAS COMPANY Cycle: Final AM
 Gas Day: 5/1/2009 Reason: None - [] ID2 Sched Vol

Invalid Transactions Only Sum By Contract Processed by: []

me	Up K	Nom Qty	Sched Qty	Rec. Adj. Qty	Rank	Del. Loc.	Del. Loc. Name	Zone for Del Loc	Dn K	Nom Qty	Sched Qty	Del. Adj. Qty	Rank	Net Vol Change	Reas Code	Text Message
ZA	11121000	126	0		1		ZONE	ZONE D		122	0		1			
		569								558						
ZA	11121000	174	174		1		ZONE	ZONE		169	169		1			
ZA	11121000	153	153		1		ZONE	ZONE		148	148		1			
ZA	11121000	96	96		1		ZONE	ZONE		93	93		1			
ZA	11121000	146	146		1		ZONE	ZONE		142	142		1			
		569								552						
		0	0		0	98	OGDEN DEI	MID 17		700	0		1			Path Out of Balance
										700						
DE	11000112	100	0		1		ZONE	ZONE		100	0		1	100	INV	Grp: 583
DE	11000112	600	0		1		ZONE	ZONE		600	0		1	372	INV	Grp 740,583
		700								700						
RDF	00170000	806	0		1	37654	NNG FIELD.			799	0		1		INV	Pooling Point
RDF	00170000	999	999		1	37654	NNG FIELD.			990	990		1			
		806								799						
										999						
ZA	11107000	626	0		1		ZONE	ZONE		607	0		1			
ZA	11107000	4632	0		1	98	OGDEN DEI	MID 17		4493	0		1			
ZA	11107000	299	0		1		ZONE	ZONE		290	0		1			
		5557								5390						
ZA	11107000	402	367		1		ZONE	ZONE		390	356		1			
ZA	11107000	5155	4702		1		ZONE	ZONE		5000	4561		1			
		5069								4917						

Note: New intraday nomination paths are indicated by *.

Information displayed is representative of a shipper's specific zone delivery point nominations and contracts

Zone Percentages Screen

- **Purpose:** The *Zone Percentages Screen* displays the percent of a shipper's contract that is subject to allocation for the referenced Nomination Group
- **Column Definitions:**
 - **Group Number** – The reference number for a particular nomination group
 - **Point Number** – The Shipper's Zone POI# representing it's points within an Operational Zone
 - **Contract Number** – The Shipper's contract number.
 - **Percentage** – The percentage of a nomination to a zone point that is subject to allocation for a referenced nomination group
 - **Contract Percentage Calculation:**
 - The percentage of a shipper's zone point MDQ located within a nomination group relative to the total MDQ for that zone point
 - **Weighted Average Calculation:**
 - For contracts without any MDQ at the zone point, a weighted average will be calculated using all contract percentages from contracts with MDQ at the zone point
 - **Zero Percentage:**
 - The percentage of a shipper's zone point MDQ located within a nomination group relative to the total MDQ for that zone point is zero

Example Percentage Calculations

Percentage Calculation: - Shipper A

Contract Info: Contract No. 1	MDQ
Zone ABC - Shipper A	100
MDQ at points in Nomination Group	20
Percentage applied to Zone Nomination	20%

Shipper A's nomination for gas day	% in Allocation	Quantity considered
Zone ABC – Shipper A		
Primary = 50	50 x 20%	10
Alternate = 30	30 x 20%	6
Overrun = 20	20 x 20 %	4

Example:

Weighted Average:

	MDQ in Group	Total Zone Point MDQ	Percentage
Contract 1	20	100	20%
Contract 2	50	200	25%
Contract 3	20	150	13%
Contract 4	0	300	0%
Total	90	750	12%

Example:

Zero Percentage

	MDQ in Group	Total Zone Point MDQ	Percentage
Contract 5	0	500	0%

Percentages Screen (cont.)

Zone Point Percentages for Percentage Groups - MODEL OFFICE

GasDay: 5/1/2009 Cycle: Intraday 2 retrieve

Group Number	Point Number	Contract Number	Percentage
583	8077	111170	0%
583	8028	118707	17%
583	8077	102888	0%
583	8028	111887	100%
583	8028	101088	100%
583	8028	118881	33%
583	8028	118882	36%
583	8028	118702	21%
583	8000	0	100%
583	81427	20276	100%
583	8047	0	100%
583	8028	118883	8%
583	8000	118812	100%
583	8028	118702	24%
583	8000	20271	100%

A zero contract number is used to represent the weighted average percentage allocatable at a Zone point.

Note: A zero contract number is used to represent the weighted average percentage allocatable to any contract that does not have the associated point on their contract.

Information displayed is representative of a shipper's specific zone delivery point nominations and contracts

Additional Resources

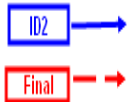
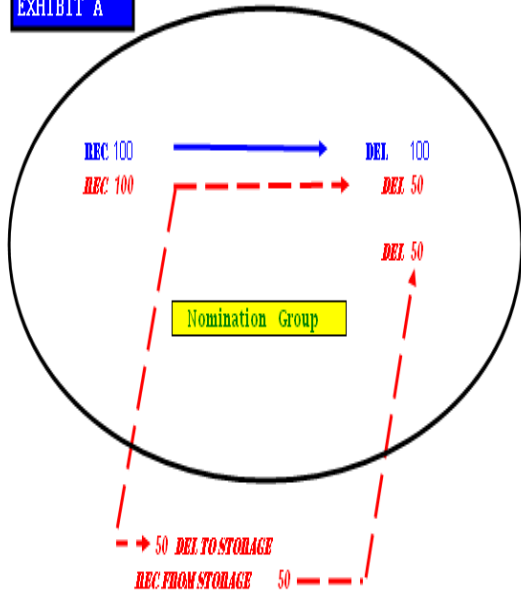
- Zones in Allocation Groups
- Group Allocation Receipt Points not Impacted

The screenshot displays the Northern Natural Gas website's 'Allocation of Capacity Overview' page. The top navigation bar includes links for Customer Activities, Informational Postings, News, Regulatory, Safety, Services, Support, Expansion Projects, and Asset Sales. The main header features the Northern Natural Gas logo and a secondary navigation bar with links for About Us, Careers, President's Message, and Contact. A breadcrumb trail indicates the current location: Home > Support > Allocation of Capacity Overview. A search bar is present, and a sidebar on the left lists various support topics. The main content area contains a search bar with the word 'support' entered, followed by the page title 'Allocation of Capacity Overview'. The text explains that capacity is allocated based on nominations exceeding physical pipeline capacity. A link for 'Frequently Asked Questions - Allocation of Transportation' is provided. Below this, a section titled 'Nomination Groups' lists receipt points not impacted in Group Allocations, including 'Zones in Allocation Groups', 'Oakland Nomination Group', 'Group Allocation Receipt Points Not Impacted', 'Hubbard East Nomination Group', 'Galena East Nomination Group', and 'Earlville Nomination Group'.

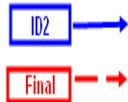
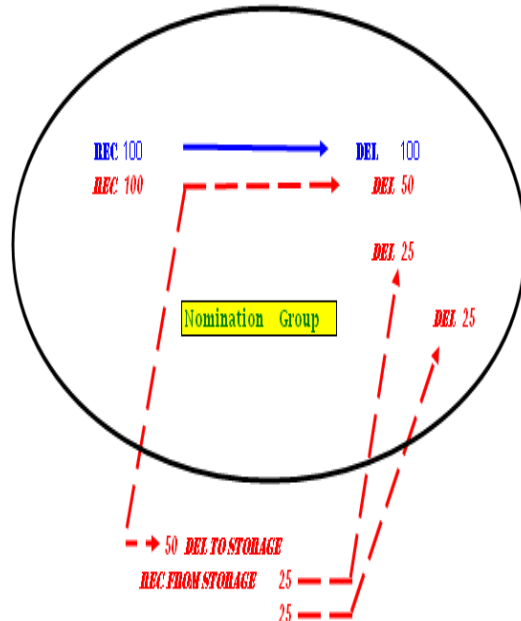
Valid/Invalid Transaction Examples

Receipt to Delivery Path within Nomination Group

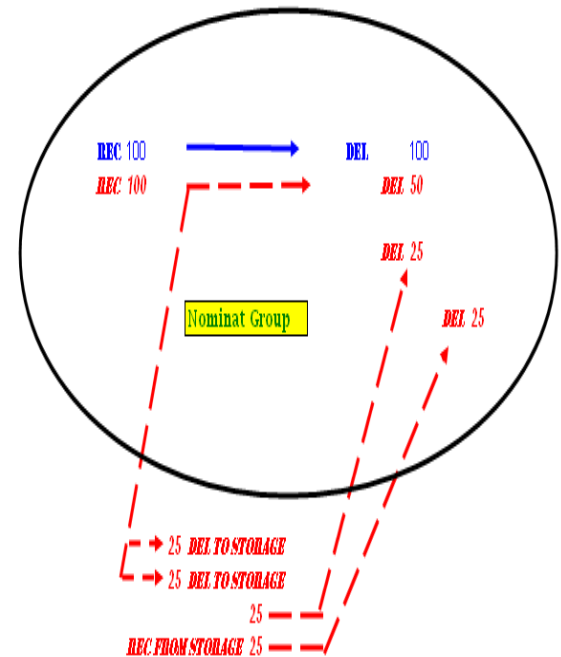
EXHIBIT A



VALID TRANSACTION
 when using Market Area storage including Demarc storage
 The reduction within the group is taken to storage and then replaced with an equal or less than withdrawal from storage and transportation path back into the group



INVALID TRANSACTION
 When using Ogden, Ventura, Pleasant Valley, Demarc and MID 17 Pooling storage

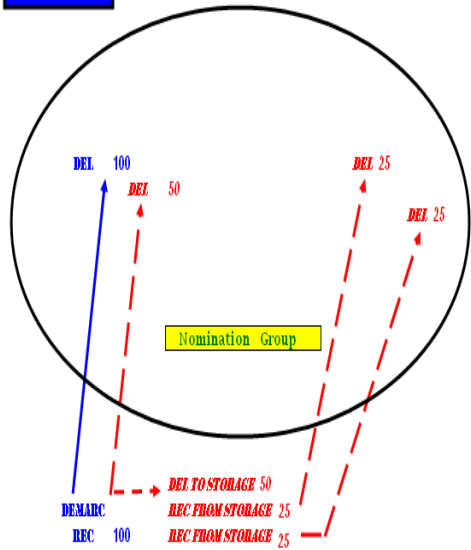


To make it a **VALID TRANSACTION**
 When using Ogden, Ventura, Pleasant Valley storage the shipper's nomination at Final to and from storage must match one-to-one. Use different package IDs on the paths to distinguish one from the other to avoid duplicate path problems

Valid/Invalid Transaction Examples

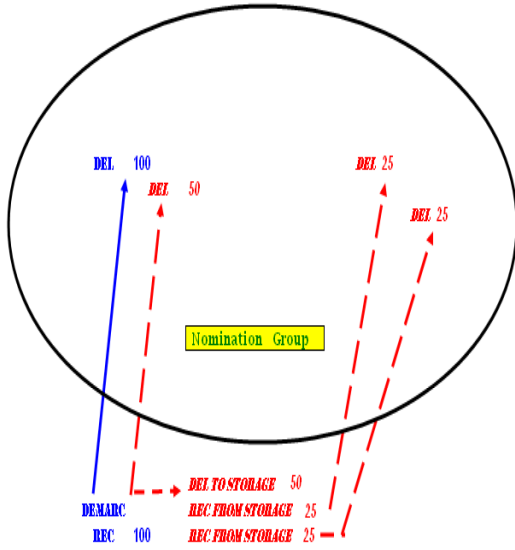
Receipt Outside to Delivery Inside Nomination Group

EXHIBIT B



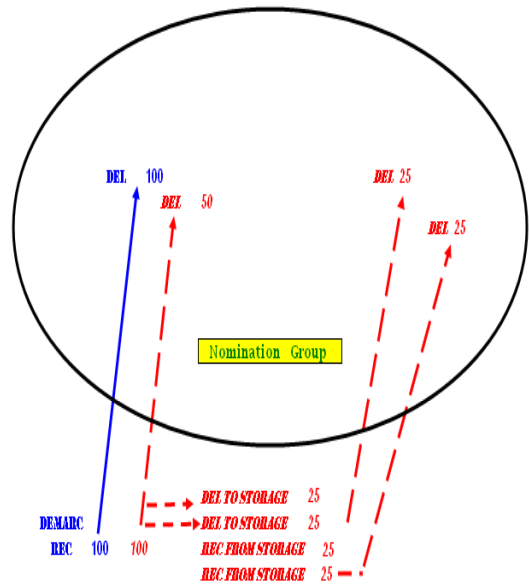
ID2 →
Final →

VALID TRANSACTION
When using Demarc or MID 17 Pool Storage



ID2 →
Final →

INVALID TRANSACTION
When using Ogden, Ventura, Pleasant Valley Storage



ID2 →
Final →

To make it a VALID TRANSACTION
When using Ogden, Ventura, Pleasant Valley storage the shipper's nomination at Final to and from storage must match one-to-one. Use different package IDs on the paths to distinguish one from the other to avoid duplicate path problems

Contacts

If you have questions, please contact your Customer Service Representative