



Imbalance Trading Procedures

Northern Natural Gas Company (NNG) will post all shipper Imbalances on its website by the 9th business day of the month. Any shipper who does NOT want its imbalance posted must submit a complete *Authorization for Imbalance Posting* form by fax to NNG before the end of the 7th Business Day of the month.

From the 9th business day until the end of the 17th business day of the month, NNG's shippers will have the opportunity to trade volumetric imbalances. Once a trade has been established, the trader who initiates the trade (Initiating Trader) must completely fill out the form *Request for Imbalance Trade*. Upon completion, the Initiating Trader must fax the form to the Confirming Trader.

The Confirming Trader must complete the *Imbalance Trade Confirmation* section of the *Request for Imbalance Trade* form. Upon completion, the Confirming Trader must fax the form to NNG's Accounting Coordinator listed in the section marked *Imbalance Trade Notification*.

After receipt of the Imbalance Trade Confirmation, the NNG Accounting Coordinator will accept the trade by completing the section of the *IMBALANCE TRADING* form marked *Imbalance Trade Notification* and fax the completed form back to both the Initiating Trader and Confirming Trader by 12 Noon CCT the next business day.

If an Initiating Trader decides to withdraw an imbalance trade, the Initiating Trader must submit a *Withdrawal for Request for Imbalance Trade* form by fax to the NNG Accounting Coordinator. An Imbalance Trade can only be withdrawn if the confirming party has NOT confirmed the imbalance trade.

Northern will display information provided by the shipper related to each imbalance by adding four new fields to the Posted Imbalances Report.

Open/Close: Shipper can indicate whether the imbalance is available for trade (*Open*) or not (*Close*).

Volumes: Shippers can designate the volume to be traded.

Price: Shippers can designate the desired trade price, if applicable.

Comments: Shipper can provide any additional information related to the trade.

To maintain security and the integrity of posted imbalance information, Northern will provide a separate secure web page for shippers to update any of the above identified fields.

From the above identified secure web page, shipper's can choose to update the following information:

Imbalance Trade Information: This is where shippers would have the ability to actually update the four new field identified above in paragraph 1).

Contact Information: This would allow shippers to proactively update Contact Name and Contact Phone Number and indicate whether the change is temporary or permanent.

Any Imbalance Trade Information or Contact Information updates made by shippers would then be automatically uploaded by Northern to the Posted Imbalances where other shippers would then be able to view the updated information.

A detailed user manual regarding these new modifications to the Posted Imbalances is located on Northern's "User Manuals" web page.

Questions regarding trading of imbalances should be directed to the following:

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