

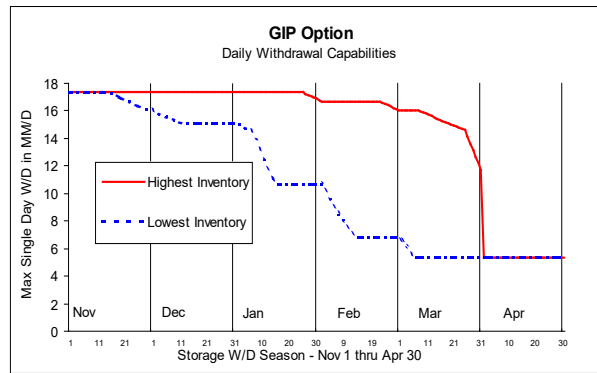
FIRM STORAGE SERVICE OPTIONS

Northern’s firm storage service is provided pursuant to the FDD Rate Schedule located in Northern’s FERC Gas Tariff. The injection season is June 1 through October 31. The withdrawal season is November 1 through May 31. For added flexibility, firm withdrawals are available during the injection season, and firm injections are available during either the entire withdrawal season, or through April with interruptible injections and withdrawals being available in May, dependent on the service option that is elected. Northern’s FDD provides storage asset values, supply reliability, swing flexibility, scheduling priorities, and is a leverage vehicle for enhanced economic opportunities. FDD has added optionality with the use of intra-day nominations to allow real-time adjustments to unplanned market under or over takes up until 8:00 a.m. of the gas day ending.

FDD Firm Withdrawal Capabilities
Sample Contract Quantity: 1,000,000 MMBtu

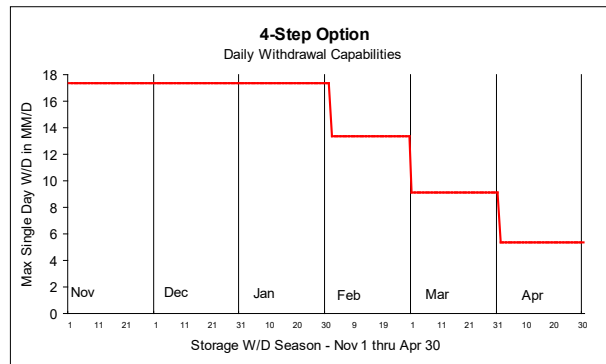
1. Gas-In-Place Option

Under this option, a shipper’s daily deliverability is based on the inventory level in the shipper’s account. The greater the shipper’s inventory level, the greater their peak daily deliverability. The diagram to the right depicts the peak winter deliverability capabilities, subject to the shipper’s actual account inventory.



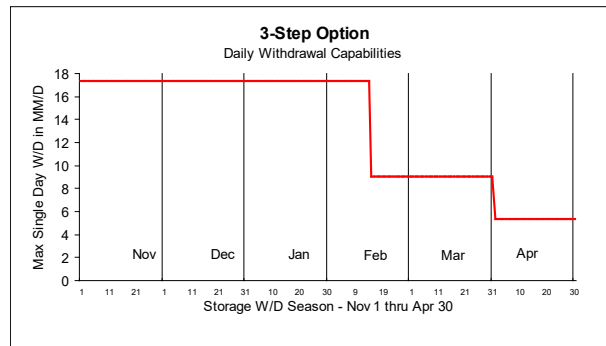
2. 4-Step Withdrawal Option

The 4-Step withdrawal option provides fixed levels of peak daily deliverability for each month of the service. The diagram at the right depicts the peak winter deliverability capabilities.



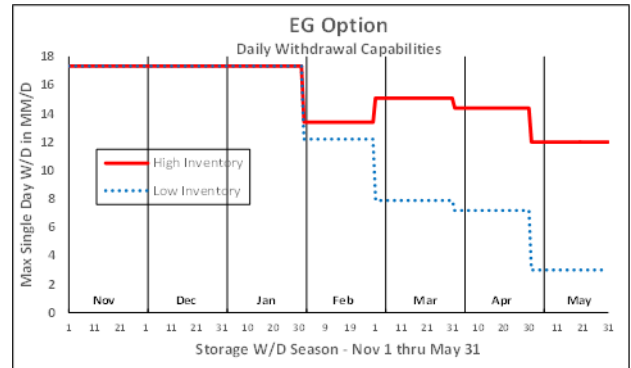
3. 3-Step Withdrawal Option

Fixed peak daily deliverability is provided for specific time periods. This structure is similar to the 4-Step option with the exception of February’s peak daily deliverability, as shown in the diagram to the right.



4. EG Option

Fixed peak daily deliverability is provided during November through January. Mid to late winter daily deliverability in February through May is based on the contract inventory level.



RATES

The individual rate components are listed in Northern’s tariff Part 4, Section 6.

Many shippers cycle volumes through the account utilizing midseason injection and withdrawal capabilities. Cycling volumes by an amount equal to 20% - 30% effectively reduces the unit cycle cost. Please see Northern’s FDD tariff for additional information regarding Northern’s FDD service.

CONTRACT TERM

The minimum contract term is one (1) year. Multi-year contracts must also be in one (1) year increments. Each term begins on June 1 and ends on May 31 of the following year. Maximum tariff rate contracts will have guaranteed right of first refusal at the end of the contract term.

SERVICE OPTIONS

Customers may change service options by electing to do so prior to the beginning of each cycle year (June 1). Customers with multiple year contracts will have the right to elect different options each cycle year.

The basic terms and conditions for the Gas-In-Place Option, 4_Step Withdrawal Option and the 3_Step Withdrawal Option are identical. These terms and conditions include term length, rates, scheduling priorities and maximum and minimum peak day deliverability for a given cycle volume. The service options differ in the timing of peak day deliverability between the beginning of the injection or withdrawal period through the end of each period.

Under the Gas-In-Place option, a shipper’s daily deliverability is based on the inventory level that is in the shipper’s account. The greater the inventory, the greater the peak daily deliverability that is available. The 4-Step withdrawal option provides fixed levels of peak daily deliverability for each month of the service. The 3-Step withdrawal option is similar to the 4-Step option in that fixed peak daily deliverability is provided for specific time periods. The difference is peak daily deliverability for February 1-14 is the same as January, and the peak daily deliverability for February 15-28 is the same as March. The 3-Step advantage is the highest peak day deliverability is maintained for the longest period of time.

The EG Option is limited to 10 Bcf of Northern’s firm storage quantity. The parameters offer enhanced firm daily injection and withdrawal rights and provide firm daily rights in May. The EG Option has mandatory monthly maximum and minimum inventory bands. Daily deliverability for February through May is based on the contract’s current inventory level.

INJECTION PERIOD

During the injection period (June 1 through October 31), the shipper has firm injection and withdrawal rights on a daily basis. These rights are listed below for each service option.

**Period Maximum Injection Requirements, MMBtu
1 Bcf Contract Example**

Gas-In-Place Option	4-Step Withdrawal Option	3-Step Withdrawal Option	EG Option
Up to 66.5% of cycle quantity (665,000 MMBtu) may be injected prior to September 1.	Up to 66.5% of cycle quantity (665,000 MMBtu) may be injected prior to September 1.	Up to 66.5% of cycle quantity (665,000 MMBtu) may be injected prior to September 1.	No period requirement Monthly Inventory Jun 0-100% Jul 0-100% Aug 0-75% Sep 0-75% Oct 0-70%

**Daily Maximum Injection Rights, MMBtu/d
1 Bcf Contract Example**

Gas-In-Place Option		4-Step Withdrawal Option	3-Step Withdrawal Option	EG Option
Inventory Amounts <u>MMBtu</u>	Daily Maximum <u>Amounts</u> <u>MMBtu/d</u>			
Inventory <400,000	6,818 + 900 per 100,000 of inventory in excess of 0	Jun 7,895 Jul 9,330 Aug 10,407 Sep 11,005 Oct 11,005	Jun 7,895 Jul 9,330 Aug 10,407 Sep 11,005 Oct 11,005	Jun 11,005 Jul 11,005 Aug 11,005 Sep 11,005 Oct 11,005
Inventory >400,000 but <800,000	10,407 + 150 per 100,000 of inventory in excess of 400,000			
Inventory >800,000	11,005			

**Daily Maximum Withdrawal Rights, MMBtu/d
1 Bcf Contract Example**

Gas-In-Place Option		4-Step Withdrawal Option	3-Step Withdrawal Option	EG Option
Inventory Amount <u>MMBtu</u>	Daily Maximum <u>Amounts</u> <u>MMBtu/d</u>			
Inventory <400,000	4,415	Jun 4,415	Jun 4,415	Jun 17,345
Inventory >400,000 but <800,000	5,519	Jul 4,415 Aug 5,519 Sep 6,623 Oct 6,623	Jul 4,415 Aug 5,519 Sep 6,623 Oct 6,623	Jul 17,345 Aug 17,345 Sep 17,345 Oct 17,345
Inventory >800,000	6,623			

WITHDRAWAL PERIOD

The withdrawal period is November 1 through May 31. For Gas-In-Place, 4-Step and 3-Step the shipper has firm withdrawal and injection rights on a daily basis through the month of April. Only interruptible injections and withdrawals are available in May. For the EG Option the shipper has firm rights from November through May. These rights are listed below for each service option.

**Period Minimum Withdrawal and Inventory Requirements, MMBtu
1 Bcf Contract Example**

Gas-In-Place Option	4-Step Withdrawal Option	3-Step Withdrawal Option	EG Option
Up to 85.6% of cycle quantity (856,000 MMBtu) may be withdrawn prior to February 1.	Up to 60% of cycle quantity (600,000 MMBtu) may be withdrawn prior to February 1.	Up to 60% of cycle quantity (600,000 MMBtu) may be withdrawn prior to February 1.	No period requirement.
Up to 53.6% (536,000 MMBtu) of cycle quantity may be withdrawn beginning March 1 and after.	Up to 25% of cycle quantity (250,000 MMBtu) may be withdrawn beginning March 1 and after.	Up to 25% of cycle quantity (250,000 MMBtu) may be withdrawn beginning March 1 and after.	Monthly Inventory Nov 0-70% Dec 0-100% Jan 40-100% Feb 30-100% Mar 30-100% Apr 30-100% May 0-100%

**Daily Maximum Withdrawal Rights, MMBtu/d
1 Bcf Contract Example**

Gas-In-Place Option		4-Step Withdrawal Option		3-Step Withdrawal Option		EG Option	
Inventory Amount, MMBtu	Daily Maximum, MMBtu/d	Nov	17,345	Nov	17,345	Nov	17,345
Inventory >750,000	17,345	Dec	17,345	Dec	17,345	Dec	17,345
		Jan	17,345	Jan	17,345	Jan	17,345
		Feb	13,397	Feb 1-14	17,345	Feb	13,397
						Mar	15,091
						Apr	14,383
						May	12,000
Inventory <750,000 but >250,000	14,593 + 550 per 100,000 of inventory in excess of 250,000	Mar	9,091	Feb 15-28	9,091		
		Apr	5,383	Mar	9,091		
		May	Interruptible	Apr	5,383		
				May	Interruptible		
Inventory <250,000	5,383 + 3,670 per 100,000 of inventory in excess of 0						
April	5,383						
May	Interruptible						

**Daily Maximum Injection Rights, MMBtu/d
1 Bcf Contract Example**

Gas-In-Place Option		4-Step Withdrawal Option		3-Step Withdrawal Option		EG Option	
Nov	4,018	Nov	4,018	Nov	4,018	Nov	5,000
Dec	4,018	Dec	4,018	Dec	4,018	Dec	11,005
Jan	4,018	Jan	4,018	Jan	4,018	Jan	11,005
Feb	4,018	Feb	4,018	Feb	4,018	Feb	11,005
Mar	4,018	Mar	4,018	Mar	4,018	Mar	11,005
Apr	2,009	Apr	2,009	Apr	2,009	Apr	11,005
May	Interruptible	May	Interruptible	May	Interruptible		

NOMINATIONS & SCHEDULING

The key advantage of Northern's firm storage is the ability to make changes to the scheduled FDD injection or withdrawal quantity up until the end of the gas day. The end of the gas day nomination capability is an excellent way to balance daily supply or market variations. Northern's standard transportation nomination requirements and processes also apply to storage nominations.

Overrun of firm injection or firm withdrawal capabilities is made available regularly. Postings on Northern's Internet web site make this information available on a daily basis.

BILLING

The individual rate components are listed in Northern's tariff Part 4, Section 6.

Reservation Charge

The reservation charge is billed monthly for 12 months beginning in June. The monthly bill is equal to the reservation charge multiplied by the maximum daily withdrawal period firm quantity.

Capacity Charge

The capacity charge is billed each month during the injection period. The monthly bill is equal to the capacity charge multiplied by FDD contract quantity divided by 5 (the total capacity charge is billed equally over the Injection Period of June through October).

Injection Charge

The injection charge is applicable to all quantities injected during the injection period of June through October. The injection charge during the withdrawal period of November through May equals the Authorized Overrun charge except for the EG Option which will remain as the injection charge.

Withdrawal Charge

The withdrawal charge is applicable to all quantities withdrawn during the withdrawal period of November through May. The withdrawal charge during the injection period of June through October equals the Authorized Overrun charge except for the EG Option which will remain as the withdrawal charge.

Authorized Overrun Charge

The authorized overrun charge is applicable to volumes in excess of the shipper's maximum daily firm injection or withdrawal quantities. This charge is also applicable to volumes for period quantities.

Rollover Charge

The rollover charge is applicable to account balances held in the shipper's FDD account at the end of the withdrawal period. This charge is not applicable to the EG Option.