

Storage Balancing Service (SBS) Overview

If elected, Northern will automatically schedule storage injections when a loss of market occurs and/or storage withdrawals when a loss of supply occurs to keep pooling and/or transportation contract(s) in balance. Northern will also automatically schedule any related applicable transportation path required to move the quantities to or from storage.

- SBS is available upon request by submitting a <u>Request for Storage Balancing Service</u> form to Northern
 - New requests for SBS must be received and processed prior to the Intraday 3 nomination cycle deadline for the designated gas day.
 - Modification/Suspension of existing SBS must be received and processed prior to the Timely nomination cycle deadline for the designated gas day.
 - Termination of existing SBS will occur at the end of the designated gas day.
- With SBS, a shipper authorizes Northern to access its designated storage contract during the nomination cycles performed each day.
- SBS will be activated when the transportation or pooling contract is cut due to pipeline balancing, allocation, curtailment, or confirmation reductions during the scheduling process.
- The transportation and storage activity performed on the shippers' behalf under SBS is subject to the provisions of Northern's FERC Gas Tariff and the service agreement.
- If a shipper designates a Firm Deferred Delivery (FDD) contract for purposes of SBS, access to the FDD contract for balancing will be limited to the Firm Daily Quantity (FDQ) in effect at that time. Shippers are encouraged to designate an Interruptible Deferred Delivery (IDD) contract as a secondary storage contract when requesting SBS in the event quantities above the FDD contract's FDQ are required.
- SBS may not be available in the event of allocations of Northern's storage service and/or transportation service associated with storage nominations during transportation allocations. SBS availability is indicated in the <u>Market Area Allocation Overview</u> and <u>Field</u> <u>Area Allocation Overview</u> documents in the Storage Usage Matrix for each of the specific transportation allocation groups.

Request for Storage Balancing Service

- The requesting shipper must have a valid service agreement under Rate Schedule FDD and/or IDD.
- Shipper must submit a Request for Storage Balancing Option form with the following information:
 - SBS Request for a Pooling contract (MPS)
 - Storage contract number(s)
 - Transportation contract number
 - All SBS activity related to a pooling contract will utilize the pool's associated storage point unless a different storage point is designated on the Request for Storage Balancing Option form.
 - SBS Request for a Transportation contract (TF/TFX)
 - Storage contract number(s)

- Storage point name
- Storage point location (Loc) number
- When FDD contracts are designated as the balancing storage contract, the available storage points are limited to points listed in the FDD contract.
- In the case where multiple pools are tied to one pooling contract (Field Area), SBS injections/withdrawals will automatically use the associated storage point for the pool being cut, unless a different storage point is designated on the Request for Storage Balancing Service form. If a different storage point is designated, it will be used to execute all injections/withdrawals regardless of the pool receiving the cut.

Rates and Fees

- There are no fees charged for SBS; however, the transportation and storage activity scheduled in conjunction with providing the balancing service is subject to the then effective tariff rates for transportation and storage.
- In the event injections and withdrawals are scheduled on the same day to the same storage point, the shipper will be subject to both injection and withdrawal fees on the respective quantities and, if under an IDD contract, the quantities will be assessed a Monthly Inventory Charge (MIC) on the net activity.