Final 8:00 a.m. Cycle Guidelines

Purpose

The purpose of the Final 8:00 a.m. process is to provide shippers and agents the opportunity to true-up burns. True-up is allowed by either a storage injection or storage withdrawal or redirecting of Intraday 3 cycle scheduled quantities within the parameters set forth below. Physical receipt and delivery nominations implemented through a (i) *Storage Agreement Daily Detail* (SADD) or (ii) *Emergency*[1] *Alternative Supply Agreement* (EASA)[2] after the Intraday 3 cycle, are processed during the Final 8:00 a.m. process.

General

1. Nomination deadline is 8:00 a.m., CCT
2. It is the shipper's responsibility to notify operators of new nominations for confirmation.
3. Third party operators must confirm new nominations by 8:30 a.m.
4. Increases or decreases to pools are not allowed.
5. Increases or decreases at interconnects are not allowed unless such changes were implemented by a SADD or EASA agreement between all impacted parties prior to the Final 8:00 a.m. cycle.
6. Increases to an allocated delivery point or group are not allowed.
7. Except as provided below, shippers/agents may net the overall storage activity within the same rate schedule. Overall net increases at a storage point or into an allocated group are not allowed.

Storage Injection Allocations

1. Injection decreases from Intraday 3 scheduled quantities are allowed. Injection increases from Intraday 3 scheduled quantities are not allowed.
2. Withdrawal increases from Intraday 3 scheduled quantities are allowed. Withdrawal decreases from Intraday 3 scheduled quantities are not allowed. (see FDD exception No. 4 below)
3. Shippers/agents may net the overall changes to storage activity within the same rate schedule as long as the same scheduling priority of service is used; e.g., Changes to increase FDD injections within FDQ must be offset by equivalent increase to FDD withdrawals within FDQ. If the change to injections is nominated as overrun, then the corresponding change to withdrawals must also be nominated as overrun. An overall net increase in injections from the Intraday 3 scheduled quantities is not allowed.
4. During the withdrawal period (November-April), FDD shippers may reduce the Intraday 3 scheduled withdrawal when injections have been allocated in Intraday 3, but the aggregate reduction changes, from all FDD shippers cannot be greater than the daily maximum injection FDQ during the withdrawal period for FDD service. If the aggregate withdrawal reduction quantity is greater than the daily maximum withdrawal FDQ during the injection period for FDD service, the withdrawal reductions will be allocated on a pro-rata basis. Northern's customer service will notify the affected FDD shippers of the allocated quantity in order for the FDD shipper to adjust its final nomination. If the FDD shipper chooses not to adjust its final

[1]Emergency means a situation in which the participants, in good faith, determine that immediate action is reasonably required for an unanticipated loss of natural gas supply due to a facility outage and (i) for the protection of life or health or (ii) to avoid damage to physical property. Emergency does not mean any situation resulting from a failure by any person to transport natural gas on Northern's sytem.

[2]An EASA may not require the use of Northern's storage services.

These guidelines are not a guarantee of scheduling. Due to the complexity of multiple allocations, Northern reserves the right to update these guidelines at any time. In the event of conflict between these guidelines and Northern's tariff, Northern's tariff applies.

nominations to the pro-rata allocated quantity, Northern will invalidate the shipper's entire final FDD nomination. (See chart on page 3)

Storage Withdrawal Allocations

1. Withdrawal decreases from Intraday 3 scheduled quantities are allowed. Withdrawal increases from Intraday 3 scheduled quantities are not allowed.
2. Injection increases from Intraday 3 scheduled quantities are allowed. Injection decreases from Intraday 3 scheduled quantities are not allowed. (see FDD exception No. 4 below)
3. Shippers/agents may net the overall changes to storage activity within the same rate schedule as long as the same scheduling priority of service is used; e.g., changes to increase FDD withdrawals within FDQ must be offset by equivalent increase to FDD injections within FDQ. If the change to withdrawals is nominated as overrun, then the corresponding change to injections must also be nominated as overrun an overall net increase in withdrawals from Intraday 3 scheduled volumes is not allowed.
4. During the injection period (June-October), FDD shippers may reduce the Intraday 3 scheduled injections when withdrawals have been allocated in Intraday 3, but the aggregate reduction changes, from all FDD shippers cannot be greater than the daily maximum withdrawal FDQ during the injection period for FDD service. If the aggregate injection increase quantity is greater than the daily maximum injection FDQ during the withdrawal period for FDD service, the injection increases will be allocated on a pro-rata basis. Northern's customer service will notify the affected FDD shippers of the allocated quantity in order for the FDD shipper to adjust its final nomination. If the FDD shipper chooses not to adjust its final nominations to the pro-rata allocated quantity, Northern will invalidate the shipper's entire FDD nomination. (See chart on page 3)

Group Allocations

1. Shippers/agents may not balance across group allocations. Reductions in one group cannot be used as increases in another group. (e.g., if Oakland and Palmyra North are allocated, a decrease in the Oakland allocation cannot be used to increase a point in the Palmyra North group)
2. Shippers may redirect supplies "inside" of the nomination group to other delivery points within the same nomination group during the Final 8:00 a.m. cycle. (e.g., Ventura POI 192 receipt being delivered to a zone or point within the same group)
3. Shippers may redirect supplies "outside" of the nomination group to other delivery points "inside" the same nomination group if those supplies were scheduled during the Intraday 3 cycle. (e.g., Demarc POI 37654 being delivered to a zone or point within the same group)
4. Gas sourced from Ventura/Ventura Pool may not be netted with gas sourced through Demarc. (e.g., shippers may not use a decrease into an allocated group from Ventura/Ventura pool receipt as an increase into the allocated group from a Demarc receipt)
5. For more information on which receipt points may or may not satisfy the criteria of "inside" or "outside" a group, please refer to the Allocation of Capacity Overview documents located in the support section of Northern's website.

These guidelines are not a guarantee of scheduling. Due to the complexity of multiple allocations, Northern reserves the right to update these guidelines at any time. In the event of conflict between these guidelines and Northern's tariff, Northern's tariff applies.

Northern Natural Gas

Final 8:00 a.m. Cycle Guidelines

Rules for Final 8:00 a.m. cycle

Final 8 a.m. Cycle Nomination Changes	Storage Allocation Type			
	Withdrawal Season (November through May)		Injection Season (June through October)	
	Injection	Withdrawal	Injection	Withdrawal
Increase Injections	Not allowed	Allowed	Not allowed	Allowed
Decrease Scheduled Injections	Allowed	Not allowed	Allowed	Allowed - Limited[2]
Increase Withdrawals	Allowed	Not allowed	Allowed	Not allowed
Decrease Scheduled Withdrawals	Allowed - Limited[1]	Allowed	Not allowed	Allowed

Footnotes:
[1]Customers can decrease their ID3 scheduled withdrawal quantities (excluding FDD overrun) as long as the aggregate of all FDD customers' withdrawal reductions does not exceed the FDQ (Firm Daily Quantity) of all FDD customers for that applicable period (see Tariff Sheet No. 135B). If the aggregate withdrawal reduction quantity exceeds the FDQ of all FDD customers, TMS will calculate a pro-rata allocation to all FDD withdrawal reductions.

[2]Customers can decrease their ID3 scheduled injection quantities (excluding FDD overrun) as long as the aggregate of all FDD customers' injection reduction does not exceed the FDQ (Firm Daily Quantity) of all FDD customers for that applicable period (see Tariff Sheet No. 135B). If the aggregate injection reduction quantity exceeds the FDQ of all FDD customers, TMS will calculate a pro-rata allocation to all FDD injection reductions.

These guidelines are not a guarantee of scheduling. Due to the complexity of multiple allocations, Northern reserves the right to update these guidelines at any time. In the event of conflict between these guidelines and Northern's tariff, Northern's tariff applies.