

GENERAL TERMS AND CONDITIONS

Measuring Equipment Out of Repair. If, for any reason, any measuring equipment is out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during such period shall be estimated by the parties on the basis of the best data available using the first of the following methods which is feasible:

- a) By using the registration of any check measuring equipment installed and accurately registering; or
- b) By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculations; or
- c) By estimating the quantity of delivery by deliveries during a preceding period under similar conditions when the meter was registering accurately.

Adjustment of Inaccuracies. If any meter is found to be inoperative or inaccurate, it shall be adjusted to register correctly. The amount of error shall be determined by the most accurate method found feasible, and, if the error shall have resulted in an error of more than two percent (2%) in the measurement of gas delivered, then the calculated deliveries of gas through such meter shall be accurately adjusted to compensate for such error. Such adjustment shall be made for such period of inaccuracy as may be definitely known, or if not known, then for one-half the period since the date of the last meter test. Measurement data corrections must be processed within six (6) months of the production month with a three (3) month rebuttal period. This time limitation will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Also, the parties' other statutory or contractual rights shall not otherwise be diminished by this provision. A meter adjustment or correction becomes a prior period adjustment after the fifth business day following the production month. Any measurement prior period adjustments are taken back to the production month.

3. MERCHANTABLE GAS

Natural gas delivered by Northern to a Shipper shall be merchantable natural gas. Upon request, Northern will offer to negotiate with a Delivery Point Operator, on a not unduly discriminatory basis, how Northern will manage the quality of gas delivered to the Delivery Point Operator. The quality of gas delivered to other Shippers on the pipeline will not be degraded by the negotiation of gas quality management at delivery points.