

GENERAL TERMS AND CONDITIONS

formula. The load forecast formula will be based on the latest available forecasted temperatures at 8:00 a.m. the day before gas flow, using the National Ocean and Atmospheric Administration (NOAA) weather forecasting service. The forecasted volume will be based on three years of historical daily volume flows recorded in Northern's Gas Volume Allocation (GVA) system at the non-telemetered points at the forecasted temperature based on the season, month and day of the week. Northern and Shipper may agree to adjust the formula to equal the MDQ for verifiable changes to the historical daily volume flows. The formula is as follows:

Forecasted volume = Intercept + Feb + Mar + Apr + May + Jun + Jul + Aug + Sep + Oct + Nov + Dec + Season + Year + Holiday + Mon + Tues + Weds + Thurs + Fri + Sat + Temp + Temp2 + Lag High + 7 Day Avg Temp

Each point is mapped to the closest weather station where daily forecasts can be identified. The Shipper and Northern will review and agree to the load forecast formula results prior to committing to the program. Northern and Shipper may agree to use a different load forecast formula, subject to Northern filing such formula with the Commission.

Standards for Operational Zone Boundary Changes

Shipper may request a change in the currently effective Operational Zone boundaries or may request that a delivery point(s) be moved from one Operational Zone to another. Such request shall be made in writing and shall set forth the name of the Shipper, the delivery point(s) involved, and the reasons for requesting the change or move.

- a. Northern shall evaluate any such request using the following requirements:
 - i. Shipper has had delivery point(s) in the Operational Zone to which Shipper has requested the delivery point(s) be changed or moved for a period of at least twelve (12) consecutive months;
 - ii. circumstances at the particular delivery point(s) that Shipper desires to change or move have changed from those existing at the time the existing boundaries were established, e.g., a change in ownership of the delivery point(s); a change in the size of the load at the delivery point(s); or an intervening change in Northern's tariff which, in conjunction with the change or move in delivery point(s), would simplify Shipper's nomination process; and
 - iii. the change will not result in negative operational consequences or other system management problems for Northern or other shippers. As part of the assessment of the operational and system management consequences of the requested change, Northern shall perform a flow study, based on the three most recent scheduling allocations in the Operational Zone in which the delivery point(s) specified in the Shipper's request currently are located, demonstrating how those allocations would have been affected had the delivery point(s) not been in that Operational Zone at the time of the allocations. To the extent Northern demonstrates that increased allocations, SOL, SUL or Critical Days or other operational or system management impacts will occur as a result of the change, the request will be denied.
- b. If Northern determines that the requirements set forth in subsection a. have been met, Northern shall make a Section 4 tariff filing requesting Commission approval to make the proposed change or move. No such change or move shall be made until Commission approval has been obtained.
- c. If the request is granted and negative operational or other adverse consequences result, Northern has the right to make a filing with the Commission to (1) restore the Operational Zone boundaries that existed prior to the change, or (2) return the delivery point(s) to the original Operational Zone. Pending the outcome of the filing before the Commission, Northern has the right to take interim actions that address the negative operational impact or other adverse consequences. Such interim actions include, but are not limited to, the actions set forth in c(1) and c(2) above.