

GENERAL TERMS AND CONDITIONS

(v) Blackout

Northern has the right to call blackout periods for the Market Area and the Field Area for in-kind resolution. During blackout periods the amount of imbalance available for in-kind resolution will be the greater of 1.0% of the Shipper's monthly scheduled volumes, or 1,000 MMBtu, subject to the availability of capacity. Northern will post on its website by the 20th day of the production month whether such month is a blackout period and the direction of imbalances (long or short) for which the blackout period applies. Northern will be able to call a maximum number of 10 blackout periods per calendar year in the Market Area and a maximum of 5 blackout periods per calendar year in the Field Area. Provided, however, the calling of a blackout period in the Field Area shall be limited as follows: Commencing January 1, 2005 and continuing through the trigger month(s) (defined herein), Northern may not call any blackout periods in the Field Area. During any month in which Northern has called a blackout period for the Market Area, and Field Area transportation imbalances incurred at non-OBA points exceed 1% of the shippers' aggregated scheduled transportation volumes in the same direction as the Market Area blackout (trigger month), Northern's ability to call blackout periods in the Field Area will begin. Each trigger event will allow for blackout periods to be called in the Field Area for a 12-month consecutive period thereafter. If during such 12-month period, another trigger month occurs, i.e., Northern calls a black out period for the Market Area, and Field Area transportation imbalances incurred at non-OBA points exceed 1% of the shippers' aggregated scheduled transportation volumes in the same direction as the Market Area blackout, a new 12-month period will commence during which Northern shall have the right to call blackout periods in the Field Area. If, however, no subsequent trigger month occurs during such 12-month period, Northern may not call a blackout period in the Field Area until a new trigger month occurs. The blackout periods are applicable to only one direction of imbalance (short or long) during any one month. Northern will post on its website the market and operational conditions that required the calling of a blackout period including the intra-month price differentials.

Northern's other imbalance resolution methods (trading, imbalance-to-storage and cash-out) shall be available for imbalances created in blackout periods.

- G. Imbalances Related to Pipeline Operational Activity. If, for operational reasons, Northern requests a Shipper to pack or draft the system within a given month, any resulting Volumetric Imbalance will have a Dollar Valuation based on the applicable Market Area or Field Area Average Monthly Index Price for the given month. The provisions of this Subsection G specifically apply only to those volumes included in Northern's request. Shipper has the option to notify Northern that it wishes to resolve such imbalance volumetrically, subject to the nomination and scheduling parameters of Northern's tariff.
- H. Prior Period Adjustments (PPA). Any transportation imbalance in a given month, including a PPA related to Plant Volume Reduction (PVR) created by throughput occurring in a previous month, will have a Dollar Valuation based on the applicable Market Area, Field Area, or Gulf Coast Average Weekly Index Price without tiering for the month in which the throughput occurred for purposes of using the Monthly Cash-out/in Mechanism.
- I. [Reserved for Future Use]