

GENERAL TERMS AND CONDITIONS

35. ANNUAL RATE ADJUSTMENT TO REFLECT

GAS RESEARCH INSTITUTE CHARGES (GRI)

Purpose. Northern has joined with other gas enterprises in the formation of, the participation in the activities of, and the financing of the Gas Research Institute ("G.R.I."), an Illinois not-for-profit corporation. G.R.I. has been organized for the purpose of sponsoring Research, Development and Demonstration ("RD&D") programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers and the general public.