

GENERAL TERMS AND CONDITIONS

Provided, however, Northern may limit a non-creditworthy Shipper's activity that would create or increase Northern's credit exposure to Shipper related to storage gas loans. Upon Shipper's providing financial assurance in a form acceptable to Northern in an amount equal to the outstanding value of any storage gas loaned to the Shipper and the value of any storage gas to be loaned, the Shipper may create or increase a storage loaned gas balance, up to the dollar value provided. The requirements set forth in the paragraph above shall continue to apply to suspensions and terminations of all service.

Shipper shall have the right to request that its credit status be reevaluated by Northern at any time. If the Security requirements are terminated and the Shipper previously had provided Northern cash Security, the Shipper may elect to have the security returned.

Northern may determine that a Shipper is no longer creditworthy if, in the reasonable opinion of Northern, a Shipper (or its guarantor) suffers a material adverse change (i.e., default on indebtedness, restatement of financials, non-payment) in its financial condition such that Shipper's ability to perform its obligations to Northern is materially impaired. If Shipper is no longer creditworthy, Northern may require financial statements and, when applicable, Security as set forth herein. Shipper shall have the right to demonstrate that the material adverse change has been remedied and request that Northern reevaluate the Shipper's creditworthiness to determine whether the Security requirements can be terminated.

If Shipper is unable to maintain creditworthiness and has not provided Security, any executed service agreement(s) may be terminated or suspended as set forth herein. Shipper is not responsible for reservation charges while service is suspended. If Shipper has defaulted under an agreement then, after providing 5 days written notice to Shipper to cure such default and Shipper's failure to cure such default, Northern shall net and/or setoff, as allowed by law, all positions (transportation, storage, imbalances, SBA, rate refunds, etc.) prior to settling outstanding account balances with the Shipper. For purposes of netting and/or setoff of obligations, gas balances shall first be dollar-valued based on the posted Midpoint Price for "Northern demarc" as published in "Gas Daily" for the most recent date available at the time the setoff occurs. Further, gas volumes loaned by Northern to Shipper and gas volumes held by Northern on behalf of the Shipper shall be considered mutual debts owed. Northern shall have the right to assert any liens or other interests, consistent with applicable law, against any gas remaining on its system.

Northern will also consider a Small Customer's past payment record with Northern. Specifically, if a Small Customer is current with its payments to Northern, and has not been delinquent in paying its bills to Northern over the past twelve months (with good faith billing disputes excepted), the Small Customer shall be deemed to have met the creditworthiness standard with respect to new or existing transportation and storage contracts with Northern. For other Shippers, Northern shall consider such Shipper's past payment history as one of the factors in determining such Shipper's creditworthiness.