

GENERAL TERMS AND CONDITIONS

Before issuing a Critical Day notice, an SOL Day will be posted. Prior to posting a Critical Day notice, subject to timing and availability, Northern will use its operating tools to attempt to alleviate the operational concern. Such tools include line pack, operational storage, Carlton Resolution, LNG, and System Balancing Agreements (SBA).

1. Notice. Northern will post the Critical Day notice on its website no later than two and one-half (2 1/2) hours prior to the NAESB Grid Cycle nomination deadlines for the Critical Day Gas Day. The Critical Day will remain in affect for the remainder of the Gas Day. Northern will post a new notice for each subsequent Gas Day, as applicable. The notice will contain the following information:
 - (i) The affected area;
 - (ii) Offending Shipper(s), if known, subject to the Critical Day;
 - (iii) The day and time that the Critical Day will become effective;
 - (iv) The operational variables for the following: line pack and projected long/short gas;
 - (v) Weather forecasts; and
 - (vi) Demarc and MIP prices.
2. Reporting. Northern will post on its Internet website within a reasonable period of time following the conclusion of the Critical Day, a report describing the conditions that required the issuance and the termination of the Critical Day.
3. Critical Day DDVCs. In the event Northern calls a Critical Day, the determination of the volumes subject to Positive DDVC and Punitive DDVC are as set forth above in this Section, and no tolerance will apply above the Shipper's MDQ (including any overrun volumes scheduled) before DDVC's apply. However, the rates such Positive volumes and Punitive volumes are charged shall be the Positive/Critical Day DDVC rates and Punitive/Critical Day DDVC rates, respectively. The first two percent (2%) of Positive/Critical Day DDVC volumes are charged \$15/MMBtu and the next three percent (3%) are charged \$22/MMBtu. The Punitive/Critical Day DDVC rates are also charged at two (2) levels: Level I shall apply to the five percent (5%) of the daily volumes at each delivery point that are in excess of the Positive/Critical DDVC level, and Level II shall apply to any excess volumes above Level I. However, Small Customer and Bypassing Small Customer tolerances and positive DDVC levels as set forth in paragraph B.4 above apply at all times, even when a Critical Day is called. Small Customer and Bypassing Small Customer Positive/Critical DDVC levels are \$15/MMBtu for the greater of the first 2%, or 260 MMBtu, and \$22/MMBtu for the greater of the next 3%, or 390 MMBtu. In addition, when an Critical Day is in effect, if the sum of the scheduled volume on all of Shipper's firm and interruptible Throughput Service Agreements is equal to or greater than the Shipper's MDQ, then the tolerance is not available above the MDQ level. However, in such case, SMS is available up to the Shipper's MDQ. Further, Small Customers and Bypassing Small Customers retain their use of tolerance and positive DDVC levels as set forth in paragraph B.4 above, and SMS on SOL or Critical Days, and Small Customers are not subject to the foregoing limitation. In the event Northern posts a Critical Day notice to be effective during the IntraDay 1 or IntraDay 2 nomination cycle, Northern will only impose penalties resulting from a Critical Day prospectively. However, should a Critical Day be called during an Intraday 2 nomination cycle, Northern will only apply the Critical Day penalty charges to shippers who reduce their nominations in the Intraday 2 cycle, but still take volumes in excess of the reduced nomination.