

GENERAL TERMS AND CONDITIONS

The Explicit Confirmation process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology.

The total nomination at the Point(s) of receipt, less designated Fuel, if any, must equal the nominations at the Point(s) of Delivery. For in-kind fuel reimbursement methods, Northern will not reject a nomination for reasons of rounding differences due to fuel calculations of less than 5 dekatherms.

The Point of Receipt for all gas to be purchased from Northern shall be identified as the furthest point upstream where gas enters Northern-owned facilities.

A package ID is a way to differentiate between discrete business transactions. When used, Package ID should be supported for nominating and scheduling; mutually agreed between the applicable parties for allocations and imbalance reporting; supported for invoicing (sales and purchase); and mutually agreed for transport invoicing. Use of the Package ID is at the discretion of the service requester, and if sent, should be accepted and processed by the service provider.

For nomination purposes, a Point of Delivery may be defined as a currently established Operational Zone in the Market Area or Argus Zone in the Field Area that is applicable for deliveries to the facilities of a single LDC as well as delivery points in the same Operational Zone serving an electric generation plant where the LDC has a tolling arrangement. In the event that the electric generation plant is located behind the facilities of another LDC, then both LDCs and Northern must enter into an end-user allocation agreement as provided for in Section 30.E. of the GENERAL TERMS AND CONDITIONS of this FERC Gas Tariff. All zone delivery points must contain TBS specific entitlements. The total of the TBS specific entitlements must equal the zone delivery point entitlement; however, daily nomination and scheduling may be made by a zone nomination. An LDC may aggregate delivery points that serve power plants in an operational zone into a sub-zone for DDVC and imbalance purposes; provided, however, the shipper must nominate such delivery points on an individual basis. Shipper must use commercially reasonable efforts to provide one-hour notification prior to flow to Northern's Gas Control Department of expected volumes and burn rate.

Non-telemetered Operational Zone. A Shipper may request establishment of an Operational Zone delivery point consisting of the non-telemetered delivery points of a single LDC. Shippers with a single non-telemetered delivery point are also eligible for participation. Non-telemetered delivery points eligible to be included in the non-telemetered zone are defined as delivery points that do not have equipment to electronically transmit at least one intraday measurement reading to the Shipper.

Shippers wishing to participate in the plan must commit to a one-year term and notify Northern of their intentions at least 90 days prior to the first of the month when participation is to begin. In the event that a participant wishes to terminate its participation prior to the completion of the one-year term, the participant may do so by giving Northern at least a 30-day written notice prior to the beginning of the month that the termination will be effective. Except when a Branchline SOL or a curtailment situation has been called, if Shipper nominates a daily quantity and Northern schedules such daily quantity at the non-telemetered Operational Zone delivery point equal to a daily quantity produced by a load forecast formula agreed to by Northern and Shipper, Shipper will not be subject to the Daily Delivery Variance Charges of Section 48 of the GENERAL TERMS and CONDITIONS of this FERC Gas Tariff. Furthermore, Shipper must have assigned Rate Schedule TF, TFX OR GS-T MDQ equal to the peak day firm entitlement and must have assigned SMS MDQ to the non-telemetered Operational Zone point equal to the forecasted volume associated with an eight degree Fahrenheit change based on the November through March load forecast