

GENERAL TERMS AND CONDITIONS

If the resulting monthly reservation rate exceeds Northern's maximum reservation rate, as applicable, Northern's maximum reservation rate should be used for invoicing. If the resulting monthly reservation rate is less than the Rate Floor, the Rate Floor should be used for invoicing.

For invoicing of volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds Northern's applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, Northern's maximum reservation rate or the Rate Floor, respectively, should apply.

For index-based capacity release transactions, upon mutual agreement between the releasing Shipper and Northern, the releasing Shipper should provide Northern and the replacement Shipper with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by Northern to the replacement Shipper pursuant to the capacity release award. The results of the releasing Shipper's calculations should conform to the capacity release award and/or to Northern's minimum and maximum reservation rates, as applicable.

- For reservation and monthly volumetric index-based capacity release transactions, the detailed calculation should be provided in a mutually agreed upon format no later than the second Business Day of the month following the transportation under the release.
- For volumetric index-based capacity release transactions requiring a daily rate calculation, the detailed calculation should be provided in a report pursuant to NAESB WGQ Standard No. 5.3.69.

If the report is not provided by the applicable deadline above or is deficient, Northern will notify the releasing Shipper to provide Northern with a correct report within one Business Day. Thereafter, in the absence of a conforming report, Northern will invoice the replacement Shipper the greater of the Rate Default specified in the capacity release offer or the Rate Floor plus any differential specified in the capacity release award.

Upon notification to Northern by both the releasing Shipper and the replacement Shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the requirements governing prior period adjustments.

For volumetric index-based capacity release transactions, where the releasing Shipper performs invoicing calculations pursuant to NAESB WGQ Standard No. 5.3.66, Northern will provide allocated quantities to the releasing Shipper according to a mutually agreed upon timetable. The releasing Shipper should have at least one Business Day to process the quantities prior to returning such invoicing information to Northern in a tabular format.

Northern will provide the allocated quantities to the releasing Shipper in a tabular file to be described by Northern. The first row of the file will contain the column headers and data will begin on the second row of the file. In addition, the first column will contain the applicable Gas Day(s).