

GENERAL TERMS AND CONDITIONS

Releasing Shipper. The term "Releasing Shipper" shall mean a Shipper who has firm contractual rights on Northern's system and is offering to release or has released its capacity.

Replacement Shipper. The term "Replacement Shipper" shall mean a Shipper who has acquired capacity from a Releasing Shipper.

Right of Way Grantor. The term "Right of Way Grantor" shall mean a party who grants a strip of land, the use of which is acquired for the construction and operation of the pipeline.

Section 1. The term "Section 1" shall mean the fuel zone located in the Field Area that represent the Permian Area portion of Northern's system. Includes MIDs 1-7.

Section 2. The term "Section 2" shall mean the fuel zone located in the Field Area that represent the Mid-Continent portion of Northern's system. Includes MIDs 8-16B.

Section 3. The term "Section 3" shall mean the fuel zone that represent the Market Area portion of Northern's system. Includes MID 17.

Shipper. The term "Shipper" shall be defined to be a party who: 1) requests transportation under a Throughput Service Rate Schedule; or 2) executes a Throughput Service Agreement.

Small Customers. Small Customers are those listed on Appendix C of the Global Settlement and found in Sheet No. 510 of this Tariff.

Storage point. The term "storage point" or "deferred delivery point" shall mean the point at which the Shipper has natural gas quantities transported to or received from Northern on a deferred basis.

Tariff. The term "Tariff" shall mean Northern's FERC Gas Tariff.

Thermally Equivalent Volumes. The term "thermally equivalent volumes" shall mean that during any given period of time the volumes of gas delivered hereunder at the Point(s) of Delivery multiplied by the total heating value of the gas at the delivery point(s) shall equal the volumes of gas received at the point(s) of receipt multiplied by the total heating value of the gas at the receipt point(s).

Tier Relationship Factors. The term "Tier Relationship Factors" shall mean the mathematical relationship of the rates for the Market Area TF12 Base, TF12 Variable, and TF5, and the Field Area TFF Throughput Services. The Tier Relationship Factors for the Reservation Rates shall be as follows:

<u>Services</u>		<u>Winter Months</u> <u>(Nov-Mar)</u>	<u>Summer Months</u> <u>(Apr-Oct)</u>	<u>Annual</u>
Market Area:	TF 12 Base	1.35	.75	12.0
	TF 12 Variable	1.83	.75	14.4
	TF 5	2.00	N/A	10.0
Field Area:	TFF	1.35	.75	12.0