

GENERAL TERMS AND CONDITIONS

2. Surcharge. The Carlton Commodity Surcharge will be \$0.0175. All Market Area entitlement not identified in the Adjusted Current Peak Entitlement at Carlton on Schedule 1 (excluding Other Carlton Entitlement) including all other Market Area TF, TFX, and TI will be subject to the Carlton Commodity Surcharge. To the extent Northern is unable to charge the maximum commodity rate, Northern will discount the base commodity rate as allowed per the Tariff first. Further, the Sourcers on Schedule 1 will remain Sourcers until the expiration of their contracts. Upon any rollover of such contracts, the entitlement in Schedule 1 will remain subject to the sourcing obligation and will not be subject to the Carlton Commodity Surcharge. Any entitlement for a Shipper which is in addition to the entitlement reflected on Schedule 1, as well as any entitlement for an Other Carlton Shipper which is in addition to the entitlement reflected on Schedule 1 for Other Carlton Entitlement Shippers, will be subject to the Carlton Commodity Surcharge.

All dollars collected in this section 2 will be recorded in a separate subaccount and will accumulate interest from the date collected as prescribed by the Commission in 18 CFR 154.501(d).

All Carlton Commodity Surcharge dollars will be reimbursed on a pro rata basis to Sourcers based on their new Carlton Resolution Obligation as stated on Schedule 1 on or before June 1 of each year. On or before July 1 of each year Northern will file a report with the Commission detailing the amounts reimbursed pursuant to this Section 2. The amount of Northern's reimbursement to each Sourcer shall be subject to Commission review and approval. Any Northern Shipper or other party shall have the opportunity, after Notice by the Commission, to intervene and protest Northern's report related to the report period, including the appropriateness of the amounts which have been collected.