

29.7 OBA General Terms and Conditions

If requested by a Shipper, Northern agrees that it will negotiate an OBA with an entity that operates the facilities interconnecting with Northern or controls supplies entering Northern's system at interconnection point and/or receipt point(s) ("Operator"), as applicable. Such an OBA with Operator will be subject to the following conditions.

General Terms and Conditions

1. Quantities nominated by Shipper are confirmed on a reliable basis by Operator;
2. Data Acquisition Systems or other monitoring equipment generally acceptable by industry standards exists at the interconnection point and/or receipt point(s);
3. Operator must meet the same creditworthiness standards as Shipper(s) for whom it is operating on behalf of;
4. Operator must possess sufficient quantities of gas for it to balance receipts and/or deliveries under the OBA.

An OBA may be subject to certain conditions as follows:

1. Any receipt point imbalance and scheduling penalties otherwise applicable to Shipper will be applicable to operator unless Northern maintains flow control equipment at the wellhead receipt or interconnection point(s) under the OBA.
2. Operator and Northern will negotiate in good faith to agree on a method of valuing imbalances based on market price indices. The method of valuing imbalances will be applied in a non-discriminatory manner. Nothing in this Subsection 29.7 is intended to restrict Northern's ability to either execute an OBA without market based imbalance evaluation or to terminate such an agreement for lack thereof.
3. Northern is required to enter into an OBA at all points of interconnection between its system and the system of another interstate or intrastate pipeline. Unless the interconnecting pipelines agree otherwise, the OBA entered into as a result of the regulation (§284.12(b)(2)(i)) shall resolve imbalances in-kind.