

GENERAL TERMS AND CONDITIONS

19. LIMITATIONS OF NORTHERN'S OBLIGATION TO PROVIDE FIRM SERVICES

A. General

1. In the event a curtailment must be effected, the smallest affected area will be localized beginning with individual points, followed by an operational zone, Market/Field Area, and up to the entire system, in that order. Curtailment will proceed in the following sequence:
 - (i) TI will be curtailed on the basis of lowest price first.
 - (ii) Firm service at primary or alternate points will then be curtailed on a pro rata basis.
2. If Shipper takes gas in excess of the volume of gas authorized for delivery on any day Northern has ordered reduced deliveries, Shipper shall be subject to a penalty for takes of gas in excess of the authorized volume, without any tolerance. The penalty shall be equal to the Punitive DDVC rate set forth on Sheet No. 53. Penalty revenues shall be credited to Shippers in accordance with Section 57 of the GENERAL TERMS AND CONDITIONS of this Tariff.
3. If TI receipt point volumes continue to flow during a curtailment at Northern's request, such volumes during such curtailment will not be subject to receipt point scheduling penalties.
4. Northern shall also have the right to reasonably limit supply service and/or reduce receipts or deliveries of natural gas in conjunction with the throughput capacity under Throughput Service Agreements on part or all of Northern's system according to the above 1) to permit maintenance, repair, overhaul, replacement or construction of pipelines, compressors, metering, regulating and other production, and transmission facilities and equipment; 2) to assure the availability of capacity for receipts or deliveries equitably under Northern's firm Rate Schedules included in this Tariff in cases where natural gas does not conform to the quality specifications contained in the Tariff. Northern shall provide Shipper reasonable advance notice of routine maintenance, repair, overhaul or replacement.
5. Unless Northern and Shipper mutually agree to limit hourly takes to less than 6.3% for incremental entitlement, Northern shall have the right on a nondiscriminatory basis to restrict the hourly takes of gas by the Shipper in the Market Area to 6.3% of the entitlement plus any excess volumes authorized under the Firm Service Agreement. Such restrictions may be ordered by Northern, when necessary in Northern's judgment to maintain operational integrity, and shall be complied with by the Shipper. Electronic flow measurement and flow control equipment is required at any point where Northern and a Shipper have agreed to lower hourly takes. The hourly take rate will be applicable to the primary point(s) on the Shipper's Service Agreement only. If the Shipper nominates an alternate point (including capacity release) the Shipper may retain the more restrictive contractual hourly flow limitation if capacity is available at the point. Alternatively, Northern and the Shipper may mutually agree to a different hourly flow limitation at the alternate point. In the event a Shipper that has agreed to limit hourly takes to less than 6.3% for incremental entitlement does not comply with Northern's order to restrict hourly takes, Shipper shall pay a penalty equal to the Punitive DDVC charge set forth on Sheet No. 53. Penalty revenues shall be credited to Shippers in accordance with Section 57 of the GENERAL TERMS AND CONDITIONS of this Tariff.

In the Field Area, Northern and Shipper may mutually agree to hourly takes of 4.16% of the new or extended entitlement at the delivery point, subject to the necessary construction of facilities and Northern being operationally capable of providing the hourly flow rate.