

RATE SCHEDULE SF

1. AVAILABILITY

This Rate Schedule SF shall apply to all firm and interruptible sales service rendered by the Pipeline Sales Division of Northern Natural Gas Company (Northern's Merchant Division) under the blanket certificate of public convenience and necessity granted to Northern pursuant to the order of the Federal Energy Regulatory Commission ("Commission") issued in Docket No. RS92-8 and Section 284.284(a) of the Commission's Regulations. Service under this Rate Schedule SF shall be available to any gas purchaser (Purchaser) pursuant to such blanket certificate and with which Northern's Merchant Division has entered into a Sales Service Agreement pursuant to this Rate Schedule SF.

2. APPLICABILITY AND CHARACTER OF SERVICE

The sales service rendered pursuant to this Rate Schedule SF shall be sold separately and totally unbundled from transportation or gathering service on the facilities of Northern Natural Gas Company (Northern).

3. REQUESTS FOR TRANSPORTER SALES SERVICE

Sales service under this Rate Schedule SF shall be available only on the condition and to the extent that Northern's Merchant Division and Purchaser have agreed, each acting in its sole discretion, to such service and have executed a written Sales Service Agreement that contains the terms, conditions, rates and fees applicable to such service. Northern shall have no obligation to provide sales service for any quantity of gas or period of time except to the extent it has specifically agreed to do so in a Sales Service Agreement executed in accordance with this Section 3. When a Sales Service Agreement between Northern's Merchant Division and a Purchaser expires, Northern's Merchant Division is authorized to automatically terminate and abandon the sales service without the requirements of any pre-approval by the Commission for such termination and abandonment.

4. RATES, CHARGES, TERMS AND CONDITIONS

The terms, conditions, rates and charges applicable to service provided under this Rate Schedule SF shall be those negotiated terms, conditions, rates and charges to which Northern's Merchant Division and Purchaser have agreed in the Sales Service Agreement between them relating to such service as described in Section 3 of this Rate Schedule SF. Northern's Merchant Division shall negotiate such terms, conditions, rates and charges with individual Purchasers on a not unduly discriminatory basis.