

RATE SCHEDULE TFX
Firm Throughput Service

3. OFFERING OF TFX SERVICE.

To initiate service under this Rate Schedule TFX, a valid request must be submitted in accordance with Section 26, "Requests for Service" and Section 27, "Information Required for a Request for Service," of the GENERAL TERMS AND CONDITIONS of this Tariff.

The minimum level of MDQ applicable to a TFX Agreement under this Rate Schedule shall be 50 MMBtu per day.

4. TERM OF TFX AGREEMENT.

The TFX Agreement must be executed by Shipper prior to commencement of service.

The term of service shall be negotiated. There shall not be a minimum term. The term shall be set forth in the TFX Agreement. TFX Agreements entered into pursuant to the New Service Settlement and prior to implementation of Order No. 636 shall retain any unilateral rollover rights contained therein.

Northern and Shipper may agree to different termination dates for specified volumes within the same Service Agreement on a not unduly discriminatory basis.

Northern and Shipper may agree, on a not unduly discriminatory basis, to contract extensions, including evergreens, rollovers and other extensions.

Northern and Shipper may agree to reduction rights. If Northern and Shipper are unable to agree, Shipper shall be entitled to the following reduction rights, subject to the conditions set forth in paragraph c below:

a) Conversion from LDC Sales Service to Transportation. If a firm customer receiving jurisdictional sales service from a Local Distribution Company (LDC) Shipper, served by use of the LDC Shipper's firm throughput entitlement on Northern, converts to transportation service from the LDC and arranges through an upstream supplier for incremental firm service with Northern in lieu of capacity release of the LDC Shipper's firm entitlement, Northern agrees to reduce the LDC Shipper's firm entitlement for a period up to the term of the new firm service agreement. The amount reduced may be no greater than the level of incremental firm service purchased by the upstream supplier from Northern to serve the end use customer of the LDC.

b) LDC Bypass. If a firm end use customer located behind an LDC's system and served by use of an LDC Shipper's firm throughput entitlement on Northern bypasses the LDC and incremental firm service is purchased from Northern for such market, Northern agrees to reduce the LDC Shipper's firm entitlement for a period up to the term of the new firm service agreement. The amount reduced may be no greater than the level of incremental firm entitlement contracted with Northern by the firm end use customer of the LDC Shipper after the bypass.

c) The reduction rights in paragraphs (a) and (b) are subject to the following:

i) Capacity release volumes and interruptible service shall not be considered incremental firm service.

ii) Northern must be kept revenue neutral except to the extent Northern discounts the incremental entitlement. In determining whether Northern remains revenue neutral, Northern shall consider, in addition to any other relevant factors, any agreements for reimbursement of the cost of construction of facilities, either through the rate or through a CIAC.