

RATE SCHEDULE TFX
Firm Throughput Service

4. TERM OF TFX AGREEMENT.

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

A. TFX Agreement

1) 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.

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

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

4) TFX Agreements at Recourse Rates with a term of twelve (12) or more consecutive months of service or for a term of more than one (1) year for service not available for twelve consecutive months and TFX Agreements at discounted rates entered into prior to March 27, 2000, with a term equal to or greater than one (1) year, shall have a guaranteed Right of First Refusal as provided in Section 52 of the GENERAL TERMS AND CONDITIONS of this Tariff. Northern and Shipper may mutually agree to include ROFR rights in other TFX Agreements on a not unduly discriminatory basis.

5) TFX Agreements with a term up to, but not including, twelve (12) consecutive months of service or for one (1) year or less, shall not be eligible for the Right of First Refusal process. The service will be automatically abandoned upon expiration of the term.

B. Reduction Rights

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 3 below:

1) 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.

2) 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.

3) The reduction rights in paragraphs (1) and (2) are subject to the following:

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

b) 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.