

- 17/ For the period 04/01/2014 through 03/31/2016, Shipper agrees to reimburse Northern through a negotiated rate for the Actual Cost (as defined in the Reimbursement Agreement) of the Calumet Project, through a "Calumet Project Facility Cost Add-on Demand Charge" as described below.

Shipper shall pay a monthly reservation charge equal to the maximum tariff rate as set forth in Northern's FERC Gas Tariff, as amended from time to time, plus any other previously negotiated rate add-ons, plus an amount equal to the Calumet Project Facility Cost Add-on Demand Charge referenced herein. On or before December 1, 2013 and December 1, 2014, Northern will provide to Shipper the Actual Costs incurred to date for the construction of the Calumet Project and will tender for execution to SEMCO, a subsequent amendment to this TF Service Agreement, which will set forth the Calumet Project Facility Cost Add-on Demand Charge.

The Calumet Project Facility Cost Add-on Demand Charge is an amount equal to the Actual Cost of construction of the facilities. The total amount to be reimbursed to Northern by Shipper will be subject to a true-up to Actual Costs. The Calumet Project Facility Cost Add-on Demand Charge will be added to the reservation rates paid by Shipper each month until March 31, 2016, on all firm entitlement under the Agreement.

Northern will adjust the Calumet Project Facility Cost Add-on Demand Charge for the last year of the recovery period to recover the appropriate additional Actual Costs not previously included or to take into account the circumstance where Actual Costs are less than the estimated costs for the Calumet Project.

In addition to the above reservation rates, Shipper shall (i) pay a commodity rate equal to the maximum commodity rate provided in Northern's FERC Gas Tariff, as amended from time to time (this rate includes the applicable Annual Charge Adjustment and electric compression charges), (ii) provide any applicable fuel use and unaccounted for, and (iii) pay all current and future FERC-approved surcharges applicable to the service provided hereunder.

In exchange for the consideration received hereunder, including without limitation the expected revenue from the Calumet Project Facility Cost Add-on Demand Charge, Northern will make the capital expenditures for the construction of the facilities; however, in the event the entitlement under this Agreement is, for any reason, in whole or in part, reduced (including a permanent capacity release, but not a temporary capacity release, or an event outside of Shipper's control), prior to 10/31/2016, Shipper shall promptly pay to Northern an amount equal to the remaining unpaid Calumet Project Facility Cost Add-on Demand Charge. This provision and the obligations herein shall survive the termination of this Agreement if terminated prior to 10/31/2016, or the release of the capacity or any assignment thereof and Shipper shall continue to be obligated for the reimbursement of the Actual Cost of the facilities unless Northern consents to the release or assignment and the obligation is expressly assumed by an acquiring shipper that complies with the credit provisions in Northern's FERC Gas Tariff.