

RATE SCHEDULE TFX
Firm Throughput Service

1. AVAILABILITY.

This Rate Schedule is available for transportation of natural gas pursuant to a Firm Throughput Service by Northern Natural Gas Company ("Northern") under the following terms and conditions:

- (a) Northern determines that sufficient capacity exists to provide the Firm Throughput Service requested by Shipper;
- (b) Shipper has executed a Firm Throughput Service Agreement ("TFX Agreement") of the form contained in Northern's FERC Gas Tariff;
- (c) the throughput service shall be subject to all of the terms and conditions contained in this Rate Schedule and the GENERAL TERMS AND CONDITIONS of this Tariff; and
- (d) the transportation of natural gas within the MDQ under the throughput service shall be on a firm basis.
- (e) Shipper who has a TFX Agreement shall also be eligible to purchase from Northern no-notice throughput service pursuant to Rate Schedule SMS-System Management Service.

2. APPLICABILITY AND CHARACTER OF SERVICE.

Subject to the provisions of this Rate Schedule TFX and the GENERAL TERMS AND CONDITIONS of this Tariff, service within the MDQ rendered under a TFX Agreement shall be on a firm basis of a transportation quantity referred to as the Maximum Daily Quantity ("MDQ"). MDQ is the total volume of natural gas specified in the TFX Agreement that Northern is obligated to transport on a daily basis from the Point(s) of Receipt to the Point(s) of Delivery.

Shipper shall have the option to request firm throughput service (i) solely for the Market Area, (ii) solely for the Field Area, or (iii) a combined service for both the Market and the Field Area, or (iv) solely in the Gulf Coast Area. The Shipper's ability to utilize primary and alternate receipt and delivery points is determined by which option is chosen by the Shipper. A Shipper with a combined Market and Field Area service agreement may not transfer a primary firm receipt or delivery point from the Field Area to the Market Area for the term of the TFX Agreement.

A Shipper is permitted to combine multiple TFX Agreements into a single TFX Agreement to the extent that the individual Agreement's rates, terms and conditions can be distinctly maintained within Northern's contracting and billing systems.

A Shipper is permitted to separate a TFX agreement into multiple TFX agreements provided the resulting TFX agreements, as determined by Northern, (i) retain, in aggregate, all of the same terms and conditions of the original TFX agreement between Northern and the Shipper, (ii) maintain the same level and proportion of the same months of service, (iii) use the same capacity as the original TFX agreement and the separation would not adversely impact operations, and (iv) Northern is at least financially indifferent. Otherwise, a Shipper shall have the option to request and Northern may agree, on a not unduly discriminatory basis, to a separation of a TFX Agreement into multiple TFX Agreements.

Subject to the terms of this paragraph, a Shipper may select the full requirements option. Under such option, a Shipper will agree to take its full requirements from Northern for the service territory currently served by the existing entitlement and the growth associated with such service territory and agree not to physically bypass Northern for such territories for the term of the agreement. In exchange for such agreement, Shipper and Northern may mutually agree to increase the Shipper's contract demand at agreed upon intervals, to construct new facilities if necessary and to exercise commercially reasonable best efforts to secure approvals for such construction. To the extent new facilities would need to be constructed to meet Shipper's growth requirements, Northern will hold open seasons for any construction required and will provide service to any requesting Shipper whose request meets the economic feasibility requirements for the construction of facilities.