

NORTHERN BORDER PIPELINE COMPANY
CAPACITY RELEASE OFFER AGREEMENT

This Capacity Release Offer Agreement is made and entered into at Omaha, Nebraska as of _____, 20____, by and between NORTHERN BORDER PIPELINE COMPANY, hereinafter referred to as "Company", and _____, hereinafter referred to as "Shipper".

WHEREAS, Company and Shipper entered into Service Agreement _____ dated _____, 20____, as amended; and

WHEREAS, Shipper acquired certain firm gas transportation rights and obligations under the terms of the Service Agreement; and

WHEREAS, Shipper desires to release, in whole or in part, certain firm gas transportation rights acquired under the Service Agreement to third party(ies), hereinafter referred to as Replacement Shipper(s); and

WHEREAS, Company desires to make the firm gas transportation rights released by Shipper available to Replacement Shipper(s);

NOW THEREFORE, in consideration of their respective covenants and agreements hereinafter set out, the parties hereto covenant and agree as follows:

Article 1 – Adoption of Company's FERC Gas Tariff

Shipper shall make any release of its firm gas transportation rights in accordance with Section 27 of the General Terms and Conditions of Company's Federal Energy Regulatory Commission ("FERC") Gas Tariff and Company shall make said rights available to Replacement Shipper(s) in accordance with Company's FERC Gas Tariff.

Article 2 – Capacity Release Offer Agreement Addendum

Shipper shall initiate a release of firm gas transportation rights by executing and delivering to Company an Offer in accordance with Section 27 of the General Terms and Conditions of Company's FERC Gas Tariff. Upon the award by Company of Replacement Shipper(s)' successful Bid for said rights, Shipper's Offer shall be deemed to be an addendum to this Capacity Release Offer Agreement and shall be incorporated in and made a part hereof.

Article 3 – Shipper Obligations

Shipper shall continue to be responsible to Company for compliance with all terms and conditions of its Service Agreement and for all charges for firm gas transportation rights provided pursuant to Shipper's Service Agreement.

All terms and conditions of Shipper's Service Agreement not in conflict with the terms and conditions of this Capacity Release Offer Agreement shall be incorporated by reference into this Capacity Release Offer Agreement as if fully set out herein.

Article 4 – Subrogation

Company expressly recognizes the right of subrogation of Shipper in and to all rights, claims, and privileges that Company has or may have against Replacement Shipper(s), to the extent of all payments made by Shipper to Company on account of or arising from Replacement Shipper(s)' failure to comply with the terms and conditions of the Replacement Shipper(s)' associated Service Agreement. Shipper and Company agree

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that Shipper may exercise this right of subrogation with regard to such rights, claims and privileges at its discretion. Further, Shipper and Company agree that Company has no obligation to proceed against the Replacement Shipper for its failure to make payments in accordance with the terms and conditions of its associated Service Agreement. Procedures regarding notice, billing and crediting of accounts as concerns payment obligations/liabilities of Replacement Shippers and Releasing Shippers are set forth in the respective Rate Schedule and Section 6 of the General Terms and Conditions of Company's FERC Gas Tariff.

Article 5 – Agreed Maximum Receipt Quantity

Shipper shall not nominate firm gas transportation service above the Agreed Maximum Receipt Quantity (AMRQ).

Article 6 – Term

This Capacity Release Offer Agreement shall be in full force and effect until the associated Shipper's Service Agreement is terminated.

Article 7 – Indemnification

Shipper shall indemnify and hold Company harmless from any and all claims, demands, suits, actions, damages, recoveries, judgments, costs or expenses arising or growing out of, or in connection with, all actions Company takes in accordance with Section 27 of the General Terms and Conditions of Company's FERC Gas Tariff. Notwithstanding any of the foregoing, Shipper shall not be obligated hereunder to indemnify or hold Company harmless for those claims, demands, suits, actions, damages, recoveries, judgments, costs or expenses resulting from the negligence or willful misconduct of Company.

IN WITNESS WHEREOF, The parties hereto have caused this Capacity Release Offer Agreement to be duly executed as of the day and year first set forth above.

NORTHERN BORDER PIPELINE COMPANY
By: TransCanada Northern Border Inc.,
its Operator

By: _____
Title: _____

By: _____
Title: _____

ATTEST:

(Name of Shipper)

By: _____
Title: _____