



# Northern Border Pipeline Company

December 19, 2012

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

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Re: Northern Border Pipeline Company  
Compliance Filing in Docket No. RP12-1093-000  
Docket No. RP13 -

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations,<sup>1</sup> Northern Border Pipeline Company ("Northern Border") hereby submits for filing certain tariff sections to be part of its FERC Gas Tariff, Second Revised Volume No. 1 ("Tariff"). The revised tariff sections listed in Appendix A are being submitted to implement the Stipulation and Agreement of Settlement in Docket No. RP12-1093-000 ("Settlement") filed on September 27, 2012, and approved by the Commission on December 5, 2012 ("December 5 Order").<sup>2</sup> Northern Border requests that the Commission accept the proposed tariff sections to become effective January 1, 2013, and respectfully requests expedited review and approval of the revised tariff sections prior to January 1, 2013.

## Correspondence

The names, titles, and mailing addresses of the persons to whom correspondence and communications concerning this filing should be directed as follows:

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<sup>1</sup> 18 C.F.R. Part 154 (2012).

<sup>2</sup> *Northern Border Pipeline Company*, 141 FERC ¶ 61,190 (2012).

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\* Persons designated for official service pursuant to Rule 2010.

### Statement of Nature, Reasons and Basis for Filing

On September 27, 2012, pursuant to Rule 207(a)(5),<sup>3</sup> Northern Border submitted a petition for approval of the Settlement, which reflected, in part, changes to Northern Border's transportation rates and certain tariff provisions. Northern Border included *pro forma* tariff sections reflecting these changes in Appendices A and B to the Settlement. By its December 5 Order, the Commission found that the Settlement appears to be fair and reasonable and in the public interest, and therefore, the Commission approved the Settlement pursuant to Rule 602(g),<sup>4</sup> subject to further modifications described herein.<sup>5</sup> Furthermore, the Commission directed Northern Border to file, in eTariff format, actual tariff records identical to the Settlement's *pro forma* tariff records.<sup>6</sup>

The December 5 Order identified concerns the Commission had with the unlimited application of the *Mobile Sierra* standard to future changes to the Settlement. In compliance with Paragraph Nos. 2, 18 and 20 of the Commission's December 5 Order, Northern Border files the following modification to the Settlement, which is supported by all parties to the Settlement. The first sentence of Article VII E of the Settlement will be deemed modified upon Commission approval hereof, by addition to the end of that sentence the following language: "*provided* the standard that shall apply to future changes sought either by the Commission or non-settling third parties (*i.e.*, entities that are not Parties pursuant to the terms of Settlement Article II and did not have

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<sup>3</sup> 18 C.F.R. Section 385.207(a)(5)(2012).

<sup>4</sup> 18 C.F.R. Section 385.602(g)(2012).

<sup>5</sup> December 5 Order at P17.

<sup>6</sup> *Id.* at P 21.

notice of the settlement discussions that led to this Settlement, such as entities that are not shippers on the Northern Border system as of September 27, 2012) shall be the highest standard that the Commission would apply to itself at the time such changes are sought.”

By the instant filing, Northern Border is submitting the live tariff sections, included herein at Appendix A. Northern Border requests that the Commission accept the proposed tariff sections, including both the revised transportation rates and tariff provisions, to become effective January 1, 2013, and respectfully requests expedited review and approval of the revised tariff sections prior to January 1, 2013. The revised tariff sections attached hereto are identical to the Settlement's *pro forma* tariff records approved in the December 5 Order and the parties to the Settlement have agreed that the tariff sections are to become effective on January 1, 2013. In an effort to facilitate the intent of the parties, and recognizing that the Commission has approved the proposed tariff sections in its December 5 Order, Northern Border has begun the system revisions necessary to implement the tariff changes effective January 1, 2013. In the event that the approval of proposed tariff sections is not issued prior to January 1, 2013, Northern Border will rely on the authority provided in Section 6.41 of its Tariff to implement the rates set forth in the Settlement. With regard to the Commission's reporting requirements related to the exercise of such authority, Northern Border asserts that, in the unlikely event that this exercise of authority will occur, it will be temporary and necessary only until the Commission approves the proposed tariff sections. In recognition of the Commission's reporting requirements and the unique facts of this situation, concurrent with this filing, Northern Border is posting a notice on its Internet website advising existing and potential shippers that they may avail themselves of the rates set forth in the Settlement commencing January 1, 2013.

#### Effective Date and Waivers

Northern Border requests that the Commission accept the tariff sections listed in Appendix A to become effective January 1, 2013, consistent with the date agreed upon in the Settlement. Northern Border requests the Commission grant all necessary waivers of its regulations in order to accept this filing and approve the tariff sections to be effective as requested herein.

Other Filings Which May Affect This Proceeding

There are no other filings before the Commission that may be significantly affect the changes proposed herein.

Contents of Filing

In accordance with Sections 154.7 and 154.201 of the Commission's regulations, Northern Border is submitting the following XML filing package, which includes:

- 1) This transmittal letter;
- 2) Clean tariff section (Appendix A); and
- 3) Marked tariff section (Appendix B).

Certificate of Service

As required by Sections 154.7(b) and 154.208 of the Commission's regulations, copies of this filing are being served upon all of Northern Border's existing customers, all parties in this proceeding, and interested state regulatory agencies. A copy of this letter, together with the enclosed tariff section, is available during regular business hours for public inspection at Northern Border's principal place of business.

Pursuant to Section 385.2005 and Section 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing. Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,

NORTHERN BORDER PIPELINE COMPANY  
BY: TRANSCANADA NORTHERN BORDER INC., ITS OPERATOR



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John A. Roscher  
Director, Rates & Tariffs

Enclosures

# Appendix A

## Northern Border Pipeline Company FERC Gas Tariff, Second Revised Volume No. 1

### Clean Tariff

<u>Section</u>	<u>Section Description</u>	<u>Version</u>
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4.1	Statement of Rates, T-1 and T-1B - Long Term Base Tariff Rates	v.2.0.0
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4.3	Statement of Rates, Blended Seasonal Maximum Daily Reservation Rate Matrix	v.2.0.0
4.5	Statement of Rates, IT-1 Seasonal Base Tariff Rates	v.2.0.0
4.6	Statement of Rates, PAL and TPB Rates	v.2.0.0
4.10	Statement of Rates, For Contesting Parties – T-1 and T-1B – Long Term Base Rates	v.0.0.0
4.11	Statement of Rates, For Contesting Parties – T-1 and T-1B – Seasonal Base Rates	v.0.0.0
4.12	Statement of Rates, For Contesting Parties – T-1 and T-1B – Blended Seasonal Res. Rate Matrix	v.0.0.0
4.13	Statement of Rates, For Contesting Parties – IT-1 Seasonal Base Rates	v.0.0.0
4.14	Statement of Rates, For Contesting Parties – PAL and TPB Rates	v.0.0.0
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6.6.7	GT&C, Reservation Charge Credits	v.2.0.0
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STATEMENT OF RATES

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Rate Schedule -----	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/ -----
T-1 and T-1B	
Daily Reservation Rate - Port of Morgan, MT to Ventura, IA	
Maximum	\$0.0286
Minimum	\$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	\$0.0307
Minimum	\$0.0000
Commodity Rate - Port of Morgan, MT to North Hayden, IN	
Maximum	\$0.0004
Minimum	\$0.0004

- 1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.
- 2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.
- 3/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

STATEMENT OF RATES

2/ 3/

Rate Schedule	Seasonal Base Tariff Rate (per 100 Dth-Miles) 1/	
	Port of Morgan, MT to Ventura, IA	Ventura, IA to North Hayden, IN
T-1 and T-1B		
Daily Reservation Rate		
Maximum - January	\$0.0358	\$0.0384
- February	\$0.0343	\$0.0368
- March	\$0.0286	\$0.0307
- April	\$0.0186	\$0.0200
- May	\$0.0186	\$0.0200
- June	\$0.0243	\$0.0261
- July	\$0.0315	\$0.0338
- August	\$0.0343	\$0.0368
- September	\$0.0300	\$0.0322
- October	\$0.0243	\$0.0261
- November	\$0.0286	\$0.0307
- December	\$0.0343	\$0.0368
Minimum	\$0.0000	\$0.0000
Commodity Rate		
Maximum	\$0.0004	\$0.0004
Minimum	\$0.0004	\$0.0004

- 1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a Billing Commencement Date subsequent to December 31, 2006 and a primary term of at least one Gas Day and up to 364 consecutive Gas Days, or up to 365 consecutive Gas Days during a Leap Year.
- 2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

- 3/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

STATEMENT OF RATES

BLENDED SEASONAL MAXIMUM DAILY RESERVATION RATE MATRIX 1/ 2/

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Port of Morgan, MT to Ventura, IA are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

<u>Month</u>	<u>January 31</u>	<u>February 28**</u>	<u>March 31</u>	<u>April 30</u>	<u>May 31</u>	<u>June 30</u>	<u>July 31</u>	<u>August 31</u>	<u>September 30</u>	<u>October 31</u>	<u>November 30</u>	<u>December 31</u>
January 1	0.0358	0.0351	0.0328	0.0293	0.0271	0.0266	0.0273	0.0282	0.0284	0.0280	0.0281	0.0286
February 1**	0.0286	0.0343	0.0313	0.0270	0.0248	0.0247	0.0259	0.0271	0.0275	0.0271	0.0273	0.0279
March 1	0.0281	0.0286	0.0286	0.0237	0.0220	0.0225	0.0243	0.0260	0.0266	0.0263	0.0266	0.0273
April 1	0.0281	0.0286	0.0286	0.0186	0.0186	0.0205	0.0233	0.0255	0.0262	0.0260	0.0263	0.0272
May 1	0.0291	0.0296	0.0295	0.0286	0.0186	0.0214	0.0248	0.0272	0.0277	0.0272	0.0274	0.0282
June 1	0.0304	0.0308	0.0306	0.0295	0.0286	0.0243	0.0279	0.0301	0.0301	0.0289	0.0289	0.0296
July 1	0.0313	0.0316	0.0313	0.0300	0.0290	0.0286	0.0315	0.0329	0.0320	0.0300	0.0297	0.0305
August 1	0.0312	0.0316	0.0313	0.0299	0.0287	0.0283	0.0286	0.0343	0.0322	0.0295	0.0293	0.0303
September 1	0.0306	0.0312	0.0308	0.0293	0.0281	0.0277	0.0281	0.0286	0.0300	0.0271	0.0276	0.0293
October 1	0.0308	0.0314	0.0309	0.0292	0.0278	0.0275	0.0279	0.0285	0.0286	0.0243	0.0264	0.0291
November 1	0.0329	0.0333	0.0323	0.0300	0.0284	0.0279	0.0283	0.0289	0.0290	0.0286	0.0286	0.0315
December 1	0.0350	0.0348	0.0332	0.0303	0.0283	0.0278	0.0282	0.0289	0.0290	0.0286	0.0286	0.0343

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Ventura, IA to North Hayden, IN are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

<u>Month</u>	<u>January 31</u>	<u>February 28**</u>	<u>March 31</u>	<u>April 30</u>	<u>May 31</u>	<u>June 30</u>	<u>July 31</u>	<u>August 31</u>	<u>September 30</u>	<u>October 31</u>	<u>November 30</u>	<u>December 31</u>
January 1	0.0384	0.0376	0.0353	0.0314	0.0291	0.0286	0.0293	0.0303	0.0305	0.0301	0.0301	0.0307
February 1**	0.0307	0.0368	0.0336	0.0290	0.0267	0.0266	0.0278	0.0291	0.0295	0.0291	0.0293	0.0300
March 1	0.0302	0.0307	0.0307	0.0254	0.0236	0.0242	0.0261	0.0279	0.0285	0.0282	0.0285	0.0293
April 1	0.0301	0.0307	0.0307	0.0200	0.0200	0.0220	0.0250	0.0274	0.0282	0.0279	0.0282	0.0292
May 1	0.0312	0.0317	0.0316	0.0307	0.0200	0.0230	0.0266	0.0292	0.0298	0.0292	0.0294	0.0303
June 1	0.0327	0.0331	0.0328	0.0317	0.0307	0.0261	0.0300	0.0323	0.0323	0.0310	0.0310	0.0318
July 1	0.0336	0.0339	0.0336	0.0322	0.0311	0.0307	0.0338	0.0353	0.0343	0.0322	0.0319	0.0328
August 1	0.0335	0.0340	0.0336	0.0321	0.0308	0.0304	0.0307	0.0368	0.0346	0.0317	0.0315	0.0326
September 1	0.0329	0.0335	0.0331	0.0314	0.0301	0.0297	0.0301	0.0307	0.0322	0.0291	0.0296	0.0315
October 1	0.0330	0.0337	0.0332	0.0313	0.0299	0.0295	0.0299	0.0305	0.0307	0.0261	0.0284	0.0312
November 1	0.0354	0.0357	0.0347	0.0322	0.0304	0.0299	0.0303	0.0310	0.0311	0.0307	0.0307	0.0338
December 1	0.0376	0.0374	0.0357	0.0325	0.0304	0.0298	0.0303	0.0310	0.0312	0.0307	0.0307	0.0368

\* Any term combination that includes a partial month will require a recomputation of the Daily Seasonal Maximum Base Reservation Rate for the respective term.  
 \*\* The rates reflected for the columns and rows containing February are based on 28 days and are subject to recomputation to reflect 29 days during Leap Year.

- 1/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.
- 2/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

STATEMENT OF RATES

1/ 2/

Rate Schedule	Seasonal Base Tariff Rate (per 100 Dth-Miles)	
	Port of Morgan, MT to Ventura, IA	Ventura, IA to North Hayden, IN
IT-1		
Daily Commodity Rate		
Maximum - January	\$0.0362	\$0.0388
- February	\$0.0347	\$0.0372
- March	\$0.0290	\$0.0311
- April	\$0.0190	\$0.0204
- May	\$0.0190	\$0.0204
- June	\$0.0247	\$0.0265
- July	\$0.0319	\$0.0342
- August	\$0.0347	\$0.0372
- September	\$0.0304	\$0.0326
- October	\$0.0247	\$0.0265
- November	\$0.0290	\$0.0311
- December	\$0.0347	\$0.0372
Minimum	\$0.0004	\$0.0004

- 1/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.
- 2/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

STATEMENT OF RATES

3/ 4/

Daily Rates per Dekatherm

Rate Schedule -----	Base Tariff Rate -----
PAL 1/	
Maximum Reservation Rate	\$0.3713
Minimum Reservation Rate	\$0.0000
PAL 2/	
Maximum Commodity Rate	\$0.3713
Minimum Commodity Rate	\$0.0000
TPB	
Maximum Rate	\$0.0200
Minimum Rate	\$0.0000

- 1/ Charge applicable to ATPL service option only.
- 2/ Rates applicable to NPL, RPL, OPL and APL service options under Rate Schedule PAL.
- 3/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.
- 4/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

2/

Rate Schedule -----	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/ -----
T-1 and T-1B	
Daily Reservation Rate - Port of Morgan, MT to Ventura, IA	
Maximum	\$0.0321
Minimum	\$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	\$0.0345
Minimum	\$0.0000
Commodity Rate - Port of Morgan, MT to North Hayden, IN	
Maximum	\$0.0004
Minimum	\$0.0004

1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.

2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.



APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
 SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

2/

Rate Schedule	Seasonal Base Tariff Rate (per 100 Dth-Miles) 1/	
	Port of Morgan, MT to Ventura, IA	Ventura, IA to North Hayden, IN
T-1 and T-1B		
Daily Reservation Rate		
Maximum - January	\$0.0401	\$0.0431
- February	\$0.0385	\$0.0414
- March	\$0.0321	\$0.0345
- April	\$0.0209	\$0.0224
- May	\$0.0209	\$0.0224
- June	\$0.0273	\$0.0293
- July	\$0.0353	\$0.0380
- August	\$0.0385	\$0.0414
- September	\$0.0337	\$0.0362
- October	\$0.0273	\$0.0293
- November	\$0.0321	\$0.0345
- December	\$0.0385	\$0.0414
Minimum	\$0.0000	\$0.0000

Commodity Rate

Maximum	\$0.0004	\$0.0004
Minimum	\$0.0004	\$0.0004

- 1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a Billing Commencement Date subsequent to December 31, 2006 and a primary term of at least one Gas Day and up to 364 consecutive Gas Days, or up to 365 consecutive Gas Days during a Leap Year.
- 2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
 SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

BLENDED SEASONAL MAXIMUM DAILY RESERVATION RATE MATRIX 1/

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Port of Morgan, MT to Ventura, IA are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

<u>Month</u>	<u>January 31</u>	<u>February 28**</u>	<u>March 31</u>	<u>April 30</u>	<u>May 31</u>	<u>June 30</u>	<u>July 31</u>	<u>August 31</u>	<u>September 30</u>	<u>October 31</u>	<u>November 30</u>	<u>December 31</u>
January 1	\$0.0401	\$0.0394	\$0.0369	\$0.0329	\$0.0304	\$0.0299	\$0.0307	\$0.0317	\$0.0319	\$0.0314	\$0.0315	\$0.0321
February 1**	0.0321	0.0385	0.0351	0.0303	0.0279	0.0278	0.0291	0.0304	0.0308	0.0304	0.0306	0.0313
March 1	0.0316	0.0321	0.0321	0.0266	0.0247	0.0253	0.0273	0.0292	0.0298	0.0295	0.0298	0.0307
April 1	0.0315	0.0321	0.0321	0.0209	0.0209	0.0230	0.0261	0.0286	0.0295	0.0291	0.0295	0.0305
May 1	0.0327	0.0332	0.0331	0.0321	0.0209	0.0240	0.0278	0.0305	0.0311	0.0305	0.0307	0.0317
June 1	0.0341	0.0346	0.0343	0.0331	0.0321	0.0273	0.0314	0.0338	0.0338	0.0324	0.0324	0.0333
July 1	0.0351	0.0355	0.0351	0.0337	0.0325	0.0321	0.0353	0.0369	0.0359	0.0337	0.0334	0.0343
August 1	0.0351	0.0355	0.0351	0.0335	0.0322	0.0318	0.0321	0.0385	0.0362	0.0332	0.0329	0.0340
September 1	0.0344	0.0350	0.0346	0.0329	0.0315	0.0311	0.0315	0.0321	0.0337	0.0304	0.0310	0.0329
October 1	0.0345	0.0353	0.0347	0.0328	0.0312	0.0308	0.0313	0.0319	0.0321	0.0273	0.0297	0.0326
November 1	0.0370	0.0373	0.0363	0.0337	0.0318	0.0313	0.0317	0.0324	0.0325	0.0321	0.0321	0.0354
December 1	0.0393	0.0391	0.0373	0.0340	0.0318	0.0311	0.0317	0.0325	0.0326	0.0321	0.0321	0.0385

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Ventura, IA to North Hayden, IN are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

<u>Month</u>	<u>January 31</u>	<u>February 28**</u>	<u>March 31</u>	<u>April 30</u>	<u>May 31</u>	<u>June 30</u>	<u>July 31</u>	<u>August 31</u>	<u>September 30</u>	<u>October 31</u>	<u>November 30</u>	<u>December 31</u>
January 1	\$0.0431	\$0.0423	\$0.0396	\$0.0353	\$0.0327	\$0.0321	\$0.0330	\$0.0340	\$0.0343	\$0.0338	\$0.0338	\$0.0345
February 1**	0.0345	0.0414	0.0378	0.0326	0.0300	0.0298	0.0312	0.0327	0.0332	0.0327	0.0329	0.0337
March 1	0.0339	0.0345	0.0345	0.0286	0.0265	0.0272	0.0294	0.0314	0.0321	0.0317	0.0320	0.0330
April 1	0.0339	0.0345	0.0345	0.0224	0.0224	0.0247	0.0281	0.0308	0.0317	0.0313	0.0317	0.0328
May 1	0.0351	0.0357	0.0356	0.0345	0.0224	0.0258	0.0299	0.0328	0.0335	0.0328	0.0330	0.0341
June 1	0.0367	0.0372	0.0369	0.0356	0.0345	0.0293	0.0337	0.0363	0.0363	0.0349	0.0348	0.0358
July 1	0.0377	0.0381	0.0377	0.0362	0.0349	0.0345	0.0380	0.0397	0.0386	0.0362	0.0359	0.0368
August 1	0.0377	0.0382	0.0377	0.0360	0.0346	0.0342	0.0345	0.0414	0.0389	0.0356	0.0354	0.0366
September 1	0.0369	0.0376	0.0372	0.0353	0.0339	0.0334	0.0338	0.0345	0.0362	0.0327	0.0333	0.0354
October 1	0.0371	0.0379	0.0373	0.0352	0.0336	0.0331	0.0336	0.0343	0.0345	0.0293	0.0319	0.0351
November 1	0.0397	0.0401	0.0390	0.0362	0.0342	0.0336	0.0341	0.0348	0.0350	0.0345	0.0345	0.0380
December 1	0.0423	0.0420	0.0401	0.0366	0.0342	0.0335	0.0340	0.0349	0.0350	0.0345	0.0345	0.0414

\* Any term combination that includes a partial month will require a recomputation of the Daily Seasonal Maximum Base Reservation Rate for the respective term.

\*\* The rates reflected for the columns and rows containing February are based on 28 days and are subject to recomputation to reflect 29 days during Leap Year.

1/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
 SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

1/

Rate Schedule	Seasonal Base Tariff Rate (per 100 Dth-Miles)	
	Port of Morgan, MT to Ventura, IA	Ventura, IA to North Hayden, IN
IT-1		
Daily Commodity Rate		
Maximum - January	\$0.0405	\$0.0435
- February	\$0.0389	\$0.0418
- March	\$0.0325	\$0.0349
- April	\$0.0213	\$0.0228
- May	\$0.0213	\$0.0228
- June	\$0.0277	\$0.0297
- July	\$0.0357	\$0.0384
- August	\$0.0389	\$0.0418
- September	\$0.0341	\$0.0366
- October	\$0.0277	\$0.0297
- November	\$0.0325	\$0.0349
- December	\$0.0389	\$0.0418
Minimum	\$0.0004	\$0.0004

1/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

3/

Daily Rates per Dekatherm

Rate Schedule	Base Tariff Rate
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PAL 1/	
Maximum Reservation Rate	\$0.2041
Minimum Reservation Rate	\$0.0000
PAL 2/	
Maximum Commodity Rate	\$0.2041
Minimum Commodity Rate	\$0.0000
TPB	
Maximum Rate	\$0.0200
Minimum Rate	\$0.0000

1/ Charge applicable to ATPL service option only.

2/ Rates applicable to NPL, RPL, OPL and APL service options under Rate Schedule PAL.

3/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

5.1.4.1 Service Continuation.

1. A Shipper that has entered into a Service Agreement that provides for at least 12 consecutive months of service at the Maximum Rate shall have the right to continue service with respect to all or a portion of Shipper's Maximum Receipt Quantity, beyond the primary term specified in the Shipper's Service Agreement provided Shipper satisfies the credit worthiness requirements set forth in Section 6.40 of the General Terms and Conditions and is current with its obligations and otherwise is in compliance with the terms and conditions of this Tariff. Unless Company and Shipper expressly agree otherwise in Shipper's Service Agreement, a right of first refusal does not apply to negotiated rate arrangements, to firm service unless it has been performed at the applicable Maximum Rate for at least 12 consecutive months or to off-system services acquired for Shipper under Section 6.38 of the General Terms and Conditions of Company's FERC Gas Tariff. A limited right of first refusal shall be applicable to interim Service Agreements for capacity that has been sold with a future Billing Commencement Date as set forth in Section 6.26.2(b)(iv) or 6.26.5 of the General Terms and Conditions.
2. A Shipper that has entered into a Service Agreement that provides for a term that is at least twelve (12) months of service and up to and including five (5) years of service at the Maximum Rate for a path shorter than the path criteria set forth in a posting of capacity, shall have the right to continue service with respect to all or a portion of Shipper's firm capacity rights regarding such path beyond the primary term specified in the Shipper's Service Agreement; provided, however, Company shall have the right, not less than six (6) months and not more than eighteen (18) months prior to termination of Shipper's Service Agreement, to post, in accordance with the timeline set forth below in Section 5.1.4.2, the originally-posted full path criteria to the extent capacity is available in the amount of Shipper's firm capacity. If an acceptable bid is received for such full path, Shipper shall have the right to match the terms of the bid. If no acceptable bid is received, Shipper shall have the right to extend its Service Agreement at the Maximum Rate for a term up to and including five (5) years. For clarity, this provision does not require Northern Border to accept a short haul bid for more than five (5) years.
3. A Shipper may not exercise a right of first refusal for a geographic portion of its historical service. Company shall give Shipper notice not less than six months and no more than eighteen months prior to termination of Shipper's Service Agreement that Shipper must exercise its right of first refusal. However, in the event a construction project is proposed that would utilize capacity on Company's existing facilities, the sizing of which

project could be effected by Shipper's plans regarding the continuation of service, Company will have the right to give Shipper such notice no more than 36 months prior to termination of Shipper's Service Agreement. Company shall not require a response from Shipper in less than ten (10) business days from the date the notice is issued. Such response shall be Shipper's notification to Company of either (1) its intent to retain its option to exercise its ROFR pursuant to this Section 5.1.4 or (2) its binding commitment to terminate its Service Agreement. Service under the Service Agreement shall continue if:

- (a) The Service Agreement is extended for a term of at least five years at the Maximum Rate under this Rate Schedule, or
- (b) Shipper agrees to match, the term of the Best Bid, the Best Bid, as described in Section 5.1.4.2 paragraph 3, for the firm service being provided to Shipper, which Company has offered in accordance with Section 5.1.4.2, provided that Shipper executes an amendment to its Service Agreement, within five (5) business days of receipt of such amended Service Agreement, reflecting the terms matched.

A Shipper with an expiring Service Agreement that had a primary term greater than one year at the Maximum Rate is not required to match a rate higher than the Maximum Rate currently in effect for that Transportation Path in order to retain its contracted capacity.

If Shipper does not elect to continue service for all or part of Shipper's contracted Maximum Receipt Quantity in accordance with Section 5.1.4.1 paragraph 3(a) and Shipper elects to reserve its right to continue service in accordance with this subsection, Shipper must so notify Company of its election, within ten (10) business days of receiving notice from Company of Company's intent to terminate in total or in part the Service Agreement. No later than one (1) business day of receiving notice of Shipper's election under this subsection, Company will post the capacity in accordance with Section 5.1.4.2 paragraph 1. In the event that Shipper does not notify Company of an election pursuant to either Section 5.1.4.1 paragraph 3(a) or this subsection, Company shall post, without a right of first refusal, all of Shipper's capacity for Bids in accordance with Section 6.26.2(a), or;

- (c) If Company does not receive any acceptable Bid(s) for all or part of the capacity in response to a posting pursuant to Section 5.1.4.2 paragraph 1, Company shall notify Shipper in writing of the results and inform the Shipper that it may continue to receive service in accordance with its Service Agreement for any period chosen by the

Shipper. Company and Shipper shall have five (5) business days to mutually agree to acceptable terms and execute a Service Agreement to continue all or part of Shipper's Service Agreement. The Company is under no obligation to provide service at less than the Maximum Rate under this Rate Schedule. If Company and Shipper do not execute a Service Agreement by the close of the five (5) business day period, Company shall post, on its Internet web site on the following business day, the capacity as available capacity without a right of first refusal, in accordance with Section 6.26.2(a).

- (d) Upon completion of the applicable processes as described above in this subsection and in Section 5.1.4.2 and if such processes do not result in a mutually agreed upon amendment to Shipper's currently effective Service Agreement, Shipper's right of first refusal under the Service Agreement will have expired.



## 6.1. DEFINITIONS

The following terms, when used in this Tariff or in an Agreement, shall have the following respective meanings:

1. The term "Account Holder" shall mean a party using the services of Company or a Third Party Account Administrator under a contract or other arrangement with the Title Transfer Tracking Service Provider. [1.2.18]
2. The term "Agreed Maximum Receipt Quantity" shall be equal to the Maximum Receipt Quantity included in the Service Agreement less the total receipt quantity released at a point pursuant to a Capacity Release Offer Agreement and Capacity Release Bid Agreement.
3. The term "Agreement" shall mean, at any time with respect to any Shipper or Buyer, an executed Agreement, Service or Transportation Agreement for firm or interruptible service under this Tariff made by and between Company and such Shipper or Buyer.
4. The term "Backhaul" shall mean any transportation service where the gas to be delivered at Shipper's Point of Delivery is upstream on the Northern Border facilities of where the gas is to be received from Shipper at the Shipper's Point of Receipt. Backhaul transportation service will be available only to the extent that Forwardhaul volumes are received into Company's system on the same day upstream of or at the designated Point of Delivery and are required to be delivered out of Company's system downstream of or at the designated Point of Receipt for the backhaul such that the service can be provided.
5. The term "Balanced Point" shall mean a nominatable non-physical point on Company's system that facilitates the aggregation of quantities of gas to be delivered at a Variable Load Point with quantities of gas to be delivered at certain agreed upon physical interconnections under Rate Schedule TPB. Any operational imbalance is recognized at the Balanced Point. The Balanced Point shall be located adjacent to the farthest downstream milepost of the physical interconnection(s) which includes the Variable Load Point, as specified on Exhibit A of a Third Party Balancing Service Agreement.
6. The term "Balancing Provider" is a party performing a third-party balancing service pursuant to Rate Schedule TPB.
7. The term "Best Bid" shall mean the Bid(s) which is determined to be the best using the applicable evaluation methodology.

8. The term "Bid" shall mean the terms pursuant to which (1) a potential Replacement Shipper is willing to acquire firm capacity which has been offered or (2) a Person is willing to take uncommitted pipeline capacity.
9. The term "Bid Closing Date" shall mean the date by which a Bid must be received to be a valid Bid and included in the evaluation and awarding of Bids.
10. The term "Billing Commencement Date" shall mean the date of the Gas Day when a Shipper's service and payment obligation commences. The Billing Commencement Date for any Shipper receiving transportation as a result of placing into service the construction of new facilities shall occur when Company informs such Shipper by at least one day's notice that there is capability, to receive gas at Shipper's Point of Receipt and to make related deliveries of gas at Shipper's Point of Delivery, all in accordance with the provisions of Shipper's Service Agreement.
11. The term "billing month" shall mean the month following the Production Month and beginning at 9:00 a.m., Central Clock Time on the first day of a calendar month and ending at 9:00 a.m., Central Clock Time on the first day of the next succeeding calendar month.
12. The term "Btu" shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit from fifty-eight and one-half (58.5) degrees Fahrenheit to fifty-nine and one-half (59.5) degrees Fahrenheit. (Btu is measured on a dry basis at 14.73 psia.)
13. Reserved for future use.
14. Reserved for future use.
15. The term "business day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
16. The term "Buyers" shall mean, at any time, the Persons which have entered into certain Agreements for services with Company which are then in effect; and the term "Buyer" shall mean one of such Persons.
17. The term "Calendar Day" shall mean any day, excluding Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico. Company shall provide advanced notification of such observed holidays.
18. The term "Calendar Month" shall mean one of the twelve named divisions of a calendar year according to the Gregorian calendar which shall commence on the

first Calendar Day of such Calendar Month and end on the last Calendar Day of such Calendar Month.

19. The term "calendar year" shall mean the period from 9:00 a.m., Central Clock Time on January 1 of any year to 9:00 a.m., Central Clock Time on January 1 of the next succeeding year.
20. The term "Ccf" shall mean one hundred cubic feet of natural gas measured at Standard Reference Conditions.
21. The term "cf" shall mean one cubic foot of natural gas measured at Standard Reference Conditions.
22. The term "CCT" shall mean Central Clock Time.
23. The term "Company" shall mean Northern Border Pipeline Company, a "Service Provider" pursuant to NAESB WGQ Standards.
24. The term "Company Use Gas" for any period shall mean the total quantity of gas, including but not limited to gas used as fuel or for testing and gas lost or otherwise unaccounted for, used by Company in its gas operations during such period, as determined by Company.
25. The term "Company Use Gas Imbalance" shall mean the difference between actual Company Use Gas and estimated Company Use Gas for the same period.
26. The term "Company Use Gas Percentage" shall be the deemed fuel percentage of scheduled receipt nominations for transportation from Point of Receipt to Point of Delivery. This percentage will be determined on a dekatherm-mile basis and posted six business days prior to the end of the month preceding the month to which it is applicable. This percentage will be an estimate of what Company anticipates will be necessary to transport quantities from each receipt point to each delivery point and will include any Company Use Gas Imbalance from a prior period. The Company Use Gas Percentage will be reviewed monthly and will apply only to forwardhaul quantities.
27. The term "Confirmation Requester" shall mean a Service Provider (including a Point Operator) which is seeking to confirm a quantity of gas via the information outlined in NAESB WGQ Standard 1.4.3 with another Service Provider (the Confirming Party) with respect to a nomination at a location. [1.2.8]
28. The term "Confirming Party" shall mean a Service Provider (including a Point Operator) which provides a confirmation for a quantity of gas via the information outlined in NAESB WGQ Standard 1.4.4 to another Service Provider (the

Confirmation Requester) with respect to a nomination at a location. The term "Confirming Parties" shall mean the Confirmation Requester and the Confirming Party. [1.2.9] [1.2.10]

29. The term "Contract Dekatherm-miles" relative to a Shipper's Rate Schedule T-1 or Rate Schedule T-1B Service shall mean the number calculated by (a) multiplying Shipper's Maximum Receipt Quantity by the number of miles of Company's pipeline, as shown on Exhibit A to the Service Agreement, and (b) multiplying the product in (a) by the number of days for a respective time period (i.e. monthly, annually, or for the term of the Service Agreement).
30. The term "Customer Activities" shall mean the business function categories related to Nominations, Flowing Gas, Invoicing, Capacity Release, Contracts and other business functions on industry web sites. [4.2.10]
31. The term "Daily Contract Dekatherm-miles" shall mean the amount of Shippers Contract Dekatherm-miles on a 100 Dekatherm-miles basis per day.
32. Reserved for future use.
33. The term "Dekatherm" (Dth) shall mean a unit of heating value. The standard quantity for nominations, confirmation and scheduling is dekatherms per gas day in the United States, gigajoules per gas day in Canada and gigacalories per gas day in Mexico. (For reference 1 dekatherm = 1,000,000 Btu's; and 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units. (The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 Gigajoules per Dekatherm.) Daily Dekatherms shall be the quantity units used by Company for nominations, confirmations, scheduling, allocating, and imbalance activity. [1.3.14]
34. The term "Dekatherm-miles", relative to a Point of Receipt and Delivery for a Shipper, shall mean an amount determined by multiplying the quantity of gas received by Company from Shipper at such Point of Receipt for delivery to the designated Point of Delivery by the actual pipeline mileage between such Point of Receipt and the Point of Delivery. The term "Contract Dekatherm-miles" is defined elsewhere in this Section 6.1 and does not incorporate the "Dekatherm-miles" meaning contained herein.

35. The term "Designated Replacement Shipper" shall mean the Person who has been designated by the Releasing Shipper as the Replacement Shipper for the capacity being released.
36. The term "Elapsed Prorata Capacity" or "EPC" shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intra-day recall based upon a cumulative uniform hourly use of the capacity. [5.2.3]
37. The term "elapsed-prorated-scheduled quantity" shall mean that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intra-day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. [1.2.12]
38. The term "Electronic Data Interchange" (EDI) shall mean the computer-to-computer exchange of business documents and information through the use of standard document formats. As a prerequisite for using EDI in place of conventional paper-based documents, user will be required to execute an EDI/EDM trading partner agreement as adopted from the NAESB WGQ EDI trading partner agreement.
39. The term "Entity" shall be a person or organization with sufficient legal standing to enter into a contract or arrangement with another such person or organization (as such legal standing shall be determined by those parties) for the purpose of conducting and/or coordinating natural gas transactions. [0.1.1]
40. The term "Federal Energy Regulatory Commission" or "FERC" shall mean the Federal Energy Regulatory Commission of the United States of America or any other tribunal or Person which may hereafter exercise the functions now exercised by that Commission with respect to Company.
41. The term "Forwardhaul" shall mean any transportation service where the gas to be delivered at Shipper's Point of Delivery is downstream on the Company's facility from location at which gas is to be received from Shipper at the Shipper's Point of Receipt.
42. The term "gas" shall mean natural gas, manufactured, artificial or synthetic gas, or any mixture or combination thereof.
43. The term "Gas Day" shall mean a period beginning and ending at 9:00 a.m., Central Clock Time. The reference date for any day shall be the date of the beginning of such day.

44. The term "General Terms and Conditions" shall mean, at any time, these General Terms and Conditions as from time to time amended or supplemented.
45. The term "gross heating value", shall mean gross heating value dry as determined by the total calorific (heating) value, in British thermal units, Btu, of the amount of any dry gas which would occupy a volume of one standard cubic foot, based on 14.73 Psia and 60 degrees F. The total, or gross, calorific value represents the Btus evolved by the complete combustion, at constant pressure, of one standard cubic foot of any dry gas with air, the temperature of the gas, air, and products of combustion being 60 degrees F, and all water formed by the combustion reaction being condensed to the liquid state.
46. The term "Historical Flow Quantity" (HFQ) for a given Point of Interconnection shall be the lesser of the average daily scheduled quantity for the previous 15 consecutive Gas Days or the actual average daily metered flow quantity for such time period.
47. The term "Information Postings" identifies common information as specified in Standard 4.3.23. [4.2.1]
48. The term "In-Direction" shall mean a nomination line item that has a nominated flow direction in the same direction as the contractual Transportation Path.
49. The term "Interconnected Party" shall mean the Person who is directly connected to Company's facilities at a physical Point of Receipt or a physical Point of Delivery.
50. The term "IT-1 Shippers" shall mean at any time the Shippers which have entered into IT-1 Transportation Agreements with Company which are then in effect; and the term IT-1 Shipper shall mean one of such Persons.
51. The term "IT-1 Transportation Agreement" shall mean at any time with respect to any IT-1 Shipper, an executed IT-1 Transportation Agreement for service under this Tariff made by and between Company and such IT-1 Shipper which is then in effect.
52. The term "Lending Point" relative to a Buyer shall mean the Lending Points as shown or referenced on Exhibit A to such Buyer's PAL Agreement where such Buyer can borrow gas quantities on Company's system pursuant to such Agreement.
53. The term "Maximum Balancing Quantity" shall mean the maximum Dekatherms per day quantity of gas authorized by Balancing Provider to Company to deliver to the Variable Load Point on an instantaneous basis as detailed on Exhibit A of the Third Party Balancing Service Agreement.

54. The term "Maximum Commodity Rate" shall mean the Maximum Commodity Rate for each respective Rate Schedule as shown on the Statement of Rates. All tariff rates shall be adjusted to reflect a standard calculation of daily and monthly rates. [5.3.23]
55. The term "Maximum Delivery Quantity" relative to a Point of Delivery to a Shipper for any day shall mean the volume of gas shown as the Maximum Delivery Quantity stated in Dekatherms for such Point of Delivery on Exhibit A to such Shipper's Service Agreement.
56. The term "Maximum Park and Loan (PAL) Quantity" shall mean the Dekatherms of gas shown as the Maximum Park and Loan (PAL) Quantity that is relative to the Parking Points and Lending Points shown on Exhibit A to a Buyer's PAL Agreement.
57. The term "Maximum Rate" applicable to Rate Schedules T-1 and T-1B shall mean the sum of the applicable Maximum Daily Reservation Rate and the applicable Maximum Commodity Rate as shown on the Statement of Rates.
58. The term "Maximum Receipt Quantity" relative to a Point of Receipt from a Shipper for any day shall mean the volume of gas shown as the Maximum Receipt Quantity stated in Dekatherms for such Point of Receipt on Exhibit A to such Shipper's Service Agreement.
59. The term "Maximum Reservation Rate" shall mean the applicable daily maximum reservation rate for each respective Rate Schedule as shown on the Statement of Rates.
60. The term "Mcf" shall mean 1000 cubic feet of gas measured at Standard Reference Conditions.
61. The term "Measurement Party" shall mean the Person who is primarily responsible for measurement of gas volumes at a physical Point of Receipt into or a physical Point of Delivery out of Company's pipeline system.
62. The term "MMcf" shall mean 1,000,000 cubic feet of natural gas measured at Standard Reference Conditions.
63. The term "Minimum Commodity Rate" shall mean the Minimum Commodity Rate for each respective Rate Schedule as shown on the Statement of Rates.
64. The term "Minimum Rate" shall mean the Minimum Commodity Rate as shown on the Statement of Rates for the applicable Rate Schedules.

65. The term "NAESB" shall mean North American Energy Standards Board.
66. The term "Negotiated Rates" shall mean a rate or formula for computing a rate for Transportation service which may be greater than, equal to or less than the Recourse Rate, but which may not be less than the Minimum Commodity Rate set forth on the Statement of Rates. A Negotiated Rate must be mutually agreed upon by Company and Shipper for a specific time period and may be based on a rate design other than the rate design used to compute Company's currently effective Recourse Rate.
67. The term "Netting" shall describe the process of resolving imbalances for a Shipper or its Agent within an Operational Impact Area. Company shall recognize two types of Netting: summing and offsetting. Summing is the process of accumulation of all imbalances above any applicable tolerance for a Shipper or its Agent. Offsetting is the process of combining positive and negative imbalances above any applicable tolerance for a Shipper or its Agent. [2.2.3]
68. The term "Nominating Party" shall mean a Shipper, or its Nominating Agent (one who has been pre-designated by Shipper to serve in such role). If a Shipper elects to use a Nominating Agent for a given Agreement, the agent replaces the Shipper as the sender of nomination information as well as the receiver of nomination-related information from Company for such Agreement.
69. The term "Nomination Day" shall mean one day prior to Gas Day.
70. The term "Non-OBA Point" shall mean a point of receipt or delivery where no Operational Balancing Agreements are in effect.
71. The term "OBA Point" shall mean a point of receipt or delivery where an Operational Balancing Agreement is in effect between Company and the upstream or downstream pipeline to administer interconnect balancing.
72. The term "Offer" shall mean the terms pursuant to which a Releasing Shipper is willing to release firm transportation capacity.
73. The term "Operational Balancing Agreement" (OBA) shall mean the contract between Company and party which specifies the procedures to manage operating variances at an interconnect. [2.2.1]
74. The term "Operational Flow Order" (OFO) shall be an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of Company's system or to maintain operations required to provide efficient and reliable service. Whenever Company experiences these conditions, any pertinent order shall be referred to as an OFO. [1.2.6]



75. The term "Operational Impact Area" shall mean the largest possible area(s) on Company's system in which imbalances have a similar operational effect. For imbalance resolution, Company shall designate its entire pipeline system as a single Operational Impact Area. [2.2.2]
76. The term "Out-of-Direction" shall mean a nomination line item that has a nominated flow direction opposite of the contracted Transportation Path direction.
77. The term "Overdelivery" shall mean the quantity of gas that results when Shipper delivers or causes to be delivered to Company a quantity of gas which, less Shipper's share of estimated Company Use Gas, is greater than the quantity of gas delivered out of Company's system for Shipper's account.
78. The term "Package ID" shall mean a NAESB WGQ defined mutually agreeable data element provided to differentiate between discrete business transactions. [1.2.5]
79. The term "Parking Point" relative to a Buyer shall mean the Parking Points as shown or referenced on Exhibit A to such Buyer's PAL Agreement where such Buyer can park gas quantities on Company's system pursuant to such Agreement.
80. The term "PDA" shall mean pre-determined allocation, which is the allocation method agreed to by the allocating and allocated parties at a point prior to gas flow.
81. The term "Person" shall mean an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or a government or political subdivision thereof; and pronouns shall have a similarly extended meaning.
82. The term "Point of Delivery" relative to a Shipper shall mean the Points of Delivery posted on Company's Informational Postings web site for delivery of gas to such Shipper.
83. The term "Point of Interconnection" shall mean those locations where Company is physically connected to an Interconnected Party.
84. The term "Point of Receipt" relative to a Shipper shall mean the Points of Receipt posted on Company's Informational Postings web site for receipt of gas from such Shipper.
85. The term "pooling" shall mean (1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or (2) the dis-

aggregation of gas from a single physical or logical point to multiple physical and/or logical points. [1.2.3]

86. Reserved for future use.
87. The term "Production Month" shall mean the period of actual gas flow preceding the billing month and beginning at 9:00 a.m., Central Clock Time on the first day of a calendar month and ending at 9:00 a.m., Central Clock Time on the first day of the next succeeding calendar month.
88. The term "psia" shall mean pounds per square inch, absolute.
89. The term "psig" shall mean pounds per square inch, gauge.
90. The term "Quick Response" shall mean the initial response made by Company to recognize the receipt of an EDI-based nomination. Such response will be made in accordance with NAESB WGQ standards.

In addition, Company shall recognize the receipt of non-EDI delivered nominations; EBB-based, fax, or telephone, at the time they are fully transmitted. A transmission failure shall be the Nominating Party's indication that the non-EDI nomination has not been fully delivered to Company.

91. The term "rate commitment" shall mean the revenue committed to Company for each separate transaction for the term of the effective PAL service option.
92. The term "Rate Schedules" shall mean all of the Rate Schedules of Company on file with the Federal Energy Regulatory Commission and in effect.
93. The term "Recourse Rate" shall mean the stated maximum reservation charge and/or maximum commodity rate applicable to each respective Rate Schedule set forth on the Statement of Rates.
94. The term "Releasing Shipper" shall mean a Shipper who has firm contractual rights to capacity on Company's system and is offering to release or has released its firm capacity.
95. The term "Replacement Shipper" shall mean a Person who has obtained firm capacity from a Releasing Shipper.
96. The term "Service Agreement" shall mean, at any time with respect to any Shipper, an executed firm Service Agreement for service under this Tariff made by and between Company and such Shipper.

97. The term "Service Requester" shall mean Nominating Party.
98. The term "Shipper Imbalance" shall mean the difference between the quantity of gas received by Company for transportation for such Shipper, adjusted for Shipper's share of estimated Company Use Gas, and the quantity of gas delivered by Company for such Shipper's account.
99. The term "Shippers" shall mean, at any time, the Persons which have entered into transportation Agreements with Company which are then in effect; and the term "Shipper" shall mean one of such Persons.
100. The term "Stranded Allocated Capacity" shall mean pipeline and/or point capacity that has been allocated by Company to a given Shipper in a supported nomination and scheduling cycle that was not fully confirmed by the upstream and/or downstream confirming party(ies).
101. The term "Tariff" shall mean the compilation on file with the Federal Energy Regulatory Commission of Company's Rate Schedules, General Terms and Conditions and related forms of Agreements from time to time in effect.
102. The term "tendered" relative to a quantity of gas and a Shipper shall mean that all of the following conditions have been fulfilled:
- (1) such Shipper has informed Company that it plans to deliver a quantity of gas which such Shipper is entitled to deliver to Company pursuant to such Shipper's Agreement at a specified Point of Receipt on a specified day;
  - (2) either
    - (a) (1) relative to an OBA Point, the upstream pipeline has verified that the quantity of gas Shipper has nominated for delivery to Company is in fact the quantity of gas that can be delivered to Company at such Point of Receipt or
    - (a) (2) relative to a non-OBA Point such Shipper in fact could cause delivery of such quantity to Company at such Point of Receipt on such day, or
    - (b) to the extent Company refuses to receive such gas in the quantity described in Section 6.1 paragraph 102(2)(a)(1) or (2)(a)(2) above at such Point of Receipt on such day, such Shipper is in fact ready, willing and able to so deliver the quantity so refused or would have been able to do so had Company not so refused; and

- (3) such Shipper is in fact, ready, willing and able to accept delivery from Company on such day of the related quantity of gas in accordance with such Shipper's Agreement. The term "tender" shall have a corresponding meaning.
103. The term "Third Party Account Administrator" is a Title Transfer Tracking Service Provider other than Company. [1.2.17]
104. The term "Title" shall be the term used to identify the ownership of gas. [1.2.13]
105. The term "Title Transfer" shall be the term used to reflect the change of Title to gas between parties at a location. [1.2.14]
106. The term "Title Transfer Agreement" shall mean an executed Title Transfer Agreement for service under this Tariff made between Company and Account Holder and specifically shall include the form of agreement available on Company's Internet web site.
107. The term "Title Transfer Nomination" shall mean a nomination line item requesting the service of Title Transfer Tracking and is sent by an Account Holder to a Title Transfer Tracking Service Provider. [1.2.19]
108. The term "Title Transfer Tracking" shall be the process of accounting for the progression of Title changes from party to party that does not affect a physical transfer of gas. [1.2.15]
109. The term "Title Transfer Tracking Service Provider" shall be a party conducting the title transfer tracking activity. [1.2.16]
110. The term "Total Interruptible Receipt Quantity" relative to any IT-1 Shipper for any day shall mean the Total Interruptible Receipt Quantity, stated in Dekatherms, shown on Exhibit A to such IT-1 Shipper's IT-1 Transportation Agreement.
111. The terms "Trade" or "Trading" shall describe the process of resolving Shipper Imbalances between two or more Shippers or their Agents within an Operational Impact Area.
112. The term "Transfer Point" shall be used to describe a point on Company's system where, for purposes of scheduling and nominations, in-line transfers of gas shall occur from one transportation agreement to another or from a compression agreement or PAL agreement to a transportation agreement.

Transfer Points will be nominated accordingly and will be considered secondary points for scheduling purposes.

113. The term "Transportation Path" shall mean for each Service Agreement the pipeline path and flow direction from and including the farthest Point of Receipt to and including the farthest Point of Delivery a Shipper has contracted for on Company's system. One of the units of measurement for a Shipper's Transportation Path shall be Contract Dekatherm-Miles.
114. The term "Underdelivery" shall mean the quantity of gas that results when Shipper takes or causes to be taken from Company for its account a quantity of gas which is greater than the quantity of gas tendered by Shipper to Company less Shipper's share of estimated Company Use Gas.
115. The term "U.S. Shippers" shall mean, at any time, the Shippers which have entered into U.S. Shippers Service Agreements with the Company which are then in effect; and the term "U.S. Shipper" shall mean one of such Persons.
116. The term "Variable Load Point" shall be defined as a physical delivery point of interconnection on Company's system directly supplying an end-use market whose load requirements are expected to fluctuate widely during the day, month, or year. An OBA must be executed at a Variable Load Point.
117. The term "Variable Load Point Customer" is a party receiving balancing services from a Balancing Provider under Rate Schedule TPB.
118. The term "WGQ" shall mean Wholesale Gas Quadrant.

## 6.6.7 Reservation Charge Credits.

### 1. Force Majeure Events.

As used in this Section 6.6.7, Firm Daily Volume shall mean the volume of gas which Company is obligated to deliver on a firm basis at Shipper's primary firm delivery point(s) on a Gas Day based on nominations for firm service within Shipper's Maximum Receipt Quantity and confirmed by upstream and downstream operators. If, due to an event of Force Majeure as defined in Section 6.9 of the General Terms and Conditions of this FERC Gas Tariff, Company is unable to schedule or deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that Company fails to provide service, the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not scheduled or delivered by Company within the Shipper's Firm Daily Volume; provided, however that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

Except as provided for in Section 6.6.7 paragraph 2 below, this reservation charge credit is Shipper's sole remedy for nondelivery of gas by Company.

### 2. Non-Force Majeure Events.

Except as provided for in Section 6.6.7 paragraph 1 above, in the event Company fails to schedule or deliver any portion of Shipper's Firm Daily Volume on any Gas Day under any firm contract, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not scheduled or delivered by Company within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

Except as provided for in Section 6.6.7 paragraph 1 above, this reservation charge credit is Shipper's sole remedy for nondelivery of gas by Company.

### 3. Exceptions.

Section 6.6.7 paragraphs 1 and 2 hereof shall not apply to any failure of Company to take receipt from Shipper of any gas tendered by Shipper pursuant to Article 1 of Shipper's Service Agreement if such failure is caused solely by the conduct of others not controlled by Company.

### 4. Subject to Section 6.6.7 paragraph 3 and Article III.A.2.a. of the Stipulation and Agreement filed by Company on September 27, 2012, if Company fails to schedule Shipper's nominated and confirmed quantities pursuant to Section 6.6.7 paragraph

4(a), Shipper shall receive a reservation charge adjustment unless such failure to schedule results from application of the scheduling priorities described in Section 6.10.4 of the General Terms and Conditions.

- (a) Reservation charge adjustments shall be based on the quantity Company fails to schedule up to Shipper's MDQ by the close of the Evening Nomination Cycle ("Cycle 2"), provided that Shipper's nominated, confirmed and scheduled quantities at the close of Intraday 2 Nomination Cycle ("Cycle 4") have not increased above Cycle 2 scheduled quantity levels. Should Shipper's nominated, confirmed and scheduled quantities at the end of the Cycle 4 increase above Shipper's Cycle 2 nominated, confirmed and scheduled quantities, reservation charge credits will be reduced, based on Shipper's nominated, confirmed and scheduled quantities at the end of Cycle 4.
- (b) Subject to Section 6.6.7 paragraph 4(b)(i), in the event Shipper's nominated and confirmed quantities are reduced by Company in the Timely Nomination Cycle ("Cycle 1") (creating "Un-Scheduled Gas," i.e., the difference between the quantity of gas nominated and confirmed and the quantity of gas Company was able to schedule), and, based upon Company's inability to provide primary firm service for such Un-Scheduled Gas, Shipper nominates any amount of the Un-Scheduled Gas on a third-party pipeline ("Third Party Service"), such Shipper's otherwise applicable reservation charge adjustment for Un-Scheduled Gas shall not be diminished by such Third Party Service. Shipper shall not be required to re-submit a nomination to Company in Cycle 2 to receive such reservation charge adjustment in that event. Should Shipper's Un-Scheduled Gas quantities be transported by Company in a subsequent intraday cycle, such Shipper's reservation charge adjustment will appropriately be reduced.
  - (i) Shipper shall provide a representation to Company that it nominated in good faith on a third-party pipeline its Third Party Service as the result of Company's inability to provide primary firm service.

## 6.9 FORCE MAJEURE

1. Neither Company nor Shipper shall be liable in damages to the other for any act, omission or circumstance which shall be caused, in whole or substantial part, by a condition of force majeure. The term "force majeure" as used herein, shall mean any acts of God, strikes, lockouts or other labor disputes or industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, other storms, floods, washouts or other act of nature, civil disturbances, explosions, breakage, accident or unplanned (*i.e.*, actions in response to unanticipated, non-routine events) repairs to machinery or lines of pipe, temporary or permanent failure of gas supply, inability to obtain or unavoidable delay in obtaining pipe, materials or other equipment, acts or binding orders of any court or other governmental authority whether or not having jurisdiction, and any other cause, whether similar or dissimilar to any above enumerated, not reasonably within the control of the Person claiming relief from liability and which such Person was or would have been unable to prevent by the exercise of due diligence. Failure to prevent or settle any strike or strikes or any dispute leading to a lockout shall not be considered to be a matter within the control of the Person claiming relief. Force majeure affecting the performance by either Shipper or Company of any of its obligations under Shipper's Agreement shall not relieve the Person seeking relief from liability in respect of any period when the continuance of its inability to perform such obligations is due to its failure to use reasonable efforts to remedy the situation in a reasonable manner and with reasonable dispatch, nor shall force majeure regardless of the circumstances thereof, affect in any way the obligations of Company or Shipper to make payments under Shipper's Agreement, except to the extent provided in Section 6.6.7. The Person claiming relief from liability by reason of force majeure shall give prompt notice to the other of the occurrence and cessation of such force majeure.



## 6.13 DELIVERIES OF GAS

### 1. Delivery of Commingled Gas.

It is recognized that the gas delivered by Shipper to Company under Shipper's Agreement will be commingled in Company's pipeline with gas received by Company from other Shippers under their Agreements, and that the gas which Company will deliver to Shipper may not be the identical gas which Shipper shall deliver to Company. So long as the gas delivered by Company to Shipper meets the specifications set forth in the General Terms and Conditions, such gas may be gas from any other source in lieu of all or any part of said gas delivered by Shipper to Company.

### 2. Delivery Obligation.

Beginning on Shipper's Billing Commencement Date and ending on the termination date set forth in the Agreement, Company shall deliver to Shipper a quantity of gas which has an aggregate Btu content equal to all gas received by Company from Shipper pursuant to Article 1 of Shipper's Agreement minus Shipper's share of estimated Company Use Gas.

In the alternative, Shipper may elect to purchase its share of estimated Company Use Gas from another Person. The Person shall cause delivery of such gas volumes to Company for the account of the Shipper making such an election at a point(s) agreed to by Company. When a Shipper elects to purchase all or part of its share of estimated Company Use Gas, delivery of gas volumes by Company to Shipper as described above shall not be reduced accordingly.

Shipper's share of estimated Company Use Gas shall be the product of the Shipper's scheduled forwardhaul receipt nominations multiplied by the Company Use Gas Percentage stated for the applicable Point of Receipt and Point of Delivery.

### 3. Beginning of Delivery Obligation.

Company shall have no obligation to deliver gas to Shipper prior to Shipper's Billing Commencement Date.

### 4. Daily Deliveries.

Company, subject to operating conditions affecting Shipper and Company and the available capacity of their respective facilities, shall endeavor to deliver to Shipper on each day beginning with Shipper's Billing Commencement Date that quantity of gas computed as provided in Section 6.13 paragraph 2 hereof. It is recognized, however, that Company may not deliver to Shipper on each or any day the exact

quantity provided for above. Company shall allocate deviations from such quantity among Shippers based on existing conditions and consultation with the Shippers concerned. If Company, on any day, delivers to Shipper a quantity of gas different from that described in the first sentence of this Section 6.13 paragraph 4, Company shall, as soon as practicable thereafter, make adjustment for the Btu content of such difference by appropriately increasing or decreasing the quantity of gas delivered to Shipper on one or more subsequent days.

5. Allocation of Deliveries.

If Shipper has more than one Point of Delivery, it shall each day designate the portion of the gas to be delivered to it on such day which it desires to receive at each such Point of Delivery and Company shall endeavor to make deliveries in accordance with such designation; provided that Company shall not be obliged to deliver to Shipper, or Shipper to receive from Company, at any of such Points of Delivery on any day a quantity of gas in excess of Shipper's Maximum Delivery Quantity for such Points of Delivery for such day.

6.26.1 Posting of Planned Capacity.

Company shall post a notice of planned expansion and/or extension of Company's pipeline system. The notice shall specify, as applicable, the anticipated quantity (Dth), Point(s) of Receipt, Point(s) of Delivery, Bid evaluation method, term, Bid terms, and deadline for resolution of Bid contingency as set forth in Section 6.26.3(b).

6.27.6 Selection of Best Bid.

The Best Bid for capacity releases shall be selected by use of one of the methods set forth in Section 6.27.6 paragraph 1 hereof. The Releasing Shipper shall specify the Bid evaluation method in its Offer.

Company shall eliminate all Bids which do not satisfy the minimum criteria specified by the Releasing Shipper in its Offer, if any. When an Offer includes a volumetric rate component, only the reservation charge component will be considered in the Bid evaluation and determination of Best Bid. Bids will be assigned a ranking based on the evaluation method specified by the Releasing Shipper.

1. Company's Bid Evaluation Methods.

- (a) Method A - Present Value of Bids for Capacity Under Rate Schedule(s) T-1 and T-1B.

$$\text{Present Value per unit} = \left[ \frac{(R_1 * D_1)}{1} + \frac{(R_2 * D_2)}{2} \right] * \frac{[1 - (1 + i)^{-n}]}{i}$$

Method A - Present Value of Bids for Capacity Under Rate Schedule FCS-DP and FLT-1

$$\text{Present Value} = \frac{[R_3]}{3} * \frac{[1 - (1 + i)^{-n}]}{i}$$

Where:

R<sub>1</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Port of Morgan, MT (POM) to Ventura, IA.

R<sub>2</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Ventura, IA to North Hayden, IN.

R<sub>3</sub> = Reservation Rate in the Bid.

D<sub>1</sub> = Distance in miles of that portion (if any) of the Bid distance between POM and Ventura, IA that lies between the Primary Receipt Point and Primary Delivery Point divided by 100.

D<sub>2</sub> = Distance in miles of that portion (if any) of the Bid distance between Ventura, IA and North Hayden, IN that lies between the Primary Receipt Point and the Primary Delivery Point divided by 100.

i = FERC's annual discount rate divided by 365 days or 366 days during leap year.

n = Bid term (days) not to exceed the number of days posted.

The higher the present value, the higher the ranking.

- (b) Method B - Highest Rate of Bids for Capacity Under Rate Schedule(s) T-1 and T-1B.

$$\text{Highest Rate} = \frac{R_1 * D_1}{1} + \frac{R_2 * D_2}{2}$$

Method B - Highest Rate of Bids for Capacity Under Rate Schedule FCS-DP and FLT-1

$$\text{Highest Rate} = \frac{R_3}{3}$$

Where:

R<sub>1</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - POM to Ventura, IA.

R<sub>2</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Ventura, IA to North Hayden, IN.

R<sub>3</sub> = Reservation Rate in the Bid.

D<sub>1</sub> = Distance in miles of that portion (if any) of the Bid distance between POM and Ventura, IA that lies between the Primary Receipt Point and Primary Delivery Point divided by 100.

D<sub>2</sub> = Distance in miles of that portion (if any) of the Bid distance between Ventura, IA and North Hayden, IN that lies between the Primary Receipt Point and the Primary Delivery Point divided by 100.

Rate per Dth Bid regardless of term. The higher the rate, the higher the ranking.

- (c) Method C - Net Revenue of Bids for Capacity Under Rate Schedule(s) T-1 and T-1B.

$$\text{Net Revenue} = Q * [(R_1 * D_1) + (R_2 * D_2)] * n$$

Method C - Net Revenue of Bids for Capacity Under Rate Schedule FCS-DP and FLT-1

$$\text{Net Revenue} = Q * R_3 * n$$

Where:

Q = Bid Quantity (Dth)

R<sub>1</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - POM to Ventura, IA.

R<sub>2</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Ventura, IA to North Hayden, IN.

R<sub>3</sub> = Reservation Rate in the Bid.

D<sub>1</sub> = Distance in miles of that portion (if any) of the Bid distance between POM and Ventura, IA that lies between the Primary Receipt Point and Primary Delivery Point divided by 100.

D<sub>2</sub> = Distance in miles of that portion (if any) of the Bid distance between Ventura, IA and North Hayden, IN that lies between the Primary Receipt Point and the Primary Delivery Point divided by 100.

n = Bid term (days), not to exceed the number of days offered by the Releasing Shipper.

The higher the net revenue, the higher the ranking.

(d) Method D - Releasing Shipper's Bid Evaluation Methodology.

The Releasing Shipper may establish a method for evaluation of the Best Bid. The Releasing Shipper must specify the evaluation method and provide an example of the evaluation method with the Offer. In this event, the Company shall evaluate the Bids in accordance with the Releasing Shipper's method and allocate the capacity to the Best Bid. The Releasing Shipper's Bid evaluation methodology must be objective and non-discriminatory. In the event the Releasing Shipper does not specify how capacity will be allocated when there are multiple Best Bids, the capacity will be allocated in accordance with Section 6.27.6 paragraph 1(f) hereof.

(e) Best Bid.

When the Company makes awards of capacity for which there have been multiple Bids meeting minimum conditions, the Company will award Bids, Best Bid first, until all offered capacity is awarded. [5.3.4]

(f) Tie-Breaker of Best Bids.

To the extent there is more than one Best Bid for Bids of five months or more, the offered capacity shall be allocated on a pro rata basis to potential Replacement Shipper(s) submitting a Best Bid, subject to the condition that potential Replacement Shipper(s) must specify when making its Bid whether it is willing to accept a pro rata portion of its Bid capacity. If a Best Bid does not specify the Bidder's willingness to accept a pro rata allocation of the capacity and it is necessary to allocate capacity on a pro rata basis, then no capacity will be awarded to such Best Bid. In the event there is more than one Best Bid for Bids of less than five months, the capacity will be awarded on a first-come, first-served basis.

NORTHERN BORDER PIPELINE COMPANY  
U. S. SHIPPERS SERVICE AGREEMENT  
RATE SCHEDULE T-1

EXHIBIT A TO U.S. SHIPPERS SERVICE AGREEMENT

COMPANY - Northern Border Pipeline Company

COMPANY'S ADDRESS - Commercial Services  
717 Texas Street  
Houston, TX 77002-2761

SHIPPER -

SHIPPER'S ADDRESS -

Right of First Refusal: Yes \_\_\_\_\_ No \_\_\_\_\_

Right of First Refusal Path:

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to Section 6.26 of the General Terms and Conditions. Right of First Refusal rights, if any, applicable to this interim capacity are limited as provided in such Section 6.26.2(b)(iv) or 6.26.5 of the General Terms and Conditions.

Maximum Receipt Quantity: Identify Dth/day amount in either (a) or (b) immediately below.

(a) Uniform throughout contract term: \_\_\_\_\_ Dth/day, or

(b) Differing throughout contract term (include periods and amounts in Dth/day):

Transportation Path:

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Maximum Reservation Rate 1/ \_\_\_\_\_

Discounted Rate: 1/ \_\_\_\_\_

Rate Type:2/ \_\_\_\_\_

Quantity: \_\_\_\_\_

Quantity Level: \_\_\_\_\_

Time Period: Start Date \_\_\_\_\_ End Date \_\_\_\_\_



Contract: Discounted Daily Reservation Rate \_\_\_\_\_  
Discounted Daily Commodity Rate \_\_\_\_\_  
Point: Point of Receipt \_\_\_\_\_  
Point of Delivery \_\_\_\_\_  
Point to Point: Point of Receipt \_\_\_\_\_ to Point of Delivery \_\_\_\_\_  
Zone: (define geographical area) \_\_\_\_\_  
Relationship: \_\_\_\_\_  
Rate Component: \_\_\_\_\_  
Index Price Differential: \_\_\_\_\_

Negotiated Rate: 1/ No \_\_\_\_\_ Yes \_\_\_\_\_ (attach explanation of rate)

- 1/ Plus the applicable commodity charges and other rates and charges, pursuant to Section 5.1.3.1 of Rate Schedule T-1.
- 2/ See Section 6.41 of the General Terms and Conditions for description of various types of discount rates.

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_\_\_.

Billing Commencement Date of this Exhibit A is \_\_\_\_\_.

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

(NAME OF T-1 SHIPPER)

By: \_\_\_\_\_

Title: \_\_\_\_\_

NORTHERN BORDER PIPELINE COMPANY  
SERVICE AGREEMENT  
RATE SCHEDULE T-1B

EXHIBIT A TO T-1B SERVICE AGREEMENT

COMPANY - Northern Border Pipeline Company

COMPANY'S ADDRESS - Commercial Services  
717 Texas Street  
Houston, TX 77002-2761

SHIPPER -

SHIPPER'S ADDRESS -

Right of First Refusal: Yes \_\_\_\_\_ No \_\_\_\_\_

Right of First Refusal Path:

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to Section 6.26 of the General Terms and Conditions. Right of First Refusal rights, if any, applicable to this interim capacity are limited as provided in such Section 6.26.2(b)(iv) or 6.26.5 of the General Terms and Conditions.

Transportation Path:

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Maximum Receipt Quantity: Identify Dekatherms/day amount in either (a) or (b) immediately below.

(a) Uniform throughout contract term: \_\_\_\_\_ Dekatherms/day, or

(b) Differing throughout contract term (include periods and amounts in Dekatherms/day):

Maximum Reservation Rate 1/ \_\_\_\_\_

Discounted Rate: 1/ \_\_\_\_\_

Rate Type: 2/ \_\_\_\_\_

Quantity: \_\_\_\_\_

Quantity Level: \_\_\_\_\_  
Time Period: Start Date \_\_\_\_\_ End Date \_\_\_\_\_  
Contract: Discounted Daily Reservation Rate \_\_\_\_\_  
Discounted Daily Commodity Rate \_\_\_\_\_  
Point: Point of Receipt \_\_\_\_\_  
Point of Delivery \_\_\_\_\_  
Point to Point: Point of Receipt \_\_\_\_\_ to Point of Delivery \_\_\_\_\_  
Zone: (define geographical area) \_\_\_\_\_  
Relationship: \_\_\_\_\_  
Rate Component: \_\_\_\_\_  
Index Price Differential: \_\_\_\_\_

Negotiated Rate: 1/ No \_\_\_\_\_ Yes \_\_\_\_\_ (attach explanation of rate)

- 1/ Plus the applicable commodity charge and other rates and charges, pursuant to Section 5.5.3.1 of Rate Schedule T-1B.
- 2/ See Section 6.41 of the General Terms and Conditions for description of various types of discount rates.

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_\_\_.

Billing Commencement Date of this Exhibit A is \_\_\_\_\_.

NORTHERN BORDER PIPELINE COMPANY

By: TransCanada Northern Border Inc.,  
its Operator

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

(NAME OF SHIPPER)

By: \_\_\_\_\_

Title: \_\_\_\_\_

## Appendix B

### Northern Border Pipeline Company FERC Gas Tariff, Second Revised Volume No. 1

#### Marked Tariff

<u>Section</u>	<u>Section Description</u>	<u>Version</u>
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4.3	Statement of Rates, Blended Seasonal Maximum Daily Reservation Rate Matrix	v.2.0.0
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4.11	Statement of Rates, For Contesting Parties – T-1 and T-1B – Seasonal Base Rates	v.0.0.0
4.12	Statement of Rates, For Contesting Parties – T-1 and T-1B – Blended Seasonal Res. Rate Matrix	v.0.0.0
4.13	Statement of Rates, For Contesting Parties – IT-1 Seasonal Base Rates	v.0.0.0
4.14	Statement of Rates, For Contesting Parties – PAL and TPB Rates	v.0.0.0
5.1.4.1	Rate Schedule T-1, Service Continuation	v.2.0.0
6.1	GT&C, Definitions	v.4.0.0
6.6.7	GT&C, Reservation Charge Credits	v.2.0.0
6.9	GT&C, Force Majeure	v.2.0.0
6.13	GT&C, Deliveries of Gas	v.2.0.0
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6.27.6	GT&C, Selection of Best Bid	v.3.0.0
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STATEMENT OF RATES  
 2/ 3/

Rate Schedule -----	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/ -----
T-1 and T-1B	
Daily Reservation Rate - Port of Morgan, MT to Ventura, IA	
Maximum	\$0.0286321
Minimum	\$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	\$0.0307345
Minimum	\$0.0000
Commodity Rate - Port of Morgan, MT to North Hayden, IN	
Maximum	\$0.0004
Minimum	\$0.0004

- 1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.
- 2/ The Settlement ~~Base~~-Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new ~~base~~-rates placed into effect consistent with the provisions of the Stipulation.
- 3/ Rates in this section are subject to the revenue retrieval provision pursuant to Article ~~V.AX~~ of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.



STATEMENT OF RATES

2/ 3/

Rate Schedule	Seasonal Base Tariff Rate (per 100 Dth-Miles) 1/	
	Port of Morgan, MT to Ventura, IA	Ventura, IA to North Hayden, IN
T-1 and T-1B		
Daily Reservation Rate		
Maximum - January	\$0.0358401	\$0.0384431
- February	\$0.0343385	\$0.0368414
- March	\$0.0286321	\$0.0307345
- April	\$0.0186209	\$0.0200224
- May	\$0.0186209	\$0.0200224
- June	\$0.0243273	\$0.0261293
- July	\$0.0315353	\$0.0338380
- August	\$0.0343385	\$0.0368414
- September	\$0.0300337	\$0.0322362
- October	\$0.0243273	\$0.0261293
- November	\$0.0286321	\$0.0307345
- December	\$0.0343385	\$0.0368414
Minimum	\$0.0000	\$0.0000
Commodity Rate		
Maximum	\$0.0004	\$0.0004
Minimum	\$0.0004	\$0.0004

- 1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a Billing Commencement Date subsequent to December 31, 2006 and a primary term of at least one Gas Day and up to 364 consecutive Gas Days, or up to 365 consecutive Gas Days during a Leap Year.
- 2/ The Settlement Base Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new base rates placed into effect consistent with the provisions of the Stipulation.
- 3/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.AX of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

STATEMENT OF RATES

BLENDED SEASONAL MAXIMUM DAILY RESERVATION RATE MATRIX 1/2/

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Port of Morgan, MT to Ventura, IA are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

Month	January 31	February 28**	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31
January 1	\$0.0401	\$0.0394	\$0.0369	\$0.0329	\$0.0304	\$0.0299	\$0.0307	\$0.0317	\$0.0319	\$0.0314	\$0.0315	\$0.0321
February 1**	0.0321	0.0385	0.0351	0.0303	0.0279	0.0278	0.0291	0.0304	0.0308	0.0304	0.0306	0.0313
March 1	0.0316	0.0321	0.0321	0.0266	0.0247	0.0253	0.0273	0.0292	0.0298	0.0295	0.0298	0.0307
April 1	0.0315	0.0321	0.0321	0.0209	0.0209	0.0230	0.0261	0.0286	0.0295	0.0291	0.0295	0.0305
May 1	0.0327	0.0332	0.0331	0.0321	0.0209	0.0240	0.0278	0.0305	0.0311	0.0305	0.0307	0.0317
June 1	0.0341	0.0346	0.0343	0.0331	0.0321	0.0273	0.0314	0.0338	0.0338	0.0324	0.0324	0.0333
July 1	0.0351	0.0355	0.0351	0.0337	0.0325	0.0321	0.0353	0.0369	0.0359	0.0337	0.0334	0.0343
August 1	0.0351	0.0355	0.0351	0.0335	0.0322	0.0318	0.0321	0.0385	0.0362	0.0332	0.0329	0.0340
September 1	0.0344	0.0350	0.0346	0.0329	0.0315	0.0311	0.0315	0.0321	0.0337	0.0304	0.0310	0.0329
October 1	0.0345	0.0353	0.0347	0.0328	0.0312	0.0308	0.0313	0.0319	0.0321	0.0273	0.0297	0.0326
November 1	0.0370	0.0373	0.0363	0.0337	0.0318	0.0313	0.0317	0.0324	0.0325	0.0321	0.0321	0.0354
December 1	0.0393	0.0391	0.0373	0.0340	0.0318	0.0311	0.0317	0.0325	0.0326	0.0321	0.0321	0.0385
January 1	0.0358	0.0351	0.0328	0.0293	0.0271	0.0266	0.0273	0.0282	0.0284	0.0280	0.0281	0.0286
February 1**	0.0286	0.0343	0.0313	0.0270	0.0248	0.0247	0.0259	0.0271	0.0275	0.0271	0.0273	0.0279
March 1	0.0281	0.0286	0.0286	0.0237	0.0220	0.0225	0.0243	0.0260	0.0266	0.0263	0.0266	0.0273
April 1	0.0281	0.0286	0.0286	0.0186	0.0186	0.0205	0.0233	0.0255	0.0262	0.0260	0.0263	0.0272
May 1	0.0291	0.0296	0.0295	0.0286	0.0186	0.0214	0.0248	0.0272	0.0277	0.0272	0.0274	0.0282
June 1	0.0304	0.0308	0.0306	0.0295	0.0286	0.0243	0.0279	0.0301	0.0301	0.0289	0.0289	0.0296
July 1	0.0313	0.0316	0.0313	0.0300	0.0290	0.0286	0.0315	0.0329	0.0320	0.0300	0.0297	0.0305
August 1	0.0312	0.0316	0.0313	0.0299	0.0287	0.0283	0.0286	0.0343	0.0322	0.0295	0.0293	0.0303
September 1	0.0306	0.0312	0.0308	0.0293	0.0281	0.0277	0.0281	0.0286	0.0300	0.0271	0.0276	0.0293
October 1	0.0308	0.0314	0.0309	0.0292	0.0278	0.0275	0.0279	0.0285	0.0286	0.0243	0.0264	0.0291
November 1	0.0329	0.0333	0.0323	0.0300	0.0284	0.0279	0.0283	0.0289	0.0290	0.0286	0.0286	0.0315
December 1	0.0350	0.0348	0.0332	0.0303	0.0283	0.0278	0.0282	0.0289	0.0290	0.0286	0.0286	0.0343

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Ventura, IA to North Hayden, IN are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

Month	January 31	February 28**	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31
January 1	\$0.0431	\$0.0423	\$0.0396	\$0.0353	\$0.0327	\$0.0321	\$0.0330	\$0.0340	\$0.0343	\$0.0338	\$0.0338	\$0.0345
February 1**	0.0345	0.0414	0.0378	0.0326	0.0300	0.0298	0.0312	0.0327	0.0332	0.0327	0.0329	0.0337
March 1	0.0339	0.0345	0.0345	0.0286	0.0265	0.0272	0.0294	0.0314	0.0321	0.0317	0.0320	0.0330

April 1	0.0339	0.0345	0.0345	0.0224	0.0224	0.0247	0.0281	0.0308	0.0317	0.0313	0.0317	0.0328
May 1	0.0351	0.0357	0.0356	0.0345	0.0224	0.0258	0.0299	0.0328	0.0335	0.0328	0.0330	0.0341
June 1	0.0367	0.0372	0.0369	0.0356	0.0345	0.0293	0.0337	0.0363	0.0363	0.0349	0.0348	0.0358
July 1	0.0377	0.0381	0.0377	0.0362	0.0349	0.0345	0.0380	0.0397	0.0386	0.0362	0.0359	0.0368
August 1	0.0377	0.0382	0.0377	0.0360	0.0346	0.0342	0.0345	0.0414	0.0389	0.0356	0.0354	0.0366
September 1	0.0369	0.0376	0.0372	0.0353	0.0339	0.0334	0.0338	0.0345	0.0362	0.0327	0.0333	0.0354
October 1	0.0371	0.0379	0.0373	0.0352	0.0336	0.0331	0.0336	0.0343	0.0345	0.0293	0.0319	0.0351
November 1	0.0397	0.0401	0.0390	0.0362	0.0342	0.0336	0.0341	0.0348	0.0350	0.0345	0.0345	0.0380
December 1	0.0423	0.0420	0.0401	0.0366	0.0342	0.0335	0.0340	0.0349	0.0350	0.0345	0.0345	0.0414
January 1	0.0384	0.0376	0.0353	0.0314	0.0291	0.0286	0.0293	0.0303	0.0305	0.0301	0.0301	0.0307
February 1**	0.0307	0.0368	0.0336	0.0290	0.0267	0.0266	0.0278	0.0291	0.0295	0.0291	0.0293	0.0300
March 1	0.0302	0.0307	0.0307	0.0254	0.0236	0.0242	0.0261	0.0279	0.0285	0.0282	0.0285	0.0293
April 1	0.0301	0.0307	0.0307	0.0200	0.0200	0.0220	0.0250	0.0274	0.0282	0.0279	0.0282	0.0292
May 1	0.0312	0.0317	0.0316	0.0307	0.0200	0.0230	0.0266	0.0292	0.0298	0.0292	0.0294	0.0303
June 1	0.0327	0.0331	0.0328	0.0317	0.0307	0.0261	0.0300	0.0323	0.0323	0.0310	0.0310	0.0318
July 1	0.0336	0.0339	0.0336	0.0322	0.0311	0.0307	0.0338	0.0353	0.0343	0.0322	0.0319	0.0328
August 1	0.0335	0.0340	0.0336	0.0321	0.0308	0.0304	0.0307	0.0368	0.0346	0.0317	0.0315	0.0326
September 1	0.0329	0.0335	0.0331	0.0314	0.0301	0.0297	0.0301	0.0307	0.0322	0.0291	0.0296	0.0315
October 1	0.0330	0.0337	0.0332	0.0313	0.0299	0.0295	0.0299	0.0305	0.0307	0.0261	0.0284	0.0312
November 1	0.0354	0.0357	0.0347	0.0322	0.0304	0.0299	0.0303	0.0310	0.0311	0.0307	0.0307	0.0338
December 1	0.0376	0.0374	0.0357	0.0325	0.0304	0.0298	0.0303	0.0310	0.0312	0.0307	0.0307	0.0368

\* Any term combination that includes a partial month will require a recomputation of the Daily Seasonal Maximum Base Reservation Rate for the respective term.

\*\* The rates reflected for the columns and rows containing February are based on 28 days and are subject to recomputation to reflect 29 days during Leap Year.

1/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

2/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

STATEMENT OF RATES

1/ 2/

Seasonal Base Tariff Rate  
 (per 100 Dth-Miles)

Rate Schedule	Port of Morgan, MT to Ventura, IA	Ventura, IA to North Hayden, IN
IT-1		
Daily Commodity Rate		
Maximum - January	\$0.0362405	\$0.0388435
- February	\$0.0347389	\$0.0372418
- March	\$0.0290325	\$0.0311349
- April	\$0.0190213	\$0.0204228
- May	\$0.0190213	\$0.0204228
- June	\$0.0247277	\$0.0265297
- July	\$0.0319357	\$0.0342384
- August	\$0.0347389	\$0.0372418
- September	\$0.0304341	\$0.0326366
- October	\$0.0247277	\$0.0265297
- November	\$0.0290325	\$0.0311349
- December	\$0.0347389	\$0.0372418
Minimum	\$0.0004	\$0.0004

- 1/ The Settlement ~~Base-Rates~~, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new ~~base-rates~~ placed into effect consistent with the provisions of the Stipulation.
- 2/ Rates in this section are subject to the revenue retrieval provision pursuant to Article ~~V.AX~~ of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

STATEMENT OF RATES

3/ 4/

Daily Rates per Dekatherm

Rate Schedule -----	Base Tariff Rate -----
PAL 1/	
Maximum Reservation Rate	\$0. <u>37132041</u>
Minimum Reservation Rate	\$0.0000
PAL 2/	
Maximum Commodity Rate	\$0. <u>37132041</u>
Minimum Commodity Rate	\$0.0000
TPB	
Maximum Rate	\$0.0200
Minimum Rate	\$0.0000

- 1/ Charge applicable to ATPL service option only.
- 2/ Rates applicable to NPL, RPL, OPL and APL service options under Rate Schedule PAL.
- 3/ The Settlement ~~Base~~-Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new ~~base~~-rates placed into effect consistent with the provisions of the Stipulation.
- 4/ Rates in this section are subject to the revenue retrieval provision pursuant to Article ~~V.AX~~ of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

2/

<u>Rate Schedule</u>	<u>Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/</u>
----------------------	--

T-1 and T-1B

Daily Reservation Rate - Port of Morgan, MT to Ventura, IA

<u>Maximum</u>	<u>\$0.0321</u>
<u>Minimum</u>	<u>\$0.0000</u>

Daily Reservation Rate - Ventura, IA to North Hayden, IN

<u>Maximum</u>	<u>\$0.0345</u>
<u>Minimum</u>	<u>\$0.0000</u>

Commodity Rate - Port of Morgan, MT to North Hayden, IN

<u>Maximum</u>	<u>\$0.0004</u>
<u>Minimum</u>	<u>\$0.0004</u>

1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.

2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
 SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

2/

Seasonal Base Tariff Rate  
 (per 100 Dth-Miles) 1/

<u>Rate Schedule</u>	<u>Port of Morgan, MT to Ventura, IA</u>	<u>Ventura, IA to North Hayden, IN</u>
----------------------	--	--

T-1 and T-1B

Daily Reservation Rate

<u>Maximum - January</u>	<u>\$0.0401</u>	<u>\$0.0431</u>
<u>- February</u>	<u>\$0.0385</u>	<u>\$0.0414</u>
<u>- March</u>	<u>\$0.0321</u>	<u>\$0.0345</u>
<u>- April</u>	<u>\$0.0209</u>	<u>\$0.0224</u>
<u>- May</u>	<u>\$0.0209</u>	<u>\$0.0224</u>
<u>- June</u>	<u>\$0.0273</u>	<u>\$0.0293</u>
<u>- July</u>	<u>\$0.0353</u>	<u>\$0.0380</u>
<u>- August</u>	<u>\$0.0385</u>	<u>\$0.0414</u>
<u>- September</u>	<u>\$0.0337</u>	<u>\$0.0362</u>
<u>- October</u>	<u>\$0.0273</u>	<u>\$0.0293</u>
<u>- November</u>	<u>\$0.0321</u>	<u>\$0.0345</u>
<u>- December</u>	<u>\$0.0385</u>	<u>\$0.0414</u>
<u>Minimum</u>	<u>\$0.0000</u>	<u>\$0.0000</u>

Commodity Rate

<u>Maximum</u>	<u>\$0.0004</u>	<u>\$0.0004</u>
<u>Minimum</u>	<u>\$0.0004</u>	<u>\$0.0004</u>

1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a Billing Commencement Date subsequent to December 31, 2006 and a primary term of at least one Gas Day and up to 364 consecutive Gas Days, or up to 365 consecutive Gas Days during a Leap Year.

2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
 SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

BLENDED SEASONAL MAXIMUM DAILY RESERVATION RATE MATRIX 1/

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Port of Morgan, MT to Ventura, IA are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

Month	January 31	February 28**	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31
January 1	\$0.0401	\$0.0394	\$0.0369	\$0.0329	\$0.0304	\$0.0299	\$0.0307	\$0.0317	\$0.0319	\$0.0314	\$0.0315	\$0.0321
February 1**	0.0321	0.0385	0.0351	0.0303	0.0279	0.0278	0.0291	0.0304	0.0308	0.0304	0.0306	0.0313
March 1	0.0316	0.0321	0.0321	0.0266	0.0247	0.0253	0.0273	0.0292	0.0298	0.0295	0.0298	0.0307
April 1	0.0315	0.0321	0.0321	0.0209	0.0209	0.0230	0.0261	0.0286	0.0295	0.0291	0.0295	0.0305
May 1	0.0327	0.0332	0.0331	0.0321	0.0209	0.0240	0.0278	0.0305	0.0311	0.0305	0.0307	0.0317
June 1	0.0341	0.0346	0.0343	0.0331	0.0321	0.0273	0.0314	0.0338	0.0338	0.0324	0.0324	0.0333
July 1	0.0351	0.0355	0.0351	0.0337	0.0325	0.0321	0.0353	0.0369	0.0359	0.0337	0.0334	0.0343
August 1	0.0351	0.0355	0.0351	0.0335	0.0322	0.0318	0.0321	0.0385	0.0362	0.0332	0.0329	0.0340
September 1	0.0344	0.0350	0.0346	0.0329	0.0315	0.0311	0.0315	0.0321	0.0337	0.0304	0.0310	0.0329
October 1	0.0345	0.0353	0.0347	0.0328	0.0312	0.0308	0.0313	0.0319	0.0321	0.0273	0.0297	0.0326
November 1	0.0370	0.0373	0.0363	0.0337	0.0318	0.0313	0.0317	0.0324	0.0325	0.0321	0.0321	0.0354
December 1	0.0393	0.0391	0.0373	0.0340	0.0318	0.0311	0.0317	0.0325	0.0326	0.0321	0.0321	0.0385

The Blended Seasonal Maximum Daily Reservation Rates per 100/dth-miles for Rate Schedules T-1 and T-1B for Ventura, IA to North Hayden, IN are shown below for the monthly term combinations. Rows reflect start dates and columns reflect end dates for monthly term combinations.\*

Month	January 31	February 28**	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31
January 1	\$0.0431	\$0.0423	\$0.0396	\$0.0353	\$0.0327	\$0.0321	\$0.0330	\$0.0340	\$0.0343	\$0.0338	\$0.0338	\$0.0345
February 1**	0.0345	0.0414	0.0378	0.0326	0.0300	0.0298	0.0312	0.0327	0.0332	0.0327	0.0329	0.0337
March 1	0.0339	0.0345	0.0345	0.0286	0.0265	0.0272	0.0294	0.0314	0.0321	0.0317	0.0320	0.0330
April 1	0.0339	0.0345	0.0345	0.0224	0.0224	0.0247	0.0281	0.0308	0.0317	0.0313	0.0317	0.0328
May 1	0.0351	0.0357	0.0356	0.0345	0.0224	0.0258	0.0299	0.0328	0.0335	0.0328	0.0330	0.0341
June 1	0.0367	0.0372	0.0369	0.0356	0.0345	0.0293	0.0337	0.0363	0.0363	0.0349	0.0348	0.0358
July 1	0.0377	0.0381	0.0377	0.0362	0.0349	0.0345	0.0380	0.0397	0.0386	0.0362	0.0359	0.0368
August 1	0.0377	0.0382	0.0377	0.0360	0.0346	0.0342	0.0345	0.0414	0.0389	0.0356	0.0354	0.0366
September 1	0.0369	0.0376	0.0372	0.0353	0.0339	0.0334	0.0338	0.0345	0.0362	0.0327	0.0333	0.0354
October 1	0.0371	0.0379	0.0373	0.0352	0.0336	0.0331	0.0336	0.0343	0.0345	0.0293	0.0319	0.0351
November 1	0.0397	0.0401	0.0390	0.0362	0.0342	0.0336	0.0341	0.0348	0.0350	0.0345	0.0345	0.0380
December 1	0.0423	0.0420	0.0401	0.0366	0.0342	0.0335	0.0340	0.0349	0.0350	0.0345	0.0345	0.0414



\* Any term combination that includes a partial month will require a recomputation of the Daily Seasonal Maximum Base Reservation Rate for the respective term.

\*\* The rates reflected for the columns and rows containing February are based on 28 days and are subject to recomputation to reflect 29 days during Leap Year.

1/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
 SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

1/

Seasonal Base Tariff Rate  
 (per 100 Dth-Miles)

<u>Rate Schedule</u>	<u>Port of Morgan, MT to Ventura, IA</u>	<u>Ventura, IA to North Hayden, IN</u>
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IT-1

Daily Commodity Rate

<u>Maximum - January</u>	<u>\$0.0405</u>	<u>\$0.0435</u>
<u>- February</u>	<u>\$0.0389</u>	<u>\$0.0418</u>
<u>- March</u>	<u>\$0.0325</u>	<u>\$0.0349</u>
<u>- April</u>	<u>\$0.0213</u>	<u>\$0.0228</u>
<u>- May</u>	<u>\$0.0213</u>	<u>\$0.0228</u>
<u>- June</u>	<u>\$0.0277</u>	<u>\$0.0297</u>
<u>- July</u>	<u>\$0.0357</u>	<u>\$0.0384</u>
<u>- August</u>	<u>\$0.0389</u>	<u>\$0.0418</u>
<u>- September</u>	<u>\$0.0341</u>	<u>\$0.0366</u>
<u>- October</u>	<u>\$0.0277</u>	<u>\$0.0297</u>
<u>- November</u>	<u>\$0.0325</u>	<u>\$0.0349</u>
<u>- December</u>	<u>\$0.0389</u>	<u>\$0.0418</u>
<u>Minimum</u>	<u>\$0.0004</u>	<u>\$0.0004</u>

1/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

APPLICABLE TO CONTESTING PARTIES PURSUANT TO THE SEPTEMBER 27, 2012  
SETTLEMENT AGREEMENT IN DOCKET NOS. RP06-72-000, et al.

STATEMENT OF RATES

3/

Daily Rates per Dekatherm

<u>Rate Schedule</u>	<u>Base Tariff Rate</u>
<u>-----</u>	
<u>-----</u>	
<u>PAL 1/</u>	
<u>Maximum Reservation Rate</u>	<u>\$0.2041</u>
<u>Minimum Reservation Rate</u>	<u>\$0.0000</u>
<u>PAL 2/</u>	
<u>Maximum Commodity Rate</u>	<u>\$0.2041</u>
<u>Minimum Commodity Rate</u>	<u>\$0.0000</u>
<u>TPB</u>	
<u>Maximum Rate</u>	<u>\$0.0200</u>
<u>Minimum Rate</u>	<u>\$0.0000</u>

1/ Charge applicable to ATPL service option only.

2/ Rates applicable to NPL, RPL, OPL and APL service options under Rate Schedule PAL.

3/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.

5.1.4.1 Service Continuation.

1. A Shipper that has entered into a Service Agreement that provides for at least 12 consecutive months of service at the Maximum Rate shall have the right to continue service with respect to all or a portion of Shipper's Maximum Receipt Quantity, beyond the primary term specified in the Shipper's Service Agreement provided Shipper satisfies the credit worthiness requirements set forth in Section 6.40 of the General Terms and Conditions and is current with its obligations and otherwise is in compliance with the terms and conditions of this Tariff. Unless Company and Shipper expressly agree otherwise in Shipper's Service Agreement, a right of first refusal does not apply to negotiated rate arrangements, to firm service unless it has been performed at the applicable Maximum Rate for at least 12 consecutive months or to off-system services acquired for Shipper under Section 6.38 of the General Terms and Conditions of Company's FERC Gas Tariff. A limited right of first refusal shall be applicable to interim Service Agreements for capacity that has been sold with a future Billing Commencement Date as set forth in Section 6.26.2(b)(iv) or 6.26.5 of the General Terms and Conditions.
  
2. A Shipper that has entered into a Service Agreement that provides for a term that is at least twelve (12) months of service and up to and including five (5) years of service at the Maximum Rate for a path shorter than the path criteria set forth in a posting of capacity, shall have the right to continue service with respect to all or a portion of Shipper's firm capacity rights regarding such path beyond the primary term specified in the Shipper's Service Agreement; provided, however, Company shall have the right, not less than six (6) months and not more than eighteen (18) months prior to termination of Shipper's Service Agreement, to post, in accordance with the timeline set forth below in Section 5.1.4.2, the originally-posted full path criteria to the extent capacity is available in the amount of Shipper's firm capacity. If an acceptable bid is received for such full path, Shipper shall have the right to match the terms of the bid. If no acceptable bid is received, Shipper shall have the right to extend its Service Agreement at the Maximum Rate for a term up to and including five (5) years. For clarity, this provision does not require Northern Border to accept a short haul bid for more than five (5) years. The right of first refusal also is subject to Article VI of the Stipulation in Docket No. RP06-72-000, et al.
  
3. A Shipper may not exercise a right of first refusal for a geographic portion of its historical service. Company shall give Shipper notice not less than six months and no more than eighteen months prior to termination of Shipper's Service Agreement that Shipper must exercise its right of first

refusal. However, in the event a construction project is proposed that would utilize capacity on Company's existing facilities, the sizing of which project could be effected by Shipper's plans regarding the continuation of service, Company will have the right to give Shipper such notice no more than 36 months prior to termination of Shipper's Service Agreement. Company shall not require a response from Shipper in less than ten (10) business days from the date the notice is issued. Such response shall be Shipper's notification to Company of either (1) its intent to retain its option to exercise its ROFR pursuant to this Section 5.1.4 or (2) its binding commitment to terminate its Service Agreement. Service under the Service Agreement shall continue if:

(a) 1.—The Service Agreement is extended for a term of at least five years at the Maximum Rate under this Rate Schedule, or

(b) 2. Shipper agrees to match, the term of the Best Bid, the Best Bid, as described in Section 5.1.4.2 paragraph 3, for the firm service being provided to Shipper, which Company has offered in accordance with Section 5.1.4.2, provided that Shipper executes an amendment to its Service Agreement, within five (5) business days of receipt of such amended Service Agreement, reflecting the terms matched.

A Shipper with an expiring Service Agreement that had a primary term greater than one year at the Maximum Rate is not required to match a rate higher than the Maximum Rate currently in effect for that Transportation Path in order to retain its contracted capacity.

If Shipper does not elect to continue service for all or part of Shipper's contracted Maximum Receipt Quantity in accordance with Section 5.1.4.1 paragraph 3(a) 1 and Shipper elects to reserve its right to continue service in accordance with this subsection, Shipper must so notify Company of its election, within ten (10) business days of receiving notice from Company of Company's intent to terminate in total or in part the Service Agreement. No later than one (1) business day of receiving notice of Shipper's election under this subsection, Company will post the capacity in accordance with Section 5.1.4.2 paragraph 1. In the event that Shipper does not notify Company of an election pursuant to either Section 5.1.4.1 paragraph 3(a) 1 or this subsection, Company shall post, without a right of first refusal, all of Shipper's capacity for Bids in accordance with Section 6.26.2(a), or;

(c) 3. If Company does not receive any acceptable Bid(s) for all or part of the capacity in response to a posting pursuant to Section 5.1.4.2 paragraph 1, Company shall notify Shipper in writing of the results

and inform the Shipper that it may continue to receive service in accordance with its Service Agreement for any period chosen by the Shipper. Company and Shipper shall have five (5) business days to mutually agree to acceptable terms and execute a Service Agreement to continue all or part of Shipper's Service Agreement. The Company is under no obligation to provide service at less than the Maximum Rate under this Rate Schedule. If Company and Shipper do not execute a Service Agreement by the close of the five (5) business day period, Company shall post, on its Internet web site on the following business day, the capacity as available capacity without a right of first refusal, in accordance with Section 6.26.2(a).

(d)4. Upon completion of the applicable processes as described above in this subsection and in Section 5.1.4.2 and if such processes do not result in a mutually agreed upon amendment to Shipper's currently effective Service Agreement, Shipper's right of first refusal under the Service Agreement will have expired.

## 6.1. DEFINITIONS

The following terms, when used in this Tariff or in an Agreement, shall have the following respective meanings:

1. The term "Account Holder" shall mean a party using the services of Company or a Third Party Account Administrator under a contract or other arrangement with the Title Transfer Tracking Service Provider. [1.2.18]
2. The term "Agreed Maximum Receipt Quantity" shall be equal to the Maximum Receipt Quantity included in the Service Agreement less the total receipt quantity released at a point pursuant to a Capacity Release Offer Agreement and Capacity Release Bid Agreement.
3. The term "Agreement" shall mean, at any time with respect to any Shipper or Buyer, an executed Agreement, Service or Transportation Agreement for firm or interruptible service under this Tariff made by and between Company and such Shipper or Buyer.
4. The term "Backhaul" shall mean any transportation service where the gas to be delivered at Shipper's Point of Delivery is upstream on the Northern Border facilities of where the gas is to be received from Shipper at the Shipper's Point of Receipt. Backhaul transportation service will be available only to the extent that Forwardhaul volumes are received into Company's system on the same day upstream of or at the designated Point of Delivery and are required to be delivered out of Company's system downstream of or at the designated Point of Receipt for the backhaul such that the service can be provided.
5. The term "Balanced Point" shall mean a nominatable non-physical point on Company's system that facilitates the aggregation of quantities of gas to be delivered at a Variable Load Point with quantities of gas to be delivered at certain agreed upon physical interconnections under Rate Schedule TPB. Any operational imbalance is recognized at the Balanced Point. The Balanced Point shall be located adjacent to the farthest downstream milepost of the physical interconnection(s) which includes the Variable Load Point, as specified on Exhibit A of a Third Party Balancing Service Agreement.
6. The term "Balancing Provider" is a party performing a third-party balancing service pursuant to Rate Schedule TPB.
7. The term "Best Bid" shall mean the Bid(s) which is determined to be the best using the applicable evaluation methodology.

8. The term "Bid" shall mean the terms pursuant to which (1) a potential Replacement Shipper is willing to acquire firm capacity which has been offered or (2) a Person is willing to take uncommitted pipeline capacity.
9. The term "Bid Closing Date" shall mean the date by which a Bid must be received to be a valid Bid and included in the evaluation and awarding of Bids.
10. The term "Billing Commencement Date" shall mean the date of the Gas Day when a Shipper's service and payment obligation commences. The Billing Commencement Date for any Shipper receiving transportation as a result of placing into service the construction of new facilities shall occur when Company informs such Shipper by at least one day's notice that there is capability, to receive gas at Shipper's Point of Receipt and to make related deliveries of gas at Shipper's Point of Delivery, all in accordance with the provisions of Shipper's Service Agreement.
11. The term "billing month" shall mean the month following the Production Month and beginning at 9:00 a.m., Central Clock Time on the first day of a calendar month and ending at 9:00 a.m., Central Clock Time on the first day of the next succeeding calendar month.
12. The term "Btu" shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit from fifty-eight and one-half (58.5) degrees Fahrenheit to fifty-nine and one-half (59.5) degrees Fahrenheit. (Btu is measured on a dry basis at 14.73 psia.)
13. ~~Reserved for future use. The term "Btu Adjusted Maximum Delivery Quantity" shall mean the volume of gas shown as the Maximum Delivery Quantity for a Point of Delivery in Exhibit A of the Shipper's Service Agreement multiplied by the Posted Btu Factor for such point except in the case of firm Shippers participating in the release program. For those Shippers, Btu Adjusted Maximum Delivery Quantity shall be Maximum Delivery Quantity for such point on Shipper's Exhibit A reduced by the total volume released by that Shipper at that point and multiplied by the Posted Btu Factor for such point.~~
14. ~~Reserved for future use. The term "Btu Adjusted Maximum Receipt Quantity" shall mean the volume of gas shown as the Maximum Receipt Quantity for a Point of Receipt in Exhibit A of the Shipper's Service Agreement multiplied by the Posted Btu Factor for such point except in the case of firm Shippers releasing capacity for service pursuant to Rate Schedule T 1 or Rate Schedule T 1B. For those Shippers, Btu Adjusted Maximum Receipt Quantity shall equal the Agreed Maximum Receipt Quantity multiplied by the Posted Btu Factor for such point.~~



15. The term "business day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
16. The term "Buyers" shall mean, at any time, the Persons which have entered into certain Agreements for services with Company which are then in effect; and the term "Buyer" shall mean one of such Persons.
17. The term "Calendar Day" shall mean any day, excluding Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico. Company shall provide advanced notification of such observed holidays.
18. The term "Calendar Month" shall mean one of the twelve named divisions of a calendar year according to the Gregorian calendar which shall commence on the first Calendar Day of such Calendar Month and end on the last Calendar Day of such Calendar Month.
19. The term "calendar year" shall mean the period from 9:00 a.m., Central Clock Time on January 1 of any year to 9:00 a.m., Central Clock Time on January 1 of the next succeeding year.
20. The term "Ccf" shall mean one hundred cubic feet of natural gas measured at Standard Reference Conditions.
21. The term "cf" shall mean one cubic foot of natural gas measured at Standard Reference Conditions.
22. The term "CCT" shall mean Central Clock Time.
23. The term "Company" shall mean Northern Border Pipeline Company, a "Service Provider" pursuant to NAESB WGQ Standards.
24. The term "Company Use Gas" for any period shall mean the total quantity of gas, including but not limited to gas used as fuel or for testing and gas lost or otherwise unaccounted for, used by Company in its gas operations during such period, as determined by Company.
25. The term "Company Use Gas Imbalance" shall mean the difference between actual Company Use Gas and estimated Company Use Gas for the same period.
26. The term "Company Use Gas Percentage" shall be the deemed fuel percentage of scheduled receipt nominations for transportation from Point of Receipt to Point of Delivery. This percentage will be determined on a dekatherm-mile basis and posted

six business days prior to the end of the month preceding the month to which it is applicable. This percentage will be an estimate of what Company anticipates will be necessary to transport quantities from each receipt point to each delivery point and will include any Company Use Gas Imbalance from a prior period. The Company Use Gas Percentage will be reviewed monthly and will apply only to forwardhaul quantities.

27. The term "Confirmation Requester" shall mean a Service Provider (including a Point Operator) which is seeking to confirm a quantity of gas via the information outlined in NAESB WGQ Standard 1.4.3 with another Service Provider (the Confirming Party) with respect to a nomination at a location. [1.2.8]
28. The term "Confirming Party" shall mean a Service Provider (including a Point Operator) which provides a confirmation for a quantity of gas via the information outlined in NAESB WGQ Standard 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a nomination at a location. The term "Confirming Parties" shall mean the Confirmation Requester and the Confirming Party. [1.2.9] [1.2.10]
29. The term "Contract Dekatherm-miles" relative to a Shipper's Rate Schedule T-1 or Rate Schedule T-1B Service shall mean the number calculated by (a) multiplying Shipper's Maximum Receipt Quantity by the number of miles of Company's pipeline, as shown on Exhibit A to the Service Agreement, ~~(b) converting such product from (a) to Dekatherm-miles by multiplying by the Posted Btu Factor, and~~ (e<sub>b</sub>) multiplying the product in (e<sub>a</sub>) by the number of days for a respective time period (i.e. monthly, annually, or for the term of the Service Agreement).
30. The term "Customer Activities" shall mean the business function categories related to Nominations, Flowing Gas, Invoicing, Capacity Release, Contracts and other business functions on industry web sites. [4.2.10]
31. The term "Daily Contract Dekatherm-miles" shall mean the amount of Shippers Contract Dekatherm-miles on a 100 Dekatherm-miles basis per day.
32. ~~Reserved for future use. The term "Daily Delivery Quantity" of a Shipper for any day shall mean such Shipper's Btu Adjusted Maximum Delivery Quantity for a Point of Delivery or such lesser quantity as Company shall from time to time determine, with not less than four hours' notice thereof to Shipper, on a basis which reflects seasonal variations in the capacity of Company's facilities and reductions in the capacity of such facilities resulting from maintenance operations and does not discriminate among Shippers.~~
33. The term "Dekatherm" (Dth) shall mean a unit of heating value. The standard quantity for nominations, confirmation and scheduling is dekatherms per gas day in

the United States, gigajoules per gas day in Canada and gigacalories per gas day in Mexico. (For reference 1 dekatherm = 1,000,000 Btu's; and 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units. (The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 Gigajoules per Dekatherm.) Daily Dekatherms shall be the quantity units used by Company for nominations, confirmations, scheduling, allocating, and imbalance activity. [1.3.14]

34. The term "Dekatherm-miles", relative to a Point of Receipt and Delivery for a Shipper, shall mean an amount determined by multiplying the quantity of gas received by Company from Shipper at such Point of Receipt for delivery to the designated Point of Delivery by the actual pipeline mileage between such Point of Receipt and the Point of Delivery. The term "Contract Dekatherm-miles" is defined elsewhere in this Section 6.1 and does not incorporate the "Dekatherm-miles" meaning contained herein.
35. The term "Designated Replacement Shipper" shall mean the Person who has been designated by the Releasing Shipper as the Replacement Shipper for the capacity being released.
36. The term "Elapsed Prorata Capacity" or "EPC" shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intra-day recall based upon a cumulative uniform hourly use of the capacity. [5.2.3]
37. The term "elapsed-prorated-scheduled quantity" shall mean that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intra-day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. [1.2.12]
38. The term "Electronic Data Interchange" (EDI) shall mean the computer-to-computer exchange of business documents and information through the use of standard document formats. As a prerequisite for using EDI in place of conventional paper-based documents, user will be required to execute an EDI/EDM trading partner agreement as adopted from the NAESB WGQ EDI trading partner agreement.

39. The term "Entity" shall be a person or organization with sufficient legal standing to enter into a contract or arrangement with another such person or organization (as such legal standing shall be determined by those parties) for the purpose of conducting and/or coordinating natural gas transactions. [0.1.1]
40. The term "Federal Energy Regulatory Commission" or "FERC" shall mean the Federal Energy Regulatory Commission of the United States of America or any other tribunal or Person which may hereafter exercise the functions now exercised by that Commission with respect to Company.
41. The term "Forwardhaul" shall mean any transportation service where the gas to be delivered at Shipper's Point of Delivery is downstream on the Company's facility from location at which gas is to be received from Shipper at the Shipper's Point of Receipt.
42. The term "gas" shall mean natural gas, manufactured, artificial or synthetic gas, or any mixture or combination thereof.
43. The term "Gas Day" shall mean a period beginning and ending at 9:00 a.m., Central Clock Time. The reference date for any day shall be the date of the beginning of such day.
44. The term "General Terms and Conditions" shall mean, at any time, these General Terms and Conditions as from time to time amended or supplemented.
45. The term "gross heating value", shall mean gross heating value dry as determined by the total calorific (heating) value, in British thermal units, Btu, of the amount of any dry gas which would occupy a volume of one standard cubic foot, based on 14.73 Psia and 60 degrees F. The total, or gross, calorific value represents the Btus evolved by the complete combustion, at constant pressure, of one standard cubic foot of any dry gas with air, the temperature of the gas, air, and products of combustion being 60 degrees F, and all water formed by the combustion reaction being condensed to the liquid state.
46. The term "Historical Flow Quantity" (HFQ) for a given Point of Interconnection shall be the lesser of the average daily scheduled quantity for the previous 15 consecutive Gas Days or the actual average daily metered flow quantity for such time period.
47. The term "Information Postings" identifies common information as specified in Standard 4.3.23. [4.2.1]
48. The term "In-Direction" shall mean a nomination line item that has a nominated flow direction in the same direction as the contractual Transportation Path.

49. The term "Interconnected Party" shall mean the Person who is directly connected to Company's facilities at a physical Point of Receipt or a physical Point of Delivery.
50. The term "IT-1 Shippers" shall mean at any time the Shippers which have entered into IT-1 Transportation Agreements with Company which are then in effect; and the term IT-1 Shipper shall mean one of such Persons.
51. The term "IT-1 Transportation Agreement" shall mean at any time with respect to any IT-1 Shipper, an executed IT-1 Transportation Agreement for service under this Tariff made by and between Company and such IT-1 Shipper which is then in effect.
52. The term "Lending Point" relative to a Buyer shall mean the Lending Points as shown or referenced on Exhibit A to such Buyer's PAL Agreement where such Buyer can borrow gas quantities on Company's system pursuant to such Agreement.
53. The term "Maximum Balancing Quantity" shall mean the maximum Dekatherms per day quantity of gas authorized by Balancing Provider to Company to deliver to the Variable Load Point on an instantaneous basis as detailed on Exhibit A of the Third Party Balancing Service Agreement.
54. The term "Maximum Commodity Rate" shall mean the Maximum Commodity Rate for each respective Rate Schedule as shown on the Statement of Rates. All tariff rates shall be adjusted to reflect a standard calculation of daily and monthly rates. [5.3.23]
55. The term "Maximum Delivery Quantity" relative to a Point of Delivery to a Shipper for any day shall mean the volume of gas shown as the Maximum Delivery Quantity stated in Dekatherms for such Point of Delivery on Exhibit A to such Shipper's Service Agreement.
56. The term "Maximum Park and Loan (PAL) Quantity" shall mean the Dekatherms of gas shown as the Maximum Park and Loan (PAL) Quantity that is relative to the Parking Points and Lending Points shown on Exhibit A to a Buyer's PAL Agreement.
57. The term "Maximum Rate" applicable to Rate Schedules T-1 and T-1B shall mean the sum of the applicable Maximum Daily Reservation Rate and the applicable Maximum Commodity Rate as shown on the Statement of Rates.
58. The term "Maximum Receipt Quantity" relative to a Point of Receipt from a Shipper for any day shall mean the volume of gas shown as the Maximum Receipt

Quantity stated in Dekatherms for such Point of Receipt on Exhibit A to such Shipper's Service Agreement.

59. The term "Maximum Reservation Rate" shall mean the applicable daily maximum reservation rate for each respective Rate Schedule as shown on the Statement of Rates.
60. The term "Mcf" shall mean 1000 cubic feet of gas measured at Standard Reference Conditions.
61. The term "Measurement Party" shall mean the Person who is primarily responsible for measurement of gas volumes at a physical Point of Receipt into or a physical Point of Delivery out of Company's pipeline system.
62. The term "MMcf" shall mean 1,000,000 cubic feet of natural gas measured at Standard Reference Conditions.
63. The term "Minimum Commodity Rate" shall mean the Minimum Commodity Rate for each respective Rate Schedule as shown on the Statement of Rates.
64. The term "Minimum Rate" shall mean the Minimum Commodity Rate as shown on the Statement of Rates for the applicable Rate Schedules.
65. The term "NAESB" shall mean North American Energy Standards Board.
66. The term "Negotiated Rates" shall mean a rate or formula for computing a rate for Transportation service which may be greater than, equal to or less than the Recourse Rate, but which may not be less than the Minimum Commodity Rate set forth on the Statement of Rates. A Negotiated Rate must be mutually agreed upon by Company and Shipper for a specific time period and may be based on a rate design other than the rate design used to compute Company's currently effective Recourse Rate.
67. The term "Netting" shall describe the process of resolving imbalances for a Shipper or its Agent within an Operational Impact Area. Company shall recognize two types of Netting: summing and offsetting. Summing is the process of accumulation of all imbalances above any applicable tolerance for a Shipper or its Agent. Offsetting is the process of combining positive and negative imbalances above any applicable tolerance for a Shipper or its Agent. [2.2.3]
68. The term "Nominating Party" shall mean a Shipper, or its Nominating Agent (one who has been pre-designated by Shipper to serve in such role). If a Shipper elects to use a Nominating Agent for a given Agreement, the agent replaces the Shipper as

the sender of nomination information as well as the receiver of nomination-related information from Company for such Agreement.

69. The term "Nomination Day" shall mean one day prior to Gas Day.
70. The term "Non-OBA Point" shall mean a point of receipt or delivery where no Operational Balancing Agreements are in effect.
71. The term "OBA Point" shall mean a point of receipt or delivery where an Operational Balancing Agreement is in effect between Company and the upstream or downstream pipeline to administer interconnect balancing.
72. The term "Offer" shall mean the terms pursuant to which a Releasing Shipper is willing to release firm transportation capacity.
73. The term "Operational Balancing Agreement" (OBA) shall mean the contract between Company and party which specifies the procedures to manage operating variances at an interconnect. [2.2.1]
74. The term "Operational Flow Order" (OFO) shall be an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of Company's system or to maintain operations required to provide efficient and reliable service. Whenever Company experiences these conditions, any pertinent order shall be referred to as an OFO. [1.2.6]
75. The term "Operational Impact Area" shall mean the largest possible area(s) on Company's system in which imbalances have a similar operational effect. For imbalance resolution, Company shall designate its entire pipeline system as a single Operational Impact Area. [2.2.2]
76. The term "Out-of-Direction" shall mean a nomination line item that has a nominated flow direction opposite of the contracted Transportation Path direction.
77. The term "Overdelivery" shall mean the quantity of gas that results when Shipper delivers or causes to be delivered to Company a quantity of gas which, less Shipper's share of estimated Company Use Gas, is greater than the quantity of gas delivered out of Company's system for Shipper's account.
78. The term "Package ID" shall mean a NAESB WGQ defined mutually agreeable data element provided to differentiate between discrete business transactions. [1.2.5]

79. The term "Parking Point" relative to a Buyer shall mean the Parking Points as shown or referenced on Exhibit A to such Buyer's PAL Agreement where such Buyer can park gas quantities on Company's system pursuant to such Agreement.
80. The term "PDA" shall mean pre-determined allocation, which is the allocation method agreed to by the allocating and allocated parties at a point prior to gas flow.
81. The term "Person" shall mean an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or a government or political subdivision thereof; and pronouns shall have a similarly extended meaning.
82. The term "Point of Delivery" relative to a Shipper shall mean the Points of Delivery posted on Company's Informational Postings web site for delivery of gas to such Shipper.
83. The term "Point of Interconnection" shall mean those locations where Company is physically connected to an Interconnected Party.
84. The term "Point of Receipt" relative to a Shipper shall mean the Points of Receipt posted on Company's Informational Postings web site for receipt of gas from such Shipper.
85. The term "pooling" shall mean (1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or (2) the disaggregation of gas from a single physical or logical point to multiple physical and/or logical points. [1.2.3]
86. ~~Reserved for future use. The term "Posted Btu Factor" shall mean the factor by contract for capacity, utilized to convert a volume of gas in Mcf's to an equivalent thermal quantity in Dekatherms for scheduling and billing purposes. Such factor shall be derived by calculating the average Btu factor at each of Company's Point(s) of Receipt for the twelve month period ending the last day of February of each year. The updated Btu factor will be noticed on Company's Informational Postings site by receipt point and posted under Company's Customer Activity site by each currently effective Rate Schedule T-1 U.S. Shipper's Agreement annually by March 15 of each year to be effective April 1 of each year.~~
87. The term "Production Month" shall mean the period of actual gas flow preceding the billing month and beginning at 9:00 a.m., Central Clock Time on the first day of a calendar month and ending at 9:00 a.m., Central Clock Time on the first day of the next succeeding calendar month.
88. The term "psia" shall mean pounds per square inch, absolute.



89. The term "psig" shall mean pounds per square inch, gauge.
90. The term "Quick Response" shall mean the initial response made by Company to recognize the receipt of an EDI-based nomination. Such response will be made in accordance with NAESB WGQ standards.

In addition, Company shall recognize the receipt of non-EDI delivered nominations; EBB-based, fax, or telephone, at the time they are fully transmitted. A transmission failure shall be the Nominating Party's indication that the non-EDI nomination has not been fully delivered to Company.

91. The term "rate commitment" shall mean the revenue committed to Company for each separate transaction for the term of the effective PAL service option.
92. The term "Rate Schedules" shall mean all of the Rate Schedules of Company on file with the Federal Energy Regulatory Commission and in effect.
93. The term "Recourse Rate" shall mean the stated maximum reservation charge and/or maximum commodity rate applicable to each respective Rate Schedule set forth on the Statement of Rates.
94. The term "Releasing Shipper" shall mean a Shipper who has firm contractual rights to capacity on Company's system and is offering to release or has released its firm capacity.
95. The term "Replacement Shipper" shall mean a Person who has obtained firm capacity from a Releasing Shipper.
96. The term "Service Agreement" shall mean, at any time with respect to any Shipper, an executed firm Service Agreement for service under this Tariff made by and between Company and such Shipper.
97. The term "Service Requester" shall mean Nominating Party.
98. The term "Shipper Imbalance" shall mean the difference between the quantity of gas received by Company for transportation for such Shipper, adjusted for Shipper's share of estimated Company Use Gas, and the quantity of gas delivered by Company for such Shipper's account.
99. The term "Shippers" shall mean, at any time, the Persons which have entered into transportation Agreements with Company which are then in effect; and the term "Shipper" shall mean one of such Persons.

100. The term "Stranded Allocated Capacity" shall mean pipeline and/or point capacity that has been allocated by Company to a given Shipper in a supported nomination and scheduling cycle that was not fully confirmed by the upstream and/or downstream confirming party(ies).
101. The term "Tariff" shall mean the compilation on file with the Federal Energy Regulatory Commission of Company's Rate Schedules, General Terms and Conditions and related forms of Agreements from time to time in effect.
102. The term "tendered" relative to a quantity of gas and a Shipper shall mean that all of the following conditions have been fulfilled:
- (1) such Shipper has informed Company that it plans to deliver a quantity of gas which such Shipper is entitled to deliver to Company pursuant to such Shipper's Agreement at a specified Point of Receipt on a specified day;
  - (2) either
    - (a) (1) relative to an OBA Point, the upstream pipeline has verified that the quantity of gas Shipper has nominated for delivery to Company is in fact the quantity of gas that can be delivered to Company at such Point of Receipt or
    - (a) (2) relative to a non-OBA Point such Shipper in fact could cause delivery of such quantity to Company at such Point of Receipt on such day, or
    - (b) to the extent Company refuses to receive such gas in the quantity described in Section 6.1 paragraph 102(2)(a)(1) or (2)(a)(2) above at such Point of Receipt on such day, such Shipper is in fact ready, willing and able to so deliver the quantity so refused or would have been able to do so had Company not so refused; and
  - (3) such Shipper is in fact, ready, willing and able to accept delivery from Company on such day of the related quantity of gas in accordance with such Shipper's Agreement. The term "tender" shall have a corresponding meaning.
103. The term "Third Party Account Administrator" is a Title Transfer Tracking Service Provider other than Company. [1.2.17]
104. The term "Title" shall be the term used to identify the ownership of gas. [1.2.13]
105. The term "Title Transfer" shall be the term used to reflect the change of Title to gas between parties at a location. [1.2.14]

106. The term "Title Transfer Agreement" shall mean an executed Title Transfer Agreement for service under this Tariff made between Company and Account Holder and specifically shall include the form of agreement available on Company's Internet web site.
107. The term "Title Transfer Nomination" shall mean a nomination line item requesting the service of Title Transfer Tracking and is sent by an Account Holder to a Title Transfer Tracking Service Provider. [1.2.19]
108. The term "Title Transfer Tracking" shall be the process of accounting for the progression of Title changes from party to party that does not affect a physical transfer of gas. [1.2.15]
109. The term "Title Transfer Tracking Service Provider" shall be a party conducting the title transfer tracking activity. [1.2.16]
110. The term "Total Interruptible Receipt Quantity" relative to any IT-1 Shipper for any day shall mean the Total Interruptible Receipt Quantity, stated in Dekatherms, shown on Exhibit A to such IT-1 Shipper's IT-1 Transportation Agreement.
111. The terms "Trade" or "Trading" shall describe the process of resolving Shipper Imbalances between two or more Shippers or their Agents within an Operational Impact Area.
112. The term "Transfer Point" shall be used to describe a point on Company's system where, for purposes of scheduling and nominations, in-line transfers of gas shall occur from one transportation agreement to another or from a compression agreement or PAL agreement to a transportation agreement.  
  
Transfer Points will be nominated accordingly and will be considered secondary points for scheduling purposes.
113. The term "Transportation Path" shall mean for each Service Agreement the pipeline path and flow direction from and including the farthest Point of Receipt to and including the farthest Point of Delivery a Shipper has contracted for on Company's system. One of the units of measurement for a Shipper's Transportation Path shall be Contract Dekatherm-Miles.
114. The term "Underdelivery" shall mean the quantity of gas that results when Shipper takes or causes to be taken from Company for its account a quantity of gas which is greater than the quantity of gas tendered by Shipper to Company less Shipper's share of estimated Company Use Gas.

115. The term "U.S. Shippers" shall mean, at any time, the Shippers which have entered into U.S. Shippers Service Agreements with the Company which are then in effect; and the term "U.S. Shipper" shall mean one of such Persons.
116. The term "Variable Load Point" shall be defined as a physical delivery point of interconnection on Company's system directly supplying an end-use market whose load requirements are expected to fluctuate widely during the day, month, or year. An OBA must be executed at a Variable Load Point.
117. The term "Variable Load Point Customer" is a party receiving balancing services from a Balancing Provider under Rate Schedule TPB.
118. The term "WGQ" shall mean Wholesale Gas Quadrant.

6.6.7 ~~Receipt and Tender Deficiencies~~Reservation Charge Credits.

1. ~~Receipt Deficiencies~~Force Majeure Events.

As used in this Section 6.6.7, Firm Daily Volume shall mean the volume of gas which Company is obligated to deliver on a firm basis at Shipper's primary firm delivery point(s) on a Gas Day based on nominations for firm service within Shipper's Maximum Receipt Quantity and confirmed by upstream and downstream operators. If, due to an event of Force Majeure as defined in Section 6.9 of the General Terms and Conditions of this FERC Gas Tariff, Company is unable to schedule or deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that Company fails to provide service, the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not scheduled or delivered by Company within the Shipper's Firm Daily Volume; provided, however that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

~~Except as provided for in Section 6.6.7 paragraph 2 below, this reservation charge credit is Shipper's sole remedy for nondelivery of gas by Company. If, on any day prior to November 1, 2003, Company fails to take receipt from Shipper of any quantity of the gas tendered by Shipper to Company on such day pursuant to Article 1 of Shipper's T-1 or T-1R Service Agreement, such quantity shall be Shipper's Receipt Deficiency quantity for such day and it shall be used to determine Shipper's Receipt Deficiency credit for such day. Receipt Deficiencies arising in a Production Month shall be converted to a US dollar credit amount based on the reservation component of the transportation rate in effect for that T-1 or T-1R contract on the day incurred.~~

~~A Shipper's Rate Schedule T-1 and T-1R Receipt Deficiency credit for a given day shall be the product of the Shipper's Receipt Deficiency quantity, the related mileage, and the Shipper's daily reservation component of the transportation rate in effect on such day.~~

~~Receipt Deficiency credits are transferable upon notification to Company.~~

2. ~~Tender Deficiencies~~Non-Force Majeure Events.

Except as provided for in Section 6.6.7 paragraph 1 above, in the event Company fails to schedule or deliver any portion of Shipper's Firm Daily Volume on any Gas Day under any firm contract, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not scheduled or delivered by Company within the Shipper's Firm Daily Volume;

provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

Except as provided for in Section 6.6.7 paragraph 1 above, this reservation charge credit is Shipper's sole remedy for nondelivery of gas by Company.

~~If on any day prior to November 1, 2003, in any Production Month, the quantity of gas tendered by Shipper, adjusted for mileage, is less than such quantity of contracted transportation capacity on a mileage basis, the difference shall be Shipper's Tender Deficiency quantity for such day and it shall be used to determine Shipper's Tender Deficiency credit for such day. Tender Deficiencies arising in a Production Month shall be converted to a US dollar credit amount based on the reservation component of the transportation rate in effect for that T-1 or T-1R contract on the day incurred.~~

~~A Shipper's Rate Schedule T-1 or T-1R Tender Deficiency credit for a given Gas Day shall be the product of the Shipper's Tender Deficiency quantity and the Shipper's daily reservation component of the transportation rate in effect on such day.~~

~~Tender Deficiency credits are transferable upon notification to Company.~~

~~3. Application of Tender and Receipt Deficiencies.~~

~~Tender and Receipt Deficiency credits shall be discharged only by application to Rate Schedule IT-1 commodity transportation charges for a Shipper, or its designated agent. A Shipper or its designated agent have the right to notify Company, by no later than the close of business on the second business day of the Billing Month, of its election to defer the application of all or a portion of its Tender and Receipt Deficiency credits.~~

~~Tender Deficiency credits will be applied to IT-1 transportation charges first, followed by Receipt Deficiency credits, and Tender Deficiency credits will expire if unused at the end of the next Production Month after which they were incurred, or November 30, 2003, whichever is sooner.~~

~~The existing Dekatherm-mile balance of Shipper's Receipt and Tender Deficiencies as of the end of the month prior to the date on which this tariff section becomes effective, shall be converted to US dollar credits based on the reservation component of the transportation rate in effect as of the date the terms of the Stipulation at Docket No. RP99-322-000, et al. are placed in effect, for that Rate Schedule T-1 or T-1R contract. Any billing adjustments due Northern Border will be deducted from the balance of Receipt Deficiency credits.~~

~~Balances of Receipt and Tender Deficiency credits will be maintained at a Shipper, or its designated agent, level.~~

~~Effective on November 1, 2003, no new Tender and Receipt Deficiencies will be granted.~~

~~All rights to utilize Tender Deficiency credits produced through October 31, 2003 will expire November 30, 2003.~~

~~All rights to utilize Receipt Deficiency credits produced through October 31, 2003 will expire April 30, 2004.~~

~~Northern Border will make a cashout payment of 50 percent of the value of the remaining Receipt Deficiency credits on April 30, 2004.~~

~~4. Reservation Charge Credit.~~

~~Effective November 1, 2003, a firm Shipper paying the Maximum Rate will be entitled to a credit of a portion of its Reservation Charge in the event that the Company takes receipt of less than 90 percent of the Dekatherms tendered by Shipper in a Production Month. The credit shall be the product of (a) 40 percent, times (b) the aggregate amount of Reservation Charge due from Shipper for service under Shipper's Service Agreement during such Production Month times (c) a fraction, the numerator of which is the difference between (i) the Dekatherms tendered by Shipper to Company in such Production Month and (ii) the Dekatherms received by Company from Shipper in such Production Month, and the denominator of which is the sum of Shipper's Maximum Receipt Quantity for such Production Month. Such credit shall be reflected in the invoice to the Shipper and the invoice to a Releasing Shipper as provided in Section 6.6.2 of this General Terms and Conditions.~~

35. Exceptions.

Section 6.6.7 paragraphs 1 ~~and 2~~ through 4 hereof shall not apply to any failure of Company to take receipt from Shipper of any gas tendered by Shipper pursuant to Article 1 of Shipper's Service Agreement if such failure is caused solely in whole or in part by, or results in whole or in part from, failure the conduct of Shipper to, or to be able to, deliver or take delivery of such gas, or by any other action of Shipper or Persons acting on its behalf which causes or results in such failure by others not controlled by Company.

4. Subject to Section 6.6.7 paragraph 3 and Article III.A.2.a. of the Stipulation and Agreement filed by Company on September 27, 2012, if Company fails to schedule Shipper's nominated and confirmed quantities pursuant to Section 6.6.7 paragraph 4(a), Shipper shall receive a reservation charge adjustment unless such failure to

schedule results from application of the scheduling priorities described in Section 6.10.4 of the General Terms and Conditions.

- (a) Reservation charge adjustments shall be based on the quantity Company fails to schedule up to Shipper's MDQ by the close of the Evening Nomination Cycle ("Cycle 2"), provided that Shipper's nominated, confirmed and scheduled quantities at the close of Intraday 2 Nomination Cycle ("Cycle 4") have not increased above Cycle 2 scheduled quantity levels. Should Shipper's nominated, confirmed and scheduled quantities at the end of the Cycle 4 increase above Shipper's Cycle 2 nominated, confirmed and scheduled quantities, reservation charge credits will be reduced, based on Shipper's nominated, confirmed and scheduled quantities at the end of Cycle 4.
- (b) Subject to Section 6.6.7 paragraph 4(b)(i), in the event Shipper's nominated and confirmed quantities are reduced by Company in the Timely Nomination Cycle ("Cycle 1") (creating "Un-Scheduled Gas," i.e., the difference between the quantity of gas nominated and confirmed and the quantity of gas Company was able to schedule), and, based upon Company's inability to provide primary firm service for such Un-Scheduled Gas, Shipper nominates any amount of the Un-Scheduled Gas on a third-party pipeline ("Third Party Service"), such Shipper's otherwise applicable reservation charge adjustment for Un-Scheduled Gas shall not be diminished by such Third Party Service. Shipper shall not be required to re-submit a nomination to Company in Cycle 2 to receive such reservation charge adjustment in that event. Should Shipper's Un-Scheduled Gas quantities be transported by Company in a subsequent intraday cycle, such Shipper's reservation charge adjustment will appropriately be reduced.
- (i) Shipper shall provide a representation to Company that it nominated in good faith on a third-party pipeline its Third Party Service as the result of Company's inability to provide primary firm service.



6.9 ~~LIABILITY FOR NON-PERFORMANCE~~ FORCE MAJEURE

~~1. Limitation of Liability.~~

~~Company shall have no liability in damages to Shipper in respect of failure for any reason whatsoever to accept receipt of, receive or deliver gas pursuant to the provisions of Shipper's Agreement and Shipper shall, notwithstanding any failure, for any reason whatever, to accept receipt of, receive or deliver gas, make payment to Company in the amounts, in the manner and at the times provided in Shipper's Agreement.~~

12. ~~Force Majeure.~~ Neither Company nor Shipper shall be liable in damages to the other for any act, omission or circumstance which shall be caused, in whole or substantial part, by a condition of force majeure. The term "force majeure" as used herein, shall mean any acts of God, strikes, lockouts or other labor disputes or industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, other storms, floods, washouts or other act of nature, civil disturbances, explosions, breakage, accident or unplanned (i.e., actions in response to unanticipated, non-routine events) repairs to machinery or lines of pipe, temporary or permanent failure of gas supply, inability to obtain or unavoidable delay in obtaining pipe, materials or other equipment, acts or binding orders of any court or other governmental authority whether or not having jurisdiction, and any other cause, whether similar or dissimilar to any above enumerated, not reasonably within the control of the Person claiming relief from liability and which such Person was or would have been unable to prevent by the exercise of due diligence. Failure to prevent or settle any strike or strikes or any dispute leading to a lockout shall not be considered to be a matter within the control of the Person claiming relief. Force majeure affecting the performance by either Shipper or Company of any of its obligations under Shipper's Agreement shall not relieve the Person seeking relief from liability in respect of any period when the continuance of its inability to perform such obligations is due to its failure to use reasonable efforts to remedy the situation in a reasonable manner and with reasonable dispatch, nor shall force majeure, regardless of the circumstances thereof, affect in any way the obligations of Company or Shipper to make payments under Shipper's Agreement, except to the extent provided in Section 6.6.7. The Person claiming relief from liability by reason of force majeure shall give prompt notice to the other of the occurrence and cessation of such force majeure. ~~Nothing contained in this Section 6.9 paragraph 2 shall in any way limit or affect any of the provisions of Section 6.9 paragraph 1 hereof.~~

## 6.13 DELIVERIES OF GAS

### 1. Delivery of Commingled Gas.

It is recognized that the gas delivered by Shipper to Company under Shipper's Agreement will be commingled in Company's pipeline with gas received by Company from other Shippers under their Agreements, and that the gas which Company will deliver to Shipper may not be the identical gas which Shipper shall deliver to Company. So long as the gas delivered by Company to Shipper meets the specifications set forth in the General Terms and Conditions, such gas may be gas from any other source in lieu of all or any part of said gas delivered by Shipper to Company.

### 2. Delivery Obligation.

Beginning on Shipper's Billing Commencement Date and ending on the termination date set forth in the Agreement, Company shall deliver to Shipper a quantity of gas which has an aggregate Btu content equal to all gas received by Company from Shipper pursuant to Article 1 of Shipper's Agreement minus Shipper's share of estimated Company Use Gas.

In the alternative, Shipper may elect to purchase its share of estimated Company Use Gas from another Person. The Person shall cause delivery of such gas volumes to Company for the account of the Shipper making such an election at a point(s) agreed to by Company. When a Shipper elects to purchase all or part of its share of estimated Company Use Gas, delivery of gas volumes by Company to Shipper as described above shall not be reduced accordingly.

Shipper's share of estimated Company Use Gas shall be the product of the Shipper's scheduled forwardhaul receipt nominations multiplied by the Company Use Gas Percentage stated for the applicable Point of Receipt and Point of Delivery.

### 3. Beginning of Delivery Obligation.

Company shall have no obligation to deliver gas to Shipper prior to Shipper's Billing Commencement Date.

### 4. Daily Deliveries.

Company, subject to operating conditions affecting Shipper and Company and the available capacity of their respective facilities, shall endeavor to deliver to Shipper on each day beginning with Shipper's Billing Commencement Date that quantity of gas computed as provided in Section 6.13 paragraph 2 hereof. It is recognized, however, that Company may not deliver to Shipper on each or any day the exact

quantity provided for above. Company shall allocate deviations from such quantity among Shippers based on existing conditions and consultation with the Shippers concerned. If Company, on any day, delivers to Shipper a quantity of gas different from that described in the first sentence of this Section 6.13 paragraph 4, Company shall, as soon as practicable thereafter, make adjustment for the Btu content of such difference by appropriately increasing or decreasing the quantity of gas delivered to Shipper on one or more subsequent days.

5. Allocation of Deliveries.

If Shipper has more than one Point of Delivery, it shall each day designate the portion of the gas to be delivered to it on such day which it desires to receive at each such Point of Delivery and Company shall endeavor to make deliveries in accordance with such designation; provided that Company shall not be obliged to deliver to Shipper, or Shipper to receive from Company, at any of such Points of Delivery on any day a quantity of gas in excess of Shipper's ~~Daily~~Maximum Delivery Quantity for such Points of Delivery for such day.

6.26.1 Posting of Planned Capacity.

Company shall post a notice of planned expansion and/or extension of Company's pipeline system. The notice shall specify, as applicable, the anticipated quantity (~~DthMcf~~), Point(s) of Receipt, Point(s) of Delivery, Bid evaluation method, term, Bid terms, and deadline for resolution of Bid contingency as set forth in Section 6.26.3(b).

6.27.6 Selection of Best Bid.

The Best Bid for capacity releases shall be selected by use of one of the methods set forth in Section 6.27.6 paragraph 1 hereof. The Releasing Shipper shall specify the Bid evaluation method in its Offer.

Company shall eliminate all Bids which do not satisfy the minimum criteria specified by the Releasing Shipper in its Offer, if any. When an Offer includes a volumetric rate component, only the reservation charge component will be considered in the Bid evaluation and determination of Best Bid. Bids will be assigned a ranking based on the evaluation method specified by the Releasing Shipper.

1. Company's Bid Evaluation Methods.

- (a) Method A - Present Value of Bids for Capacity Under Rate Schedule(s) T-1 and T-1B.

$$\text{Present Value per unit} = \left[ \frac{(R_1 * D_1)}{1} + \frac{(R_2 * D_2)}{2} \right] * \frac{[1 - (1 + i)^{-n}]}{i}$$

Method A - Present Value of Bids for Capacity Under Rate Schedule FCS-DP and FLT-1

$$\text{Present Value} = \frac{[R_3]}{3} * \frac{[1 - (1 + i)^{-n}]}{i}$$

Where:

R<sub>1</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Port of Morgan, MT (POM) to Ventura, IA.

R<sub>2</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Ventura, IA to North Hayden, IN.

R<sub>3</sub> = Reservation Rate in the Bid.

D<sub>1</sub> = Distance in miles of that portion (if any) of the Bid distance between POM and Ventura, IA that lies between the Primary Receipt Point and Primary Delivery Point divided by 100.

D<sub>2</sub> = Distance in miles of that portion (if any) of the Bid distance between Ventura, IA and North Hayden, IN that lies between the Primary Receipt Point and the Primary Delivery Point divided by 100.

i = FERC's annual discount rate divided by 365 days or 366 days during leap year.

n = Bid term (days) not to exceed the number of days posted.

The higher the present value, the higher the ranking.

- (b) Method B - Highest Rate of Bids for Capacity Under Rate Schedule(s) T-1 and T-1B.

$$\text{Highest Rate} = \frac{R_1 * D_1}{1} + \frac{R_2 * D_2}{2}$$

Method B - Highest Rate of Bids for Capacity Under Rate Schedule FCS-DP and FLT-1

$$\text{Highest Rate} = \frac{R}{3}$$

Where:

R<sub>1</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - POM to Ventura, IA.

R<sub>2</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Ventura, IA to North Hayden, IN.

R<sub>3</sub> = Reservation Rate in the Bid.

D<sub>1</sub> = Distance in miles of that portion (if any) of the Bid distance between POM and Ventura, IA that lies between the Primary Receipt Point and Primary Delivery Point divided by 100.

D<sub>2</sub> = Distance in miles of that portion (if any) of the Bid distance between Ventura, IA and North Hayden, IN that lies between the Primary Receipt Point and the Primary Delivery Point divided by 100.

Rate per Dth Bid regardless of term. The higher the rate, the higher the ranking.

- (c) Method C - Net Revenue of Bids for Capacity Under Rate Schedule(s) T-1 and T-1B.

$$\text{Net Revenue} = Q * [(R_1 * D_1) + (R_2 * D_2)] * n$$

Method C - Net Revenue of Bids for Capacity Under Rate Schedule FCS-DP and FLT-1

$$\text{Net Revenue} = Q * R_3 * n$$

Where:

Q = Bid Quantity (~~Dth~~Mcf)

R<sub>1</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - POM to Ventura, IA.

R<sub>2</sub> = Reservation Rate in the Bid per 100 Dekatherm-miles - Ventura, IA to North Hayden, IN.

R<sub>3</sub> = Reservation Rate in the Bid.

D<sub>1</sub> = Distance in miles of that portion (if any) of the Bid distance between POM and Ventura, IA that lies between the Primary Receipt Point and Primary Delivery Point divided by 100.

D<sub>2</sub> = Distance in miles of that portion (if any) of the Bid distance between Ventura, IA and North Hayden, IN that lies between the Primary Receipt Point and the Primary Delivery Point divided by 100.

n = Bid term (days), not to exceed the number of days offered by the Releasing Shipper.

The higher the net revenue, the higher the ranking.

(d) Method D - Releasing Shipper's Bid Evaluation Methodology.

The Releasing Shipper may establish a method for evaluation of the Best Bid. The Releasing Shipper must specify the evaluation method and provide an example of the evaluation method with the Offer. In this event, the Company shall evaluate the Bids in accordance with the Releasing Shipper's method and allocate the capacity to the Best Bid. The Releasing Shipper's Bid evaluation methodology must be objective and non-discriminatory. In the event the Releasing Shipper does not specify how capacity will be allocated when there are multiple Best Bids, the capacity will be allocated in accordance with Section 6.27.6 paragraph 1(f) hereof.

(e) Best Bid.

When the Company makes awards of capacity for which there have been multiple Bids meeting minimum conditions, the Company will award Bids, Best Bid first, until all offered capacity is awarded. [5.3.4]

(f) Tie-Breaker of Best Bids.

To the extent there is more than one Best Bid for Bids of five months or more, the offered capacity shall be allocated on a pro rata basis to potential Replacement Shipper(s) submitting a Best Bid, subject to the condition that potential Replacement Shipper(s) must specify when making its Bid whether it is willing to accept a pro rata portion of its Bid capacity. If a Best Bid does not specify the Bidder's willingness to accept a pro rata allocation of the capacity and it is necessary to allocate capacity on a pro rata basis, then no capacity will be awarded to such Best Bid. In the event there is more than one Best Bid for Bids of less than five months, the capacity will be awarded on a first-come, first-served basis.



NORTHERN BORDER PIPELINE COMPANY  
U. S. SHIPPERS SERVICE AGREEMENT  
RATE SCHEDULE T-1

EXHIBIT A TO U.S. SHIPPERS SERVICE AGREEMENT

COMPANY - Northern Border Pipeline Company

COMPANY'S ADDRESS - Commercial Services  
717 Texas Street  
Houston, TX 77002-2761

SHIPPER -

SHIPPER'S ADDRESS -

Right of First Refusal: Yes \_\_\_\_\_ No \_\_\_\_\_

Right of First Refusal Path: ~~3/~~

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to Section 6.26 of the General Terms and Conditions. Right of First Refusal rights, if any, applicable to this interim capacity are limited as provided in such Section 6.26.2(b)(iv) or 6.26.5 of the General Terms and Conditions.

Maximum Receipt Quantity: Identify ~~DthMef~~/day amount in either (a) or (b) immediately below.

(a) Uniform throughout contract term: \_\_\_\_\_ ~~DthMef~~/day, or

(b) Differing throughout contract term (include periods and amounts in ~~DthMef~~/day):

Transportation Path:

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Maximum Reservation Rate 1/ \_\_\_\_\_

Discounted Rate: 1/ \_\_\_\_\_

Rate Type:2/ \_\_\_\_\_

Quantity: \_\_\_\_\_

Quantity Level: \_\_\_\_\_

Time Period: Start Date \_\_\_\_\_ End Date \_\_\_\_\_  
Contract: Discounted Daily Reservation Rate \_\_\_\_\_  
Discounted Daily Commodity Rate \_\_\_\_\_  
Point: Point of Receipt \_\_\_\_\_  
Point of Delivery \_\_\_\_\_  
Point to Point: Point of Receipt \_\_\_\_\_ to Point of Delivery \_\_\_\_\_  
Zone: (define geographical area) \_\_\_\_\_  
Relationship: \_\_\_\_\_  
Rate Component: \_\_\_\_\_  
Index Price Differential: \_\_\_\_\_

Negotiated Rate: 1/ No \_\_\_\_\_ Yes \_\_\_\_\_ (attach explanation of rate)

- 1/ Plus the applicable commodity charges and other rates and charges, pursuant to Section 5.1.3.1 of Rate Schedule T-1.
- 2/ See Section 6.41 of the General Terms and Conditions for description of various types of discount rates.
- ~~3/ Subject to right of first refusal provision contained in Article VI of the Stipulation in Docket No. RP06-72.~~

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_.

Billing Commencement Date of this Exhibit A is \_\_\_\_\_.

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

(NAME OF T-1 SHIPPER)

By: \_\_\_\_\_

Title: \_\_\_\_\_

NORTHERN BORDER PIPELINE COMPANY  
SERVICE AGREEMENT  
RATE SCHEDULE T-1B

EXHIBIT A TO T-1B SERVICE AGREEMENT

COMPANY - Northern Border Pipeline Company

COMPANY'S ADDRESS - Commercial Services  
717 Texas Street  
Houston, TX 77002-2761

SHIPPER -

SHIPPER'S ADDRESS -

Right of First Refusal: ~~3/~~ Yes \_\_\_\_\_ No \_\_\_\_\_

Right of First Refusal Path:

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to Section 6.26 of the General Terms and Conditions. Right of First Refusal rights, if any, applicable to this interim capacity are limited as provided in such Section 6.26.2(b)(iv) or 6.26.5 of the General Terms and Conditions.

Transportation Path:

Point of Receipt \_\_\_\_\_ Point of Delivery \_\_\_\_\_

Maximum Receipt Quantity: Identify Dekatherms/day amount in either (a) or (b) immediately below.

(a) Uniform throughout contract term: \_\_\_\_\_ Dekatherms/day, or

(b) Differing throughout contract term (include periods and amounts in Dekatherms/day):

Maximum Reservation Rate 1/ \_\_\_\_\_

Discounted Rate: 1/ \_\_\_\_\_

Rate Type: 2/ \_\_\_\_\_

Quantity: \_\_\_\_\_

Quantity Level: \_\_\_\_\_  
Time Period: Start Date \_\_\_\_\_ End Date \_\_\_\_\_  
Contract: Discounted Daily Reservation Rate \_\_\_\_\_  
Discounted Daily Commodity Rate \_\_\_\_\_  
Point: Point of Receipt \_\_\_\_\_  
Point of Delivery \_\_\_\_\_  
Point to Point: Point of Receipt \_\_\_\_\_ to Point of Delivery \_\_\_\_\_  
Zone: (define geographical area) \_\_\_\_\_  
Relationship: \_\_\_\_\_  
Rate Component: \_\_\_\_\_  
Index Price Differential: \_\_\_\_\_

Negotiated Rate: 1/ No \_\_\_\_\_ Yes \_\_\_\_\_ (attach explanation of rate)

- 1/ Plus the applicable commodity charge and other rates and charges, pursuant to Section 5.5.3.1 of Rate Schedule T-1B.
- 2/ See Section 6.41 of the General Terms and Conditions for description of various types of discount rates.
- 3/ ~~Subject to right of first refusal provision contained in Article VI of the Stipulation in Docket No. RP06-72.~~

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_.

Billing Commencement Date of this Exhibit A is \_\_\_\_\_.

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

(NAME OF SHIPPER)

By: \_\_\_\_\_

Title: \_\_\_\_\_