



Copies of the official tariff sheets are available at offices providing service under the tariffs, and at the governing state or national commission offices. The information available here attempts to be materially the same, but should there be any discrepancies, in all cases the official tariffs on file with the governing commission will hold over these documents.

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**Minnesota Energy Resources Corporation – NMU  
JOINT AFFIDAVIT FOR FIRM TRANSPORTATION CUSTOMERS**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

[Name of individual signing for Customer], [position], of [Customer name] (“Customer”) and [name of individual signing for Marketer], [position], of [Marketer name] (“Marketer”), being duly sworn according to law depose and state:

- Customer and Marketer represent to Minnesota Energy Resources Corporation (“MERC”) d/b/a MERC - NMU (“Company”) that one or both of them have and will maintain, or will have and maintain at all relevant times, firm transportation rights on transporting pipelines upstream of Company’s natural gas distribution system in \_\_\_\_\_ (Minnesota) to deliver on a firm basis all volumes of gas to Company for Customer’s accounts identified on Exhibit “A” attached hereto.
- In the event any such firm transportation rights are terminated or limited in any manner so that Customer and Marketer are unable to deliver gas to Company’s natural gas distribution system as provided above, then Customer and Marketer shall immediately notify Company in writing sent by facsimile to the following number: \_\_\_\_\_.
- Customer and Marketer shall jointly and severally indemnify and hold Company harmless from all suits, actions, claims, debts, liabilities, accounts, damages, costs, losses, penalties and expenses (including attorney’s fees and court costs) arising out of the failure of Customer and Marketer to maintain, or cause to be maintained, the firm transportation rights described herein.
- This Affidavit shall be governed and construed in accordance with the laws of the State of Minnesota.

**Marketer Name**

**Customer Name**

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

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

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

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

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by  
\_\_\_\_\_ on behalf of \_\_\_\_\_ (Customer) and  
\_\_\_\_\_ on behalf of \_\_\_\_\_ (Marketer).

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



**Exhibit "A"**  
**Customer Firm Accounts**



**SMALL VOLUME INTERRUPTIBLE  
NATURAL GAS SALES AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - NMU (“Company”) and \_\_\_\_\_ (“Customer”).

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and customer hereby agrees to purchase and receive natural gas on an interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_
  
2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company’s rate schedule \_\_\_\_\_ (attached as Exhibit A) and the applicable tariff rules, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the appropriate regulatory authority in the State of Minnesota, as effectively modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company’s State office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Interruptible Nature of Sale.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and its need to either shut down its gas utilization equipments or switch to an alternate energy supply by means of alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. Customer agrees to pay an overrun deterrent and liquidated damages charge of \$20.00 per dekatherm for such unauthorized volumes. Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a *force majeure* operating situation. A *force majeure* operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a *force majeure* operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the *force majeure* operating situation.



The payment for unauthorized volumes shall not give Customer the right to take unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_\_\_, and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Company may be able to serve Customer's future requirements on a non-interruptible (firm) basis. In the event such non-interruptible service is desired, Customer should notify Company in writing in prior to May 1 of any year stating a desire to purchase gas for all or part of Customer's requirements on a firm basis for the heating season beginning on or about sixteen months subsequent thereto. Company shall no later than the month of September following such May 1 advise Customer of the amount of firm gas Company estimates can reasonably be provided from its supplier to meet Customer's request. Customer and Company shall at that time execute the appropriate agreement for providing firm service as a replacement for interruptible service.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at PO Box 455, 2665 145<sup>th</sup> Street West, Rosemount, MN 55068-0455, and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.



The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

Minnesota Energy Resources Corporation (“MERC”)  
d/b/a MERC – NMU

\_\_\_\_\_  
(*print name*)

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

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

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**SMALL VOLUME TRANSPORTATION  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - NMU (“Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service will be provided on a firm basis and contingent upon adequate system capacity only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint affidavit confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capability and adequate fuel supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 through 6.09 and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. All Small Volume Transportation Customers must install telemetry equipment or purchase the Small Volume Customer Balancing Service provided in Company’s Tariff. Customer shall reimburse Company for the costs incurred by Company to install telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.



3. **Charges:** Customer shall be responsible for and shall pay to Company the following charges for the periods indicated or as otherwise applicable:

Customer Charge: \$170.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the MPUC from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule.

Commodity Charge: All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company's Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the MPUC to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.

Optional Services: The following services, described in Company's Tariff sheet 6.07 and 6.08, are available at Customer's option:

Firm Backup Sales Service  
Small Volume Balancing Service  
Aggregation Service

Customer has initialed which of the above listed optional services, if any, are desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company's Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ ( ) years from the date service commences hereunder, and thereafter from year to year until canceled by



either party on six (6) months prior written notice to the other party.

5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$20 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (See Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become



delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") d/b/a MERC – NMU	Company:
Attention:	Attention:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:

11. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company's Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

12. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

- (a) the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;
- (b) the risk that Customer may incur penalties for unauthorized takes described in



Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and

- (c) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

13. **Entire Agreement:** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**(“MERC”) d/b/a MERC – NMU**

**“Customer”**

\_\_\_\_\_  
(print name)

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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



ELECTION OF SMALL VOLUME BALANCING SERVICE
ADDENDUM TO
GAS TRANSPORTATION AGREEMENT
(MINNESOTA)

This Addendum is made and entered into as of the \_\_\_ day of \_\_\_, \_\_\_ by and between Minnesota Energy Resources Corporation ("MERC") d/b/a MERC - NMU ("Company"), and \_\_\_ ("Customer"), and provides for an election of a Small Volume Balancing Service.

WHEREAS, Company and Customer have entered into a Gas Transportation Agreement dated \_\_\_, \_\_\_ (the "Agreement") and now desire to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein, the parties hereto agree and acknowledge their execution of that Agreement and desire and agree that the following terms shall become a part of the Agreement by this Addendum as if originally included in the Agreement.

1. Election of Company's Small Volume Balancing Service

Customer may elect and agree to the Small Volume Balancing Service as set forth in Company's Gas Tariff, Sheet No. 6.08, on file with the Minnesota Public Service Commission, as indicated below:

- \_\_\_ Customer elects to participate in Company's Small Volume Customer Balancing Service
\_\_\_ Customer declines participation in Company's Small Volume Customer Balancing Service

If Customer declines participation in Company's Small Volume Customer Balancing Service, Customer understands and agrees that it shall be subject to and responsible for all balancing and scheduling charges and penalties contained in Company's tariff, as the same may be amended from time to time. In addition, Customer shall reimburse and indemnify Company for all costs incurred by Company from the interstate pipeline transporter on Customer's behalf.

2. This Addendum shall commence on the date written above and shall remain in effect through the same term stated in Customer's Gas Transportation Agreement referenced above.

3. As amended by this Addendum, the Agreement is ratified and remains in full force and effect.

4. All charges, including, but not limited to, the Fixed Rate, Demand Charge, Commodity Charge, and all terms and conditions applicable to this Small Volume Balancing Service set forth in Company's Gas Tariff, remain in full force and effect.

5. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the Agreement, and the terms and provisions of Company's Tariff, the terms and provisions of Company's Tariff shall control.

The parties have executed this Agreement as evidenced by their signatures below.

Minnesota Energy Resources Corporation ("MERC")
d/b/a MERC - NMU

<Customer Name Here>
Account #: \_\_\_\_\_

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

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



**SMALL VOLUME BALANCING  
SERVICES AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - NMU (“Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer and Company have entered into a Small Volume Transportation Service Agreement; and

WHEREAS, Customer desires Company to provide a daily balancing service; and

WHEREAS, Company is willing to provide such service pursuant to the terms and conditions provided below.

NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, the parties agree as follows:

1. **Availability.** Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company’s Small Volume Balancing Service in lieu of meeting Company Tariff requirements for the installation of telemetry and daily scheduling requirements. Customer represents that it meets the service availability requirements for balancing services under this Agreement.
  
2. **Nominations.** Customer must submit a daily nomination to Company on the days the balancing services are used. Such nominations shall be made as provided in Company’s tariff.
  
3. **MDQ Requirements; Penalties.** Under certain circumstances described below, Company may, at its option, require Customer to deliver its MDQ to the Receipt Point up to a cumulative 20 days during the months of November through March. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that the interstate pipeline calls a “Critical Day” or “Operational Flow Order,” Customer must, without notice from Company, deliver its MDQ to the Receipt Point. In the event that Company calls a Critical Day or issues an Operational Flow Order, Company will notify Customer via fax that Customer must deliver its MDQ to the Receipt Point. Company will provide Customer with at least 25 hours notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to Customer, that Customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order.

If Customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order or the Company has called a Critical Day, then Company shall assess a penalty to Customer for each dekatherm that Customer failed to deliver in an



amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow Order and Customer fails to deliver its MDQ, then Company will assess a penalty to Customer in an amount equal to that identified in Sheet 6.09 of Company’s Tariff for each dekatherm that Customer failed to deliver.

4. **Definitions.** Capitalized terms not otherwise defined herein shall have the definitions ascribed to them in Company’s Tariff. A “Critical Day”, when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s Tariff and, when called by Company, is defined as any day during which, in the sole judgment of Company, service is limited due to capacity constraints, operational problems or any other cause. Service limitations include, but are not limited to, curtailment or interruption. A Critical Day may be declared with respect to any one or more delivery and/or receipt points. An “Operational Flow Order,” when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s tariff and, when called by Company is defined as notice issued by Company to Customer requiring the delivery of specified quantities of gas to Company for the account of Customer at times deemed necessary by Company to maintain system integrity and to assure continued service. An Operational Flow Order may be issued to the smallest affected area. For example, a single receipt point, receipt points on a pipeline or the entire system. Notwithstanding anything herein to the contrary, Company may curtail Customer with respect to the Interruptible MDQ only.

5. **Fee.** Customer shall pay Company 7.0¢ per dekatherm transported by Customer on Company’s system for this balancing service.

6. **Term.** The term of this Agreement shall commence \_\_\_\_\_, 20\_\_\_\_, and continue until terminated by either party upon thirty (30) days prior written notice to the other party.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

**Minnesota Energy Resources Corporation**  
**(“MERC”) d/b/a MERC – NMU**

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

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

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

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



**SMALL JOINT FIRM/INTERRUPTIBLE  
NATURAL GAS SALES AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation ("MERC") d/b/a MERC - NMU ("Company") and \_\_\_\_\_ ("Customer").

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and Customer hereby agrees to purchase and receive natural gas on a joint service firm-interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_.

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's Rate Schedule \_\_\_\_\_ (attached as Exhibit A) and the applicable tariff rules, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the appropriate regulatory authority in the State of Minnesota, as effectively modified from time to time by Company. Customer may inspect or obtain a copy of such rates, rules, regulations, terms and conditions upon demand directed to Company's State office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Nature of Sales Joint Firm/Interruptible Service.**

(a) **Firm Gas ("Contract Demand Volumes").** The daily contract demand volume of firm gas to be delivered hereunder shall be \_\_\_\_\_ dekatherms and shall be the maximum volume of gas Company is obligated to deliver to the customer on any billing day.

(b) **Interruptible Gas.** On any given day customer may purchase volumes of gas in excess of the Firm gas volume in (a) above, when such additional volumes are available.

(c) **Curtailement.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of Interruptible Gas (b) above and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means of alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. Customer agrees to pay an overrun deterrent and liquidated damages



charge of \$20.00 per dekatherm for such unauthorized volumes. Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a force majeure operating situation. A force majeure operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a force majeure operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the force majeure operating situation. The payment for unauthorized volumes shall not give Customer the right to take unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of Service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective \_\_\_\_\_ and shall continue in effect until \_\_\_\_\_ and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Company may be able to serve Customer's future requirements on a non-interruptible (firm) basis. In the event such non-interruptible service is desired, Customer should notify Company in writing prior to **May 1** of any year stating a desire to purchase gas for all or part of Customer's requirements on a firm basis for the heating season beginning on or about sixteen months subsequent thereto. Company shall no later than the month of September following such May 1 advise Customer of the amount of firm gas Company estimates can reasonably be provided from its supplier to meet Customer's request. Customer and Company shall at that time execute the appropriate agreement for providing firm service as a replacement for interruptible service.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at 2665 – 145<sup>th</sup> Street West, P.O. Box 455, Rosemount, MN 55068 and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

*Name of Person to be Notified:* \_\_\_\_\_

*Title of Person to be Notified:* \_\_\_\_\_

*Telephone Number:* \_\_\_\_\_

*Address:* \_\_\_\_\_



Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
("MERC") d/b/a MERC – NMU

Customer

\_\_\_\_\_  
*(print name)*

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

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

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

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



**LARGE VOLUME TRANSPORTATION  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - NMU (“Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service hereunder shall be offered on an interruptible or joint firm/interruptible basis. Service will be provided on a firm basis contingent upon adequate system capacity and only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint affidavit confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capacity and adequate full supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 through 6.09 and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed no later than 90 days after the commencement of natural gas service to Customer. Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherms, may request, in writing, a waiver of the telemetry requirements.



3. **Charges:** Customer shall be responsible for and shall pay to Company the following charges for the periods indicated or as otherwise applicable:

Customer Charge: \$170.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the MPUC from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule.

Commodity Charge: All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company's Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the MPUC to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.

Optional Services: The following services, described in Company's Tariff sheet 6.07 and 6.08, are available at Customer's option:

Firm Backup Sales Service  
Small Volume Balancing Service

Customer has initialed which of the above listed optional services, if any, are desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company's Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ (\_\_\_) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.



5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$20 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing



as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") d/b/a MERC – NMU Attention: Address:  Telephone: Fax:	Company:  Attention: Address:  Telephone: Fax:

11. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

12. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

- (a) the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;
- (b) the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges



Company incurs from the pipeline on behalf of Customer; and

- (c) that Customer must stop using gas when notified by Company or by Customer's gas supplier of any interruption affecting Customer's gas supply or transportation service.

13. **Entire Agreement:** This Agreement and Company's Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
("MERC") d/b/a MERC – NMU

Customer

\_\_\_\_\_  
(print name)

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

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

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

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



**FIRM BACKUP SALES  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - NMU (“Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer desires to obtain firm backup sales service from Company and Company is willing to provide such service on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability.** Service under this Agreement is available to customers who are currently transporting gas under Company’s Transportation Rate Schedule Sheet No. 6.00 through 6.09 (“Rate Schedule”), which is a part of Company’s tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”).

2. **Service Considerations.** This Agreement in all respects shall be subject to the applicable provisions of the Rate Schedule and the General Rules, Regulations, Terms and Conditions of Company’s Tariff on file with the MPUC, or any effective superseding General Terms and Conditions on file with the MPUC (“General Terms and Conditions”). Gas sold and delivered hereunder by Company shall not be resold by Customer to a third party. In case of any discrepancy between the terms of this Agreement and the General Terms and Conditions, the General Terms and Conditions shall control.

3. **Rate.** Customer shall be responsible for and shall pay to Company for the service provided hereunder the firm sales rate applicable to Customer plus the appropriate daily firm capacity charge for the applicable class of sales service, multiplied by Customer’s MDQ of \_\_\_\_\_ dekatherm, plus the monthly customer charge applicable to Customer, all as set forth in Company’s Tariff, as the same may be amended, modified or superseded from time to time.

Customer’s minimum monthly bill will be the sum of the Customer Charge, Daily Firm Capacity Charge and Commodity Charge, subject to change in accordance with the Company’s Purchased Gas Adjustment-Uniform Clause contained in the Tariff.

4. **Term.** The primary term of this Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_\_\_, and thereafter until terminated by either party upon six (6) months written notice.

5. **Penalty For Unauthorized Takes When Service is Interrupted.** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be



billed the applicable charges in paragraph 3 above, plus either the applicable charge from the transporting pipeline or \$20.00 per dekatherm so taken, whichever is greater. However, if Customer is served off Northern Natural Gas Company’s pipeline, and if Northern calls a Critical Day, Customer shall be billed for all commodity volumes at the applicable rate in paragraph 3 plus the then current Critical Day daily delivery variance charge (“DDVC”) for each dekatherm so taken when service is interrupted.

6. **Billing and Payment.** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on past due amounts in excess of \$10.00 and shall be the greater of \$1.00 and one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

7. **Notices.** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) d/b/a MERC – NMU	Company:
Attention:	Attention:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:

8. **Commission Authority.** The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof, and to all present and future orders, rules, and regulations of the MPUC and any other regulatory



authorities having jurisdiction over (i) the sale of natural gas contemplated hereunder or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

9. **Entire Agreement.** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**(“MERC”) d/b/a MERC – NMU**

Customer

\_\_\_\_\_  
*(print name)*

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

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

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

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



ELECTION OF FIRM TRANSPORTATION
ADDENDUM TO
GAS TRANSPORTATION AGREEMENT
(MINNESOTA)

This Addendum is made and entered into as of the \_\_\_ day of \_\_\_, \_\_\_, by and between Minnesota Energy Resources Corporation ("MERC") d/b/a MERC - NMU ("Company"), and \_\_\_ ("Customer").

Company and Customer have entered into a Gas Transportation Agreement dated \_\_\_, \_\_\_ (the "Agreement") and now desire to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree and acknowledge their execution of that Agreement and desire and agree that the following terms shall become a part of the Agreement by this Addendum as if originally included in the Agreement.

1. Customer agrees to suspend its current Interruptible Gas Transportation service and to convert to transportation service under the "Firm" Transportation Rate Schedule specified below for the Winter Period (November-March) or Winter Periods identified below. During each Winter Period, Company will transport Customer's natural gas supplies on a "Firm" basis on Company's distribution system in accordance with the tariff rules and regulations applicable to Company's Firm Transportation customers in the State of Minnesota. Customers shall pay all applicable Firm Transportation rates, fees, and other charges associated with the Firm Transportation service provided to Customer. At the end of the term of this Addendum as specified below, Customer will revert to its original Interruptible Transportation Service and associated rates, terms, and conditions as set forth in the Agreement.

Customer's Interruptible Transportation Rate Schedule: \_\_\_\_\_

Customer's Applicable Firm Transportation Rate Schedule during the term of this Addendum: \_\_\_\_\_

Units of Firm: \_\_\_\_\_

Term of Addendum: \_\_\_ Mo/Day/Yr through \_\_\_ Mo/Day/Yr .

2. As amended by this Addendum, the Agreement is ratified and remains in full force and effect.

3. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the Agreement, and the terms and provisions of Company's Tariff on file with the Minnesota Public Service Commission, the terms and provisions of Company's Tariff shall control.

The parties have executed this Agreement as evidenced by their signatures below.

Minnesota Energy Resources Corporation
("MERC") d/b/a MERC - NMU

Customer

(print name)

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

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

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

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



ELECTION OF LARGE VOLUME BALANCING SERVICE
ADDENDUM TO
LARGE VOLUME TRANSPORTATION SERVICE AGREEMENT

This Addendum is made and entered into as of the \_\_\_ day of \_\_\_, \_\_\_, by and between Minnesota Energy Resources Corporation ("MERC") d/b/a MERC - NMU ("Company"), and \_\_\_ ("Customer").

WHEREAS, Company and Customer have entered into a Large Volume Transportation Service Agreement dated \_\_\_, \_\_\_ (the "LVTS Agreement");

WHEREAS, Customer desires to participate in the Large Volume Balancing Service Program; and WHEREAS, Company and Customer desire to amend the LVTS Agreement as provided herein.

NOW, THEREFORE, in consideration of the above premises and the covenants contained here, Company and Customer agree as follows:

1. Service Description. Customer elects to participate in the Large Volume Balancing Service ("LVBS") Program as set forth in Company's Tariff, Sheet No. 6.08, on file with the Minnesota Public Utility Commission ("MPUC"), subject to change as may be approved by the MPUC from time to time. The LVBS allows Customer's daily usage to vary from its nomination by the amount of service Customer chooses to purchase. Customer chooses to purchase the following number of units of the LVBS:

Number of Units: \_\_\_\_\_ Customer's/Representative's Initials: \_\_\_\_\_

2. Term. This Addendum shall commence on the date written above and shall remain in effect through the same term stated in Customer's LVTS Agreement referenced above.

3. Price. The price for the LVBS is set forth in Company's Tariff, subject to change as may be approved by the MPUC from time to time.

4. Limitations. The LVBS will not be available on pipeline SOL, SUL, or Critical Days, days Company issues a Curtailment Day, or any other day Company determines, in its sole judgment, that LVBS would be detrimental to its General Service customers.

5. Miscellaneous. As amended by this Addendum, the LVTS Agreement is ratified and remains in full force and effect. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the LVTS Agreement, and the terms and provisions of Company's Tariff, the terms and provisions of Company's Tariff shall control. Any terms not defined herein shall have the meaning ascribed to them in Company's Tariff.

The parties have executed this Addendum as evidenced by their signature below.

Minnesota Energy Resources Corporation
("MERC") d/b/a MERC - NMU

Name: \_\_\_\_\_
Account #: \_\_\_\_\_

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

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



**Minnesota Energy Resources Corporation – PNG  
JOINT AFFIDAVIT FOR FIRM TRANSPORTATION CUSTOMERS**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

[Name of individual signing for Customer], [position], of [Customer name] (“Customer”) and [name of individual signing for Marketer], [position], of [Marketer name] (“Marketer”), being duly sworn according to law depose and state:

1. Customer and Marketer represent to Minnesota Energy Resources Corporation (“MERC”) d/b/a MERC - PNG (“Company”) that one or both of them have and will maintain, or will have and maintain at all relevant times, firm transportation rights on transporting pipelines upstream of Company’s natural gas distribution system in \_\_\_\_\_ (Minnesota) to deliver on a firm basis all volumes of gas to Company for Customer’s accounts identified on Exhibit “A” attached hereto.
2. In the event any such firm transportation rights are terminated or limited in any manner so that Customer and Marketer are unable to deliver gas to Company’s natural gas distribution system as provided above, then Customer and Marketer shall immediately notify Company in writing sent by facsimile to the following number: \_\_\_\_\_.
3. Customer and Marketer shall jointly and severally indemnify and hold Company harmless from all suits, actions, claims, debts, liabilities, accounts, damages, costs, losses, penalties and expenses (including attorney’s fees and court costs) arising out of the failure of Customer and Marketer to maintain, or cause to be maintained, the firm transportation rights described herein.
4. This Affidavit shall be governed and construed in accordance with the laws of the State of Minnesota.

<b>Marketer Name</b>	<b>Customer Name</b>
By: _____	By: _____
Title: _____	Title: _____

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by  
\_\_\_\_\_ on behalf of \_\_\_\_\_ (Customer) and  
\_\_\_\_\_ on behalf of \_\_\_\_\_ (Marketer).

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



**Exhibit "A"**  
**Customer Firm Accounts**



**SMALL VOLUME INTERRUPTIBLE  
NATURAL GAS SALES AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - PNG (“Company”) and \_\_\_\_\_ (“Customer”).

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and customer hereby agrees to purchase and receive natural gas on an interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company’s rate schedule \_\_\_\_\_ (attached as Exhibit A) and the applicable tariff rules, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the appropriate regulatory authority in the State of Minnesota, as effectively modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company’s State office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Interruptible Nature of Sale.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and its need to either shut down its gas utilization equipments or switch to an alternate energy supply by means off alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. Customer agrees to pay an overrun deterrent and liquidated damages charge of \$20.00 per dekatherm for such unauthorized volumes. Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a *force majeure* operating situation. A *force majeure* operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a *force majeure* operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the *force majeure* operating situation.



The payment for unauthorized volumes shall not give Customer the right to take unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_\_\_, and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Company may be able to serve Customer's future requirements on a non-interruptible (firm) basis. In the event such non-interruptible service is desired, Customer should notify Company in writing in prior to May 1 of any year stating a desire to purchase gas for all or part of Customer's requirements on a firm basis for the heating season beginning on or about sixteen months subsequent thereto. Company shall no later than the month of September following such May 1 advise Customer of the amount of firm gas Company estimates can reasonably be provided from its supplier to meet Customer's request. Customer and Company shall at that time execute the appropriate agreement for providing firm service as a replacement for interruptible service.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at PO Box 455, 2665 145<sup>th</sup> Street West, Rosemount, MN 55068-0455, and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.



The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

Minnesota Energy Resources Corporation (“MERC”)  
d/b/a MERC – PNG

\_\_\_\_\_  
(*print name*)

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

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

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**SMALL VOLUME TRANSPORTATION  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - PNG (“Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service will be provided on a firm basis and contingent upon adequate system capacity only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint affidavit confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capability and adequate fuel supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 through 6.09 and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. All Small Volume Transportation Customers must install telemetry equipment or purchase the Small Volume Customer Balancing Service provided in Company’s Tariff. Customer shall reimburse Company for the costs incurred by Company to install telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.



3. **Charges:** Customer shall be responsible for and shall pay to Company the following charges for the periods indicated or as otherwise applicable:

Customer Charge: \$170.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the MPUC from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule.

Commodity Charge: All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company's Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the MPUC to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.

Optional Services: The following services, described in Company's Tariff sheet 6.07 and 6.08, are available at Customer's option:

Firm Backup Sales Service  
Small Volume Balancing Service  
Aggregation Service

Customer has initialed which of the above listed optional services, if any, are desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company's Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ (\_\_\_) years from the date service commences hereunder, and thereafter from year to year until



canceled by either party on six (6) months prior written notice to the other party.

5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$20 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (See Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become



delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the provided below:

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) d/b/a MERC – PNG  Attention: Address:  Telephone: Fax:	Company:  Attention: Address:  Telephone: Fax:

11. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

12. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

- (a) the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;



- (c) the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and
- (c) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

13. **Entire Agreement:** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
 (“MERC”) d/b/a MERC – PNG

“Customer”

\_\_\_\_\_  
 (print name)

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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



**SMALL VOLUME BALANCING  
SERVICES AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - PNG (“Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer and Company have entered into a Small Volume Transportation Service Agreement; and

WHEREAS, Customer desires Company to provide a daily balancing service; and

WHEREAS, Company is willing to provide such service pursuant to the terms and conditions provided below.

NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, the parties agree as follows:

1. **Availability.** Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company’s Small Volume Balancing Service in lieu of meeting Company Tariff requirements for the installation of telemetry and daily scheduling requirements. Customer represents that it meets the service availability requirements for balancing services under this Agreement.
2. **Nominations.** Customer must submit a daily nomination to Company on the days the balancing services are used. Such nominations shall be made as provided in Company’s tariff.
3. **MDQ Requirements; Penalties.** Under certain circumstances described below, Company may, at its option, require Customer to deliver its MDQ to the Receipt Point up to a cumulative 20 days during the months of November through March. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that the interstate pipeline calls a “Critical Day” or “Operational Flow Order,” Customer must, without notice from Company, deliver its MDQ to the Receipt Point. In the event that Company calls a Critical Day or issues an Operational Flow Order, Company will notify Customer via fax that Customer must deliver its MDQ to the Receipt Point. Company will provide Customer with at least 25 hours notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to Customer, that Customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order.

If Customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order or the Company has called a Critical Day, then Company shall assess a penalty to Customer for each dekatherm that Customer failed to deliver in an amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate



pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow Order and Customer fails to deliver its MDQ, then Company will assess a penalty to Customer in an amount equal to that identified in Sheet 6.09 of Company’s Tariff for each dekatherm that Customer failed to deliver.

4. **Definitions.** Capitalized terms not otherwise defined herein shall have the definitions ascribed to them in Company’s Tariff. A “Critical Day”, when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s Tariff and, when called by Company, is defined as any day during which, in the sole judgment of Company, service is limited due to capacity constraints, operational problems or any other cause. Service limitations include, but are not limited to, curtailment or interruption. A Critical Day may be declared with respect to any one or more delivery and/or receipt points. An “Operational Flow Order,” when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s tariff and, when called by Company is defined as notice issued by Company to Customer requiring the delivery of specified quantities of gas to Company for the account of Customer at times deemed necessary by Company to maintain system integrity and to assure continued service. An Operational Flow Order may be issued to the smallest affected area. For example, a single receipt point, receipt points on a pipeline or the entire system. Notwithstanding anything herein to the contrary, Company may curtail Customer with respect to the Interruptible MDQ only.

5. **Fee.** Customer shall pay Company 7.0¢ per dekatherm transported by Customer on Company’s system for this balancing service.

6. **Term.** The term of this Agreement shall commence \_\_\_\_\_, 20\_\_\_\_, and continue until terminated by either party upon thirty (30) days prior written notice to the other party.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

**Minnesota Energy Resources Corporation**  
**(“MERC”) d/b/a MERC – PNG**

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

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

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

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



**SMALL JOINT FIRM/INTERRUPTIBLE  
NATURAL GAS SALES AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation ("MERC") d/b/a MERC - PNG ("Company") and \_\_\_\_\_ ("Customer").

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and Customer hereby agrees to purchase and receive natural gas on a joint service firm-interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_.

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's Rate Schedule \_\_\_\_\_ (attached as Exhibit A) and the applicable tariff rules, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the appropriate regulatory authority in the State of Minnesota, as effectively modified from time to time by Company. Customer may inspect or obtain a copy of such rates, rules, regulations, terms and conditions upon demand directed to Company's State office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Nature of Sales Joint Firm/Interruptible Service.**

(d) **Firm Gas ("Contract Demand Volumes").** The daily contract demand volume of firm gas to be delivered hereunder shall be \_\_\_\_\_ **dekatherms** and shall be the maximum volume of gas Company is obligated to deliver to the customer on any billing day.

(e) **Interruptible Gas.** On any given day customer may purchase volumes of gas in excess of the Firm gas volume in (a) above, when such additional volumes are available.

(f) **Curtailement.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of Interruptible Gas (b) above and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means of alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. Customer agrees to pay an overrun deterrent and liquidated damages



charge of \$20.00 per dekatherm for such unauthorized volumes. Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a force majeure operating situation. A force majeure operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a force majeure operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the force majeure operating situation. The payment for unauthorized volumes shall not give Customer the right to take unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of Service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective \_\_\_\_\_ and shall continue in effect until \_\_\_\_\_ and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Company may be able to serve Customer's future requirements on a non-interruptible (firm) basis. In the event such non-interruptible service is desired, Customer should notify Company in writing prior to **May 1** of any year stating a desire to purchase gas for all or part of Customer's requirements on a firm basis for the heating season beginning on or about sixteen months subsequent thereto. Company shall no later than the month of September following such May 1 advise Customer of the amount of firm gas Company estimates can reasonably be provided from its supplier to meet Customer's request. Customer and Company shall at that time execute the appropriate agreement for providing firm service as a replacement for interruptible service.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at 2665 – 145<sup>th</sup> Street West, P.O. Box 455, Rosemount, MN 55068 and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

*Name of Person to be Notified:* \_\_\_\_\_

*Title of Person to be Notified:* \_\_\_\_\_

*Telephone Number:* \_\_\_\_\_

*Address:* \_\_\_\_\_



Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**(“MERC”) d/b/a MERC – PNG**

Customer

\_\_\_\_\_  
*(print name)*

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

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

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

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



**LARGE VOLUME TRANSPORTATION  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - PNG (“Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service hereunder shall be offered on an interruptible or joint firm/interruptible basis. Service will be provided on a firm basis contingent upon adequate system capacity and only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint affidavit confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capacity and adequate full supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 through 6.09 and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed no later than 90 days after the commencement of natural gas service to Customer. Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherms, may request, in writing, a waiver of the telemetry requirements.



3. **Charges:** Customer shall be responsible for and shall pay to Company the following charges for the periods indicated or as otherwise applicable:

Customer Charge: \$170.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the MPUC from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule.

Commodity Charge: All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company's Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the MPUC to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.

Optional Services: The following services, described in Company's Tariff sheet 6.07 and 6.08, are available at Customer's option:

Firm Backup Sales Service  
Small Volume Balancing Service

Customer has initialed which of the above listed optional services, if any, are desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company's Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ (\_\_\_) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.



5. **Balancing**: Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment**: Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations**: If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed**: If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$20 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

9. **Billing and Payment**: Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing



as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") d/b/a MERC – PNG Attention: Address:	Company:  Attention: Address:
Telephone: Fax:	Telephone: Fax:

11. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

12. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

- (d) the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;
- (e) the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges



Company incurs from the pipeline on behalf of Customer; and

- (f) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

13. **Entire Agreement:** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**(“MERC”) d/b/a MERC – PNG**

Customer

\_\_\_\_\_

*(print name)*

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

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

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

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



LARGE JOINT FIRM/INTERRUPTIBLE  
GAS SALES AGREEMENT  
(Minnesota)

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - PNG (“Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer desires to obtain natural gas service from Company and Company is willing to provide such service on the terms and conditions set forth herein. NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability.** Service under this Agreement is available to customers who qualify for service under Company’s Rate Schedule \_\_\_\_ (“Rate Schedule”), which is a part of Company’s tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer represents that it meets the service availability requirements for service under this Agreement.

2. **Service Considerations.** During the term of this Agreement, Company shall be Customer’s exclusive natural gas distributor. Service hereunder will be for a base of firm gas volume, supplemented by interruptible volumes.

This Agreement in all respects shall be subject to the applicable provisions of the Rate Schedule and the General Rules, Regulations, Terms and Conditions of Company’s Tariff on file with the MPUC, or any effective superseding General Terms and Conditions on file with the MPUC (“General Terms and Conditions”). Gas sold and delivered hereunder by Company shall not be resold by Customer to a third party. In case of any discrepancy between the terms of this Agreement and the General Terms and Conditions, the General Terms and Conditions shall control.

3. **Gas To Be Sold.** Company agrees to sell firm and/or interruptible gas and deliver gas to Customer, and Customer agrees to purchase and receive such gas for its own use for the following purpose, namely: \_\_\_\_\_.

a. **Firm Gas Sales:** The daily Contract Demand volume of firm gas to be delivered hereunder shall be \_\_\_\_\_ MMBtu and shall be the maximum volume of gas Company is obligated to deliver to Customer on any billing day.

b. **Interruptible Sales:** On any given day Customer may purchase volumes of gas in excess of the firm gas entitlement when such additional volumes are available.

Delivery of gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas



carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and acknowledges its responsibility either to shut down its plant operations or to maintain complete standby facilities and alternate fuel supply to maintain plant operations during full or partial curtailment or interruption of service hereunder. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so.

4. **Charges.** Customer shall be responsible for and shall pay to Company the charges applicable to the service provided hereunder as set forth in Company's Tariff, as the same may be amended, modified or superseded from time to time.

Customer's minimum monthly bill will be the sum of the Customer Charge, Contract Demand Charge and Commodity Charge, subject to change in accordance with the Company's Purchased Gas Adjustment-Uniform Clause contained in the Tariff.

5. **Term.** The primary term of this Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, \_\_\_\_\_ and thereafter until terminated by either party upon six (6) months written notice.

6. **Penalty For Unauthorized Takes When Service is Interrupted.** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed the applicable charges in paragraph 4 above, plus either the applicable charge from the transporting pipeline (see Sheet No. 6.50 of the Tariff) or \$20.00 per dekatherm so taken, whichever is greater. However, if Customer is served off Northern Natural Gas Company's pipeline, and if Northern calls a Critical Day, Customer shall be billed for all commodity volumes at the applicable rate in paragraph 4 plus the then current Critical Day daily delivery variance charge ("DDVC") for each dekatherm so taken when service is interrupted.

7. **Billing and Payment.** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on past due amounts in excess of \$10.00 and shall be the greater of \$1.00 and one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the



bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

8. **Notices.** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses specifically provided in this Agreement or, if not so provided, to the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") d/b/a MERC – PNG Attention: Address:  Telephone: Fax:	Company:  Attention: Address:  Telephone: Fax:

9. **Commission Authority.** The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof, and to all present and future orders, rules, and regulations of the MPUC and any other regulatory authorities having jurisdiction over (i) the sale of natural gas contemplated hereunder or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

10. **Entire Agreement.** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**“MERC” d/b/a MERC – PNG**

**“Customer”**

\_\_\_\_\_  
*(print name)*

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

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



Name: \_\_\_\_\_

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

Name: \_\_\_\_\_

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



**SUPER LARGE VOLUME TRANSPORTATION  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - PNG (“Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible basis by Company. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capacity and adequate full supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 through 6.09 and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed no later than 90 days after the commencement of natural gas service to Customer. Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherms, may request, in writing, a waiver of the telemetry requirements.

3. **Charges:** Customer shall be responsible for and shall pay to Company the following charges for the periods indicated or as otherwise applicable:

*Customer Charge:*                      \$170.00 per month per metered account for administrative costs



related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the MPUC from time to time.

Daily Firm

Capacity Charge:

If applicable, the amount is set forth in Customer's regular sales tariff schedule.

Commodity Charge:

All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company's Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the MPUC to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.

Optional Services:

The following services, described in Company's Tariff sheet 6.07, are available at Customer's option:

Firm Backup Sales Service  
Aggregation Service

Customer has initialed which of the above listed optional services, if any, are desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company's Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ ( ) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.

5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will



result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$20 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less



than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") d/b/a MERC – PNG Attention: Address:	Company:  Attention: Address:
Telephone: Fax:	Telephone: Fax:

11. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

12. **Acknowledging of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

- (a) the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;
- (b) the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and
- (c) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation



service.

13. **Entire Agreement:** This Agreement and Company's Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**"MERC" d/b/a MERC – PNG**

**"Customer"**

\_\_\_\_\_  
*(print name)*

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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



**FIRM BACKUP SALES  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC”), d/b/a MERC - PNG (“Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer desires to obtain firm backup sales service from Company and Company is willing to provide such service on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability.** Service under this Agreement is available to customers who are currently transporting gas under Company’s Transportation Rate Schedule Sheet No. 6.00 through 6.09 (“Rate Schedule”), which is a part of Company’s tariff on file with the Minnesota Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded from time to time (the “Tariff”).

2. **Service Considerations.** This Agreement in all respects shall be subject to the applicable provisions of the Rate Schedule and the General Rules, Regulations, Terms and Conditions of Company’s Tariff on file with the MPUC, or any effective superseding General Terms and Conditions on file with the MPUC (“General Terms and Conditions”). Gas sold and delivered hereunder by Company shall not be resold by Customer to a third party. In case of any discrepancy between the terms of this Agreement and the General Terms and Conditions, the General Terms and Conditions shall control.

3. **Rate.** Customer shall be responsible for and shall pay to Company for the service provided hereunder the firm sales rate applicable to Customer plus the appropriate daily firm capacity charge for the applicable class of sales service, multiplied by Customer’s MDQ of \_\_\_\_\_ dekatherm, plus the monthly customer charge applicable to Customer, all as set forth in Company’s Tariff, as the same may be amended, modified or superseded from time to time.

Customer’s minimum monthly bill will be the sum of the Customer Charge, Daily Firm Capacity Charge and Commodity Charge, subject to change in accordance with the Company’s Purchased Gas Adjustment-Uniform Clause contained in the Tariff.

4. **Term.** The primary term of this Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_\_\_, and thereafter until terminated by either party upon six (6) months written notice.

5. **Penalty For Unauthorized Takes When Service is Interrupted.** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be



billed the applicable charges in paragraph 3 above, plus either the applicable charge from the transporting pipeline or \$20.00 per dekatherm so taken, whichever is greater. However, if Customer is served off Northern Natural Gas Company’s pipeline, and if Northern calls a Critical Day, Customer shall be billed for all commodity volumes at the applicable rate in paragraph 3 plus the then current Critical Day daily delivery variance charge (“DDVC”) for each dekatherm so taken when service is interrupted.

6. **Billing and Payment.** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on past due amounts in excess of \$10.00 and shall be the greater of \$1.00 and one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

7. **Notices.** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) d/b/a MERC – PNG	Company:
Attention:	Attention:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:

8. **Commission Authority.** The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof, and to all present and future orders, rules, and regulations of the MPUC and any other regulatory



authorities having jurisdiction over (i) the sale of natural gas contemplated hereunder or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

10. **Entire Agreement.** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**(“MERC”) d/b/a MERC – PNG**

Customer

\_\_\_\_\_  
*(print name)*

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

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

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

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



ELECTION OF FIRM TRANSPORTATION
ADDENDUM TO
GAS TRANSPORTATION AGREEMENT
(MINNESOTA)

This Addendum is made and entered into as of the \_\_\_ day of \_\_\_, \_\_\_, by and between Minnesota Energy Resources Corporation ("MERC") d/b/a MERC - PNG ("Company"), and \_\_\_ ("Customer").

Company and Customer have entered into a Gas Transportation Agreement dated \_\_\_, \_\_\_ (the "Agreement") and now desire to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree and acknowledge their execution of that Agreement and desire and agree that the following terms shall become a part of the Agreement by this Addendum as if originally included in the Agreement.

1. Customer agrees to suspend its current Interruptible Gas Transportation service and to convert to transportation service under the "Firm" Transportation Rate Schedule specified below for the Winter Period (November-March) or Winter Periods identified below. During each Winter Period, Company will transport Customer's natural gas supplies on a "Firm" basis on Company's distribution system in accordance with the tariff rules and regulations applicable to Company's Firm Transportation customers in the State of Minnesota. Customers shall pay all applicable Firm Transportation rates, fees, and other charges associated with the Firm Transportation service provided to Customer. At the end of the term of this Addendum as specified below, Customer will revert to its original Interruptible Transportation Service and associated rates, terms, and conditions as set forth in the Agreement.

Customer's Interruptible Transportation Rate Schedule: \_\_\_\_\_

Customer's Applicable Firm Transportation Rate Schedule during the term of this Addendum: \_\_\_\_\_

Units of Firm: \_\_\_\_\_

Term of Addendum: \_\_\_ Mo/Day/Yr through \_\_\_ Mo/Day/Yr .

2. As amended by this Addendum, the Agreement is ratified and remains in full force and effect.

3. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the Agreement, and the terms and provisions of Company's Tariff on file with the Minnesota Public Service Commission, the terms and provisions of Company's Tariff shall control.

The parties have executed this Agreement as evidenced by their signatures below.

Minnesota Energy Resources Corporation
("MERC") d/b/a MERC - PNG

Customer

(print name)

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

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

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

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



**ELECTION OF LARGE VOLUME BALANCING SERVICE  
ADDENDUM TO  
LARGE VOLUME TRANSPORTATION SERVICE AGREEMENT**

This Addendum is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Minnesota Energy Resources Corporation (“MERC”) d/b/a MERC - PNG (“Company”), and \_\_\_\_\_ (“Customer”).

WHEREAS, Company and Customer have entered into a Large Volume Transportation Service Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the “LVTS Agreement”);

WHEREAS, Customer desires to participate in the Large Volume Balancing Service Program; and WHEREAS, Company and Customer desire to amend the LVTS Agreement as provided herein.

NOW, THEREFORE, in consideration of the above premises and the covenants contained here, Company and Customer agree as follows:

1. Service Description. Customer elects to participate in the Large Volume Balancing Service (“LVBS”) Program as set forth in Company’s Tariff, Sheet No. 6.08, on file with the Minnesota Public Utility Commission (“MPUC”), subject to change as may be approved by the MPUC from time to time. The LVBS allows Customer’s daily usage to vary from its nomination by the amount of service Customer chooses to purchase. Customer chooses to purchase the following number of units of the LVBS:

Number of Units: \_\_\_\_\_ Customer’s/Representative’s Initials: \_\_\_\_\_

2. Term. This Addendum shall commence on the date written above and shall remain in effect through the same term stated in Customer’s LVTS Agreement referenced above.

3. Price. The price for the LVBS is set forth in Company’s Tariff, subject to change as may be approved by the MPUC from time to time.

4. Limitations. The LVBS will not be available on pipeline SOL, SUL, or Critical Days, days Company issues a Curtailment Day, or any other day Company determines, in its sole judgment, that LVBS would be detrimental to its General Service customers.

5. Miscellaneous. As amended by this Addendum, the LVTS Agreement is ratified and remains in full force and effect. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the LVTS Agreement, and the terms and provisions of Company’s Tariff, the terms and provisions of Company’s Tariff shall control. Any terms not defined herein shall have the meaning ascribed to them in Company’s Tariff.

The parties have executed this Addendum as evidenced by their signature below.

**Minnesota Energy Resources Corporation**  
 (“MERC”) d/b/a MERC –PNG

**Name:** \_\_\_\_\_  
**Account #:** \_\_\_\_\_

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

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