

**PRECEDENT AGREEMENT**

**FOR**

**FIRM NATURAL GAS TRANSPORTATION SERVICE**

This Precedent Agreement for Firm Natural Gas Transportation Service (the “**Precedent Agreement**”) is entered into as of \_\_\_\_\_, 2008, by and between Bison Pipeline LLC (“**Company**”), and \_\_\_\_\_ (“**Shipper**”). Company and Shipper are referred to herein individually as “**Party**” and collectively as the “**Parties.**”

**RECITALS**

**WHEREAS**, Company proposes to design, engineer, permit, build and operate a new Federal Energy Regulatory Commission (“**FERC**”) regulated interstate pipeline consisting of compression and approximately 289 miles of 24-inch diameter pipeline and appurtenant facilities originating from a point near Dead Horse, Wyoming and extending to the Northern Border Pipeline Company (“**Northern Border**”) pipeline system, terminating at a point near the Northern Border compressor station in Morton County, North Dakota (the “**Project**”); and

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**WHEREAS**, before Company will apply for regulatory approvals and permits to construct and operate the Project, Company desires to obtain the execution of sufficient binding precedent agreements with prospective shippers; and

**WHEREAS**, Shipper desires to obtain firm natural gas transportation service on the Project (the “**Service**”); and

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**WHEREAS**, the Parties desire to enter into a binding precedent agreement that (i) sets forth the terms upon which Company will construct and operate the Project and provide Shipper with service; and (ii) sets forth the terms upon which the Parties will execute a firm transportation service agreement.

**NOW, THEREFORE**, in consideration of the understandings and mutual covenants herein assumed, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**AGREEMENT**

1. **SERVICE; CAPACITY AND PRESSURE; TERM; RATE; IN-SERVICE DATE; RIGHT OF FIRST REFUSAL**

(a) Service: Subject to the conditions set forth herein, including without limitation the conditions set forth in Section 3; any applicable terms and conditions that may be imposed by the FERC; and the terms and conditions of Company's FERC Gas Tariff, which will be filed by the Company in accordance with Section 2(e) herein ("Tariff"), Shipper shall purchase, and Company shall provide, the Service. The Service shall be provided pursuant to a Rate Schedule FT-1 Service Agreement, substantially similar to that attached hereto as Exhibit A, which is consistent with Company's Rate Schedule FT-1, or such successor rate schedule then in effect, and subject to all of the terms and conditions of the Tariff, as may be revised from time to time, and all rules and regulations of governmental authorities having jurisdiction. The Rate Schedule FT-1 Service Agreement shall be entered into in accordance with the terms and conditions set forth below.

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(b) Capacity and Pressure: Shipper's maximum delivery quantity ("MDQ") shall be \_\_\_\_\_ Mcf per day. Natural gas tendered to the Project shall be at a pressure sufficient to enter the Project, which shall not exceed the maximum allowable operating pressure of the pipeline.

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¶ (ii) . Without limiting the applicable surcharges for the Project that will be charged, and i

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(c) Term: Shipper's capacity commitment will commence on the In-Service Date of the Project (as defined below) and continue for an initial term of \_\_\_\_\_ years (the "Initial Term") as indicated in the Rate Schedule FT-1 Service Agreement.

(d) Rate: Subject to Shipper meeting the Btu factor set forth in Section 2(f), Shipper's rate for transportation on the Project shall be determined in accordance with Shipper's election as set forth below. The Btu factor shall be fixed on the Project throughout the Initial Term of the Rate Schedule FT-1 Service Agreement.

Shipper agrees to pay either (select one)

\_\_\_\_\_ Company's maximum recourse reservation rate, commodity rate, Company Use Gas similar to that defined in the Northern Border FERC Gas Tariff and all applicable surcharges;

or

\_\_\_\_\_ A negotiated rate as set forth on Exhibit B attached hereto (the "Negotiated Rate").

(e) In-Service Date: Subject to the conditions set forth herein, service under the Rate Schedule FT-1 Service Agreement will commence on the date Company is physically capable and legally authorized to provide the Service (the "In-Service Date"). As of the In-Service Date, Shipper shall be liable to Company for all FERC-approved charges allowed hereunder that are associated with the provision of the Service. In the event Company, for any reason, does not meet the targeted In-Service Date of November

15, 2010, the In-Service Date will be as soon as possible thereafter. Company shall have no liability or obligation to Shipper as a result of the delay.

(f) Right of First Refusal: Shipper's Rate Schedule FT-1 Service Agreement shall include a right of first refusal ("**ROFR**") for Shipper's capacity commitment. The reservation rate applicable to Shipper's extension of its Rate Schedule FT-1 Service Agreement shall be the then-existing maximum recourse rate in accordance with the Tariff, as such rate may be changed from time to time, unless (i) the Tariff allows negotiated reservation rates at the time of extension and (ii) Shipper and Company mutually agree on a negotiated rate.

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## 2. ADDITIONAL OBLIGATIONS OF PARTIES

(a) Execution of Rate Schedule FT-1 Service Agreement: Subject to the terms and conditions of this Precedent Agreement, Shipper agrees to execute, within twenty (20) days after written notice by Company, the Rate Schedule FT-1 Service Agreement described in Section 1 above.

(b) Credit Support:

(i) During the term of this Precedent Agreement and the term of the Rate Schedule FT-1 Service Agreement which may result from this Precedent Agreement, Shipper understands and agrees that it will establish and maintain creditworthiness in accordance with the standards set forth in Exhibit C attached hereto, or provide Credit Support, as defined below, as required by Company, at all times thereafter. Company's determination of creditworthiness pursuant to the standards set forth in Exhibit C shall be final and binding on Shipper.

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(ii) As used herein, "**Credit Support**" means a guarantee of Shipper's obligations, for an amount set forth below in Table 1, in the form attached hereto as Exhibit D from an entity that meets the credit standards set forth in Exhibit C ("**Guarantor**"); or one of the following collateral options: (a) an irrevocable standby letter of credit for an amount set forth below in Table 1, in substantially the form attached hereto as Exhibit E and issued by a bank or financial institution deemed creditworthy by Company; or (b) cash deposit delivered to Company, in an amount as set forth below in Table 1. Such Credit Support shall be provided by Shipper as requested by Company in accordance with the timetable set forth below in Table 1; provided, however, if at any time Company or Shipper are in dispute as to whether Shipper or its proposed guarantor is creditworthy, then until such time as such dispute is resolved, Shipper shall be required to provide the Credit Support contemplated in clause (a) or (b) of this Section 2(b)(ii)(which shall be subject to immediate release in the event the parties mutually agree or it is finally determined by Company that Shipper or its proposed guarantor is creditworthy). For the sake of clarity, the amounts set forth below are not cumulative.

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**Table 1**  
**Credit Support Timetable and Amounts**

<b>Determination Date</b>	<b>Collateral: Letter of Credit or Cash Deposit</b>	<b>Guarantee</b>
No later than May 30, 2008, unless an extension of time is granted by Company.	An amount equal to Shipper's Proportionate Share of the Project Development Cost (defined below).	An amount equal to Shipper's Proportionate Share of the Project Development Cost (defined below).
No later than ten (10) days after Company has placed orders for materials for the Project.	An amount equal to reservation charges payable in respect of the MDQ for eighteen (18) months of Service under the Rate Schedule FT-1 Service Agreement.	An amount equal to reservation charges payable in respect of the MDQ for eighteen (18) months of Service under the Rate Schedule FT-1 Service Agreement.
No later than twenty (20) days after Company's acceptance of the FERC Certificate (defined below).	An amount equal to Shipper's reservation charges payable in respect of the MDQ for thirty-six (36) months of Service under the Rate Schedule FT-1 Service Agreement.	An amount equal to the net present value of reservation charges under Shipper's Rate Schedule FT-1 Service Agreement.
On or after the In-Service Date.	An amount equal to Shipper's reservation charges payable in respect of the MDQ for thirty-six (36) months of Service under the Rate Schedule FT-1 Service Agreement. After the eighty-fourth (84 <sup>th</sup> ) month of Service under the Rate Schedule FT-1 Service Agreement, the amount of collateral shall be reduced thereafter (as mutually agreed) to reflect the reservation charges paid after the eighty-fourth (84 <sup>th</sup> ) month period, but in no event reduced to less than three (3) months reservation charges.	An amount equal to the net present value of reservation charges under Shipper's Rate Schedule FT-1 Service Agreement.

The term “**Proportionate Share**” for Shipper shall be an amount equal to the ratio of Shipper’s requested MDQ to the total MDQ requested by all shippers with a firm transportation precedent agreement or Rate Schedule FT-1 Service Agreement then in effect for the Project; however, if termination by Shipper pursuant to Section 4(c) herein requires Company to incur additional expenses to reconfigure its Project to provide service to non-terminating shippers, and/or to incur additional expenses to remove Shipper’s MDQ from the Project, Shipper shall be responsible for all such additional costs.

The term “**Project Development Costs**” shall mean the total cost of developing the Project to the date of completion of the Updated Bison Pipeline Project Cost Estimate described in Section (b) of Exhibit B.

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The term “**FERC Certificate**” shall mean the Certificate of Public Convenience and Necessity expected to be issued by FERC under Section 7(c) of the Natural Gas Act of 1938 for the authority to construct and operate the Project.

(iii) Shipper shall maintain its creditworthiness, either directly or through provision of Credit Support, during the term of this Precedent Agreement and the resulting Rate Schedule FT-1 Service Agreement and shall cause any Guarantor of Shipper’s obligations hereunder to maintain its creditworthiness in accordance with the terms of its related guarantee. If Shipper or Guarantor, as applicable, is not subject to regulation by the Securities and Exchange Commission, Shipper or Guarantor shall notify Company in writing, in accordance with Section 6(c), within ten (10) days of the details of any material adverse change in its business, properties, conditions (financial or otherwise) or results of operations. Shipper understands and agrees that if, at any time during the term of the Precedent Agreement or resulting Rate Schedule FT-1 Service Agreement, Shipper or Guarantor notifies Company, or if Company determines through its own investigation, that there has been any material adverse change in the business, properties, conditions (financial or otherwise), or results of operations such that Shipper or Guarantor ceases to be creditworthy, or the creditworthiness of the Shipper or Guarantor is insufficient to fulfill its portion of the Shipper’s Credit Support requirement, Company may demand and Shipper shall deliver to Company collateral, as described in Sections 2(b)(ii)(a) and 2(b)(ii)(b), in an amount not to exceed thirty-six (36) months reservation charges at such times set forth in the Table 1 above. The Parties agree that the failure of Shipper or Shipper’s Guarantor to maintain creditworthiness or supply or maintain Credit Support shall not; (i) relieve Shipper of its other obligations under this Precedent Agreement or the Rate Schedule FT-1 Service Agreement; or (ii) prejudice Company’s right to seek performance under this Precedent Agreement or the Rate Schedule FT-1 Service Agreement. If Credit Support is provided pursuant to this Section 2(b) and Shipper or its Guarantor, as applicable, is later determined by Company to be creditworthy in accordance with the standards set forth in Exhibit C and such Credit Support is not required, Company shall return

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to Shipper whatever form of such Credit Support it then holds to secure Shipper's obligations hereunder.

(iv) Shipper acknowledges that this Precedent Agreement and the Rate Schedule FT-1 Service Agreement are contracts under which Company will extend financial accommodations to Shipper, within the meaning of United States Bankruptcy Code Section 365(e)(2)(B). Shipper likewise acknowledges that in the event that a petition is filed, by or against Shipper, any of its affiliates, or any Guarantor of Shipper's obligations hereunder under any chapter of the United States Bankruptcy Code, and if Company does not terminate this Precedent Agreement and/or the Rate Schedule FT-1 Service Agreement as a result of such filing, Company may consider the bankruptcy filing in determining whether Shipper remains creditworthy, and in determining what, if any, additional financial assurances must be submitted by or for Shipper as a condition to Shipper's creditworthiness under this Precedent Agreement and Article 10 of the Rate Schedule FT-1 Service Agreement.

(v) The creditworthiness requirements of this Section 2(b) and the standards set forth in Exhibit C shall apply to any assignee pursuant to an assignment (in whole or part) of this Precedent Agreement or the Rate Schedule FT-1 Service Agreement or to any permanent release, in whole or part, of the Rate Schedule FT-1 Service Agreement.

(vi) The credit terms and conditions set forth in this Section 2(b) and in Exhibit C shall survive the termination of this Precedent Agreement and, subject to any required FERC approvals, shall continue in effect for the term(s) of any resulting Rate Schedule FT-1 Service Agreement.

(c) Cooperation: Each Party agrees to execute and deliver such other and additional instruments and documents and do such other acts as may be reasonably requested by the other Party to effectuate the terms and provisions of this Precedent Agreement. Shipper expressly agrees to cooperate with, and to file an intervention in support of the Project with FERC, and to not oppose or protest, the efforts of Company to obtain any regulatory or governmental approvals Company deems necessary or desirable to develop, permit, construct, own or operate the Project, in whole or in part, or otherwise to provide the Service, including without limitation the FERC Certificate, including providing any information that is reasonably requested by Company in preparing applications for the federal permits or by any governmental or regulatory body in connection with such applications; provided in all cases that Company is not acting in contravention of this Agreement.

(d) No Contrary Commitment: In recognition of Company's commitment to pursue development of the Project, Shipper agrees, during the term of this Precedent Agreement, that, without prior written approval of Company, it will not undertake any commitment with any entity other than Company for natural gas transportation service on an interconnecting pipeline intended to transport natural gas in the United States that

would replace or substitute for all or any portion of the Service specified in this Precedent Agreement.

(e) Tariff; Terms and Conditions of Service: Company shall file with its FERC application a ~~tariff which is consistent with the terms and conditions of this Precedent Agreement, including, but not limited to~~; (i) the Service set forth in Section 1; and (ii) the Gas Quality specifications set forth in Section 2(f) immediately below.

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(f) Gas Quality Specifications: Due to the potential that Company's pipeline will be transporting natural gas of other shippers that will be commingled with Shipper's natural gas, Company agrees to require that all shippers meet the same quality specifications on Company's pipeline as set forth in the Tariff. Company shall file for and propose to adopt the same natural gas quality standards as those of the Northern Border pipeline system which shall include, ~~but not be limited to~~, the specification that the natural gas to be transported on the Project shall not contain more than two (2) percent by volume of carbon dioxide and shall have a gross heating value of not less than 967 Btu per cubic foot. Company shall file for and propose to adopt the foregoing gas quality standards; provided, however, Company shall not be obligated to file for appeal or rehearing of any FERC order determining ~~different~~ gas quality standards for inclusion in the Tariff.

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### **3. CONDITIONS PRECEDENT**

Notwithstanding the Parties' execution of this Precedent Agreement or a Rate Schedule FT-1 Service Agreement, and subject to Company's rights of termination set forth in Section 4, Company's obligation to construct and operate the Project and to provide the Service is expressly subject to the satisfaction or waiver (in the sole discretion of Company) of the following conditions, which conditions Company shall use good faith commercially reasonable efforts to satisfy:

(a) Management Approvals: Company shall have obtained all requisite management and/or board approvals for its development and construction of the Project and to provide the Service described in Section 1 (i) prior to ordering materials for the Project; (ii) prior to filing its application for the FERC Certificate and (iii) within sixty (60) days after the FERC Certificate is no longer subject to appellate review or rehearing.

(b) FERC Certificate, Rights-of-Way and Permits: Company shall have received and accepted the FERC Certificate authorizing the Project, and have obtained the rights-of-way and permits necessary to construct the Project facilities and provide the Service to Shipper, all in a form and substance satisfactory to Company in its sole discretion, or Company having waived any objection to the form and substance of same on or before July 1, 2011.

(c) Notice of Satisfaction: Company shall promptly notify Shipper upon satisfaction, waiver or failure of all of the conditions set forth in Sections 3(a) and 3(b) (the "**Notice of Satisfaction**").

#### 4. TERM; TERMINATION

(a) Term: Subject to the conditions precedent in Section 3 hereof, this Precedent Agreement shall be effective as of the date first written above and shall remain in effect until the earlier of (i) the In-Service Date; or (ii) the date on which this Precedent Agreement is terminated in accordance with its terms.

(b) Termination by Company: Company may terminate this Precedent Agreement by providing written notice to Shipper in accordance with the requirements of Section 6(c). ~~Such termination shall be effective upon Shipper's receipt of such notice, in the event that:~~

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(i) The conditions set forth in Section 3(a) is not satisfied or waived, on or before the time periods described for the satisfaction or waiver of such condition. In the event of termination under this section 4(b)(i), Shipper shall have no liability to Company; or

(ii) The condition set forth in Section 3(b) is not satisfied or waived, on or before the date stipulated for satisfaction or waiver of such condition. In the event of termination under this section 4(b)(ii), Shipper shall have no liability to Company; or

(iii) Company determines at any time, and at its sole discretion, that the Project is no longer economically viable. In the event of termination under this Section 4(b)(iii), Shipper shall have no liability to Company; or

(iv) Shipper or any Guarantor of its obligations fails to provide Credit Support or replacement Credit Support within ten (10) days of notice by Company to Shipper. In ~~the event of termination under this Section 4(b)(iv), Shipper shall be liable for and shall pay Company an amount equal to Shipper's Proportionate Share of the total demonstrable cost expended, including both direct and indirect costs charged to the Project,~~ incurred or irrevocably committed by Company, in developing, permitting and/or constructing the Project through the date on which such termination is effective, including any third party charges expended, incurred or irrevocably committed by Company (the "**Project Costs**") determined as of the earlier of the date of Company's delivery of written notice of termination hereunder or ten (10) days after the aforesaid failure to provide such Credit Support; or

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(v) If a petition is filed, by or against Shipper, any of its affiliates, or any Guarantor of Shipper's obligations hereunder under any chapter of the United States Bankruptcy Code. In the event of termination under this Section 4(b)(v), Shipper shall be liable for and shall pay Company an amount equal to Shipper's Proportionate Share of the Project Costs determined as of the earlier of the date of Company's delivery of written notice of termination hereunder or ten (10) days after such petition is filed; or

(vi) Shipper fails to comply with any of the following material obligations hereunder as and when required: (A) Shipper shall execute a Rate Schedule FT-1 Service Agreement within twenty (20) days of Company’s written notice in accordance with Section 2(a); (B) Shipper shall cooperate with Company in accordance with Section 2(c); or (C) Shipper shall not undertake any commitment with an entity other than Company for natural gas transportation service that would replace or substitute for all or any portion of the Service specified in this Precedent Agreement in accordance with Section 2(d). In the event of termination under this Section 4(b)(vi), Shipper shall be liable for and shall pay Company an amount equal to Shipper’s Proportionate Share of the Project Costs determined as of the earlier of the date of Company’s delivery of written notice of termination hereunder or ten (10) days after such failure.

Shipper agrees that Shipper’s Proportionate Share of the Project Costs shall be due and owing to Company upon Shipper’s receipt of Company’s termination notice and paid to Company within ten (10) days of such receipt. Shipper shall not be obligated for the portion of the Project Costs corresponding to the portion of Shipper’s capacity contracted for herein that is assumed or contracted for by a new shipper satisfying all criteria for creditworthiness as described in Section 2(b) herein; provided, however, that capacity assumed or contracted for by a new shipper as described herein will not reduce Shipper’s obligation to pay an amount equal to Shipper’s Proportionate Share of the Project Costs to the extent that, after termination of this Precedent Agreement and any resulting Rate Schedule FT-1 Service Agreement, capacity in excess of that contracted for in this Precedent Agreement and in the Rate Schedule FT-1 Service Agreement is available. Company shall, upon receipt of payment from Shipper of all obligations due to Company, return all Credit Support provided hereunder. In the event of termination under Sections 4(b)(i), 4(b)(ii), and 4(b)(iii) Company shall, coincident with such termination, return all Credit Support provided hereunder. In the event of termination under Sections 4(b)(iv), 4(b)(v) and 4(b)(vi) Company shall, upon receipt of payment from Shipper of all obligations due to Company, return all Credit support provided hereunder. Except as provided in this Section 4(b), Company shall have no liability or obligation to Shipper resulting from Company’s termination of this Precedent Agreement.

(c) Termination by Shipper: Shipper may terminate this Precedent Agreement by providing written notice to Company in accordance with the requirements of Section 6(c). Such termination shall be effective upon Company’s receipt of such notice, in the event that:

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(i) Shipper has not obtained all requisite management and/or board approvals, which approvals may be withheld for any reason, unless an extension of time is granted by Company, by May 30, 2008. In the event of termination under this section 4(c)(i), Shipper shall have no liability to Company. In the event that Shipper terminates pursuant to this Section 4(c)(i), Company shall, upon receipt of termination notice, return all Credit Support provided hereunder.

(ii) Within fifteen (15) months of the close of the open season for the Project, Company has not either (A) executed contracts, purchase orders or other

agreements wherein it has committed an aggregate of at least fifty (\$50) million dollars towards the development and construction of the Project, or (B) filed a FERC Certificate application. In the event of termination under this section 4(c)(ii), Shipper shall have no liability to Company. In the event that Shipper terminates pursuant to this Section 4(c)(ii), Company shall, upon receipt of termination notice, return all Credit Support provided hereunder.

(iii) The Project is delayed, and such delay is caused by the failure of Company to act in good faith using commercially reasonable efforts to secure the approvals required for the Project, such that the In-Service date occurs later than twenty-four (24) months following the issuance of FERC's project-wide Notice to Proceed for the Project; provided, however, that if construction activities are at any time halted pursuant to a court or agency order, this time period shall be tolled for the duration of any such court or agency order, and regardless of the amount of the twenty-four (24) month period described in this Section 4(c)(iii) which remains after the release of the court or agency order, the Project shall have not less than one month to place the Project into service without triggering Shipper's termination rights described in this Section 4(c)(iii). In the event of termination under this section 4(c)(iii), Shipper shall have no liability to Company. In the event that Shipper terminates pursuant to this Section 4(c)(iii), Company shall, upon receipt of termination notice, return all Credit Support provided hereunder.

Except as provided in this Section 4(c), Company shall have no liability or obligation to Shipper resulting from Company's termination of this Precedent Agreement.

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(d) Effect of Termination: The termination of this Precedent Agreement shall not relieve any Party hereto from any right, liability or other obligation, or any remedy or limitation of remedies, which has accrued or been incurred prior to the date of such termination; provided, however, neither party shall be liable for any damages to the other Party in the event of termination due to the failure of Company to satisfy or waive a condition precedent set out in Section 3, other than as provided in Section 4 of this Agreement. If this Precedent Agreement is terminated following the execution of the Rate Schedule FT-1 Service Agreement but prior to the In-Service date of the Project, then such Schedule FT-1 Service Agreement shall automatically terminate upon the termination of this Precedent Agreement and Company shall have the right to decline to file for or withdraw any requests or applications for regulatory approvals or have the right to not accept any resulting approvals.

## **5. REPRESENTATIONS AND WARRANTIES**

Each Party represents and warrants to each other as follows:

(a) Such Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is in good standing in each other's jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of such Party.

(b) Other than the management and/or board approval described in Sections 3(a) and 4(c)(i) of this Precedent Agreement, the execution, delivery and performance of this Precedent Agreement by each Party has been, or as of the execution date of this Precedent Agreement, will be, duly authorized by all necessary action on the part of such Party in accordance with such Party's charter documents, and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of such Party or any other party to any other agreement with such Party.

(c) Subject to the provisions herein, this Precedent Agreement constitutes the legal, valid, binding and enforceable obligation of such Party, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting creditor's rights generally and by general equitable principles.

(d) No governmental authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any governmental authority is required on the part of such Party in connection with the execution and delivery of this Precedent Agreement.

(e) There is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the financial condition or operations of such Party or the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

## 6. MISCELLANEOUS

(a) Limitation of Liability/Exclusive Remedies: No Party shall be liable to any other Party under this Precedent Agreement or under the Rate Schedule FT-1 Service Agreement for any special, indirect, incidental, punitive or consequential damages of any nature, or for any lost profits, however arising even if such Party has been made aware of the possibility of such damages or lost profits; provided that whenever a remedy is specified in this Precedent Agreement, the specified remedy shall not be construed to be precluded under this Section 6(a) and such remedy shall be the sole remedy available to the Parties to the exclusion of any other rights, powers, privileges or remedies provided by law, unless it is specifically stated herein that such remedy is non-exclusive.

(b) Non-Exclusive Service: Company is an open-access Company, and is required to offer available capacity on a not unduly discriminatory basis on the Project (including extensions and/or expansions thereof) to other potential customers.

(c) Notices: All notices required or permitted under this Precedent Agreement, and all termination notices, amendments or claims, shall be in writing and sent to:

Company:                   Bison Pipeline LLC  
                                  13710 FNB Parkway

Omaha, NE 68154-5200  
Attn: Marketing Department

Shipper:

Any Party may change its address by written notice to that effect to the other Parties. Notices given hereunder shall be deemed to have been effectively given upon; (i) the first business day at the recipient's office following the day when the notice properly addressed and postpaid had been delivered to the recipient's address by registered U.S. mail, return receipt requested, or by a nationally recognized overnight courier; or (ii) the first business day at the recipient's office following the day when the sender of the notice received confirmation from its facsimile machine that such notice was successfully transmitted. It is expressly understood and agreed, however, that any notices referred to hereunder shall first be delivered by facsimile or other similar means, in accordance with the dates and time provided therein, and shall be mailed as soon as practicable thereafter.

(d) Entire Agreement: This Precedent Agreement, including the Recitals herein and Exhibits A through E, sets forth all understandings and agreements between the Parties with respect to the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, with respect thereto are merged into and superseded by this Precedent Agreement.

(e) Modifications: This Precedent Agreement may only be amended by an instrument in writing executed by all Parties.

(f) Governing Law and Venue: This Precedent Agreement, and any actions, claims, demands or settlements hereunder shall be governed by and construed in accordance with the laws of the State of Nebraska without application of its conflict of laws principles. Venue for all legal proceedings arising out of this Precedent Agreement or breach thereof shall be in an appropriate State or Federal Court of competent jurisdiction in the State of Nebraska.

(g) Compliance with Law: This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, regulations, rules, and orders of all governmental and regulatory bodies having jurisdiction.

(h) Waiver: Unless otherwise specifically indicated herein, any waiver, consent or approval of any kind or character by a Party of any term or condition set forth in this Precedent Agreement, or of any breach or default hereunder, shall be given or withheld in the sole discretion of the waiving, consenting or approving Party and all such waivers, consents or approvals shall be in writing. No delay or omission to exercise any right, power or remedy accruing to any Party as the result of any breach or default hereunder shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach

or default thereafter occurring, nor shall any waiver of any single breach or default be deemed or otherwise constitute a waiver of any other breach or default theretofore or thereafter occurring.

(i) Drafting: For the purposes of contractual interpretation, the terms, conditions and provisions of this Precedent Agreement shall not be construed against any Party as a result of the preparation or drafting thereof.

(j) Filing: Either Party may file this Precedent Agreement with the FERC.

(k) Exhibits: The following Exhibits and Schedules are attached hereto and expressly made part of this Precedent Agreement:

Exhibit A: Rate Schedule FT-1 Service Agreement

Exhibit B: Negotiated Rate

Exhibit C: Credit Standards

Exhibit D: Guaranty

Exhibit E: Letter of Credit

(l) Counterpart Execution: This Precedent Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Precedent Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Precedent Agreement.

(m) Severability: In the event that any of the provisions of this Precedent Agreement are held to be unenforceable or invalid by a court of competent jurisdiction, the Parties shall negotiate an equitable adjustment to the provisions of this Precedent Agreement with a view toward effecting to the extent possible the original purpose of this Precedent Agreement, and the validity and enforceability of the remaining provisions, or portions or applications thereof shall not be affected thereby.

(n) Assignment: Shipper may not assign this Precedent Agreement, in whole or in part, or any rights or obligations hereunder, to another party without first obtaining the prior written consent of Company, which consent shall not be unreasonably withheld or delayed. Further, any such assignee shall agree in writing to be bound by the terms and conditions set forth in this Precedent Agreement. Should Company consent to Shipper's assignment of this Precedent Agreement, Company's consent shall, unless otherwise agreed (e.g. for the reason that the proposed assignee is not creditworthy), constitute release of Shipper's obligations and liabilities hereunder, and agreement to hold Shipper harmless for any acts or omissions by the assignee with respect to the obligations and liabilities assumed by the assignee under this Precedent Agreement; provided, however, that Shipper may assign this Precedent Agreement to an Affiliate, provided that Company agrees the Affiliate or its Guarantor, as applicable, is of equal or better credit status than Shipper or its Guarantor, as applicable. Affiliate shall be defined as any company,

partnership or corporation which; (i) directly or indirectly controls such Party; (ii) is directly or indirectly controlled by such Party; or (iii) is directly or indirectly controlled by a company or corporation which directly or indirectly controls such Party; where "control" means the right to exercise votes attaching to more than fifty percent (50%) of the voting shares of the company, partnership, corporation or limited liability company in question. Upon the prior written consent of Shipper, which consent shall not be unreasonably withheld, Company may assign this Precedent Agreement to an entity proposing to provide the Services described in Section 1 in a manner substantially consistent with the terms and conditions contained in this Precedent Agreement.

(o) Confidentiality: This Precedent Agreement and the terms set forth herein are confidential and the Parties agree not to disclose such terms other than as otherwise set forth in this Agreement and as required by applicable laws, regulations or any securities exchange. In this connection, the Parties acknowledge that Company may file information with FERC in a public manner disclosing the content of this Precedent Agreement as necessary or desirable to support its FERC Certificate application. In addition, the Parties acknowledge that, unless otherwise restricted by applicable law or regulations, each Party may disclose the terms hereof to each of their and their respective Affiliates' officers, employees, agents, lenders and other advisors that have a *bona fide* need to know such information and to potential assignees of their interests under this Precedent Agreement that have agreed to use this information only for the purposes intended herein and who agree to keep such information confidential, provided further, that the disclosing party shall be responsible for any such breach of these confidentiality provisions by the parties to which it disclosed such information. To the extent which any content of this Precedent Agreement shall be disclosed to FERC in a public manner in connection with Company's FERC Certificate application, such disclosure shall constitute a permanent waiver by the Parties to claims of confidentiality under this Section 6(o) with respect to the content so disclosed.

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The provisions of this Section 6(o) shall survive termination of this Precedent Agreement until the date that is two (2) calendar years after such termination; provided, however, that the Parties acknowledge that Company may file this Precedent Agreement with the FERC as necessary or desirable to support its FERC Certificate application.

(p) Surviving Terms: The following provisions of this Precedent Agreement shall survive termination of the Precedent Agreement and extend until termination of the Rate Schedule FT-1 Service Agreement (unless otherwise specified):

- (i) Section 1, Service; Capacity and Pressure; Term; Rate; In-Service Date; Right of First Refusal
- (ii) Section 2(b), Credit Support
- (iii) Section 4, Term; Termination
- (iv) Section 6(a); Limitation of Liability/Exclusive Remedies

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(v) Section 6(o), Confidentiality

(vi) Exhibit C, Credit Standards

IN WITNESS WHEREOF, the Parties hereto executed this Precedent Agreement as of the first date hereinabove written.

**Bison Pipeline LLC**

**Shipper**

By: Northern Border Pipeline Company,  
its sole member

By: TransCanada Northern Border  
Inc., its Operator

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

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

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

Exhibit A  
to Precedent Agreement

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BISON PIPELINE LLC  
RATE SCHEDULE FT-1  
SERVICE AGREEMENT

This Agreement (the "Service Agreement") is made and entered into at Omaha, Nebraska as of \_\_\_\_\_, 20\_\_, by and between BISON PIPELINE LLC, hereinafter referred to as "Company", and \_\_\_\_\_, hereinafter referred to as "Shipper".

WHEREAS, the transportation of natural gas shall be effectuated pursuant to Part 157 or Part 284 of the Federal Energy Regulatory Commission's Regulations; and

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

Article 1 - Transportation Path Receipt Point

As specified in Exhibit A attached hereto, commencing on Shipper's Billing Commencement Date and continuing throughout the term of this Service Agreement, Shipper shall be entitled to tender to Company, at Shipper's Receipt Point, a daily quantity of gas not in excess of the Maximum Delivery Quantity on an Mcf basis plus the applicable quantity of gas associated with Company Use Gas.

Article 2 - Transportation Path Delivery Point

Company shall deliver gas to Shipper at the Delivery Point, specified in Exhibit A attached hereto, in accordance with Section \_\_\_ of the General Terms and Conditions.

Article 3 - Payments

Shipper shall make payments to Company in accordance with Section \_\_\_ of the General Terms and Conditions.

Article 4 - Change in Tariff Provisions

Upon notice to Shipper, Company shall have the right to file with the Federal Energy Regulatory Commission any changes in the rates and terms of any of its Rate Schedules, General Terms and Conditions or Form of Service Agreement as Company may deem necessary, and to make such changes effective at such times as Company desires and is possible under applicable law. Shipper may protest any filed changes before the Federal Energy Regulatory Commission and exercise any other rights it may have with respect thereto.

Article 5 - Cancellation of Prior Agreements

When this Service Agreement becomes effective, it shall supersede, cancel and terminate the following Agreements: None

## Article 6 - Term

This Service Agreement shall become effective upon its execution and shall under all circumstances continue in effect in accordance with the Tariff for a term of \_\_\_\_\_ years, \_\_\_\_\_ months, \_\_\_\_\_ days after the Billing Commencement Date which shall be the In-Service Date of the Bison Pipeline Project as defined in the Precedent Agreement executed by and between Company and Shipper on \_\_\_\_\_, 2008. This Service Agreement may continue in effect thereafter in accordance with Section \_\_\_ of the General Terms and Conditions, if applicable. Service rendered pursuant to this Service Agreement shall automatically be abandoned upon termination of this Service Agreement.

Termination of this Service Agreement shall not relieve Company and Shipper of the obligation to correct any Shipper Imbalances hereunder, or Shipper to pay money due hereunder to Company and shall be in addition to any other remedies that Company may have.

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## Article 7 - Applicable Law and Submission to Jurisdiction

This Service Agreement and Company's Tariff, and the rights and obligations of Company and Shipper thereunder are subject to all relevant and United States lawful statutes, rules, regulations and orders of duly constituted authorities having jurisdiction. Subject to the foregoing, this Service Agreement shall be governed by and interpreted in accordance with the laws of the State of Nebraska. For purposes of legal proceedings, this Service Agreement shall be deemed to have been made in the State of Nebraska and to be performed there, and the Courts of that State shall have jurisdiction over all disputes which may arise under this Service Agreement, provided always that nothing herein contained shall prevent the Company from proceeding at its election against the Shipper in the Courts of any other state, Province or country.

At the Company's request, the Shipper shall irrevocably appoint an agent in Nebraska to receive, for it and on its behalf, service of process in connection with any judicial proceeding in Nebraska relating to this Service Agreement. Such service shall be deemed completed on delivery to such process agent (even if not forwarded to and received by the Shipper). If said agent ceases to act as a process agent within Nebraska on behalf of Shipper, the Shipper shall appoint a substitute process agent within Nebraska and deliver to the Company a copy of the new agent's acceptance of that appointment within 30 days.

## Article 8 - Successors and Assigns

Any person which shall succeed by purchase, amalgamation, merger or consolidation to the properties, substantially as an entirety, of Shipper or of Company, as the case may be, and which shall assume all obligations under this Service Agreement of Shipper or Company, as the case may be, shall be entitled to the rights, and shall be subject to the obligations, of its predecessor under this Service Agreement. Either party to this Service Agreement may pledge or charge the same under the provisions of any mortgage, deed of trust, indenture, security agreement or similar instrument which it has executed, or assign this Service Agreement to any affiliated Person (which for such purpose shall mean any person which controls, is under common control

with or is controlled by such party). Nothing contained in this Article 8 shall, however, operate to release Shipper from its obligation under this Service Agreement unless Company shall, in its sole discretion, consent in writing to such release. Company shall not release Shipper from its obligations under this Service Agreement unless: (a) such release is effected pursuant to an assignment of obligations by Shipper, and the assumption thereof by the assignee, and the terms of such assignment and assumption render the obligations being assigned and assumed no more conditional and no less absolute than those at the time provided therein; and (b) such release is not likely to have a substantial adverse effect upon Company. Shipper shall, at Company's request, execute such instruments and take such other action as may be desirable to give effect to any such assignment of Company's rights under this Service Agreement or to give effect to the right of a Person whom the Company has specified pursuant to Section \_\_\_ of the General Terms and Conditions of Company's FERC Gas Tariff as the Person to whom payment of amounts invoiced by Company shall be made; provided, however, that: (a) Shipper shall not be required to execute any such instruments or take any such other action the effect of which is to modify the respective rights and obligations of either Shipper or Company under this Service Agreement; and (b) Shipper shall be under no obligation at any time to determine the status or amount of any payments which may be due from Company to any Person whom the Company has specified pursuant to said Section \_\_\_ as the Person to whom payment of amounts invoiced by Company shall be made.

#### Article 9 - Loss of Governmental Authority, Gas Supply, Transportation or Market

Without limiting its other responsibilities and obligations under this Service Agreement, the Shipper acknowledges that it is responsible for obtaining and assumes the risk of loss of the following: (1) gas removal permits, (2) export and import licenses, (3) gas supply, (4) markets and (5) transportation upstream and downstream of the Company's pipeline system. Notwithstanding the loss of one of the items enumerated above, Shipper shall continue to be liable for payment to the Company of the transportation charges as provided for in this Service Agreement.

#### Article 10 - Other Provisions

##### 10.1 Creditworthiness

(a) During the term of this Service Agreement, Shipper understands and agrees that it will establish and maintain creditworthiness in accordance with the standards set forth in Exhibit B, or provide Credit Support, as defined in Section 10.1(b) below, as required by Company, at all times thereafter. Company's determination of creditworthiness shall be final and binding on Shipper.

(b) As used herein, "Credit Support" means, (i) a guarantee of Shipper's obligations, for an amount equal to the net present value of reservation charges under this Service Agreement in the form attached hereto as Exhibit C from an entity that meets the credit standards set forth in Exhibit B ("Guarantor"); or (ii) one of the following collateral options: (A) an irrevocable standby letter of credit in

substantially the form attached hereto as Exhibit D and issued by a bank or financial institution deemed creditworthy by Company; or (B) a cash deposit delivered to Company. Such collateral options shall be for an amount equal to thirty-six (36) months of reservation charges under this Service Agreement; provided, however, after the eighty-fourth (84<sup>th</sup>) month under this Service Agreement, the amount of collateral shall be reduced thereafter (as mutually agreed) to reflect the reservation charges paid after the eighty-fourth (84<sup>th</sup>) month period, but in no event reduced to less than three (3) months of reservation charges. If at any time Company or Shipper are in dispute as to whether Shipper or its proposed guarantor is creditworthy, then until such time as such dispute is resolved, Shipper shall be required to provide the Credit Support contemplated in either Section 10.1(b)(ii)(A) or Section 10.1(b)(ii)(B) (which shall be subject to immediate release in the event the parties mutually agree or it is finally determined by Company that Shipper or its proposed guarantor is creditworthy).

(c) Shipper shall maintain its creditworthiness for this Service Agreement, either directly or through provision of Credit Support, for the term of this Service Agreement and shall cause any Guarantor of Shipper's obligations hereunder to maintain its creditworthiness in accordance with the terms of its related guarantee. If Shipper or Guarantor, as applicable, is not subject to regulation by the Securities and Exchange Commission, Shipper or Guarantor shall notify Company in writing, in accordance with Company's FERC Gas Tariff, within ten (10) days of the details of any material adverse change in its business, properties, conditions (financial or otherwise) or results of operations. Shipper understands and agrees that if, at any time during the term of this Service Agreement, Shipper or Guarantor notifies Company, or if Company determines through its own investigation, that there has been any material adverse change in the business, properties, conditions (financial or otherwise), or results of operations such that Shipper or Guarantor ceases to be creditworthy, or the creditworthiness of the Shipper or Guarantor is insufficient to fulfill its portion of the Shipper's Credit Support requirement, Company may demand and Shipper shall deliver to Company collateral in an amount not to exceed thirty-six (36) months reservation charges. ~~Company and Shipper agree that the failure of Shipper or Shipper's Guarantor, to maintain creditworthiness or supply or maintain Credit Support shall not; (i) relieve Shipper of its other obligations under this Service Agreement; or (ii) prejudice Company's right to seek performance under this Service Agreement. If Credit Support is provided pursuant to Section 10.1 and Shipper or its Guarantor, as applicable, is later determined by Company to be creditworthy in accordance with the standards set forth in Exhibit B and such Credit Support is not required, Company shall return to Shipper whatever form of such Credit Support it then holds to secure Shipper's obligations hereunder.~~

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(d) Shipper acknowledges that this Service Agreement is a contract under which Company will extend financial accommodations to Shipper, within the meaning of United States Bankruptcy Code Section 365(e)(2)(B). Shipper likewise acknowledges that in the event that a petition is filed, by or against Shipper, any of its affiliates, or any Guarantor of Shipper's obligations hereunder under any chapter of the United States Bankruptcy Code, and if Company does not terminate this Service Agreement as a

result of such filing, Company may consider the bankruptcy filing in determining whether Shipper remains creditworthy, and in determining what, if any, additional financial assurances must be submitted by or for Shipper as a condition to Shipper's creditworthiness under this Service Agreement.

(e) Company may refuse to allow Shipper to permanently release capacity from this Service Agreement if Company has a reasonable basis to conclude that it will not be financially indifferent to the release. If Shipper's request to permanently release capacity is denied by Company, Company shall notify Shipper of such denial and shall include in the notification the reasons for such denial.

(f) The creditworthiness requirements of this Section 10.1 and the standards set forth on Exhibit B shall apply to any assignee pursuant to an assignment (in whole or part) of this Service Agreement.

10.2 Termination

(a) Company may terminate this Service Agreement upon written notice to Shipper in the event that:

(i) Shipper or any Guarantor of its obligations fails to provide Credit Support or replacement Credit Support within ten (10) days of notice by Company to Shipper; or

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(ii) A petition is filed, under any Chapter of the United States Bankruptcy Code, by or against Shipper, any affiliate of Shipper or any Guarantor of Shipper's obligations hereunder; or

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(iii) Shipper fails to pay when due any sum for which it is obligated under this Service Agreement, or Shipper fails to comply with any other obligation under this Service Agreement, Rate Schedule FT-1 or Company's FERC Gas Tariff.

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(b) In the event of termination under Sections 10.2(a)(i), 10.2(a)(ii) or 10.2(a)(iii), Shipper shall be liable for and shall pay Company an amount equal to the remaining reservation charge obligations under this Service Agreement. Shipper shall not be obligated for the portion of such reservation charges corresponding to the portion of Shipper's capacity contracted for herein that is assumed or contracted for by a new shipper satisfying creditworthiness in accordance with the standards set forth in Exhibit B or providing Credit Support as defined above; provided, however, that capacity assumed or contracted for by a new shipper as described herein will not reduce Shipper's obligation to pay an amount equal to such reservation charges to the extent that, after termination of this Service Agreement, capacity in excess of that contracted for in the Service Agreement is available.

(c) Any termination pursuant to Sections 10.2(a)(i), 10.2(a)(ii) or 10.2(a)(iii) shall be effective upon Shipper's receipt of Company's termination notice. Any termination notice from Company shall be in writing, shall be delivered to Shipper in accordance with Company's FERC Gas Tariff, and shall specify whether termination is pursuant to Section 10.2(a)(i), 10.2(a)(ii) or 10.2(a)(iii). Shipper agrees that the remaining reservation charges shall be due and owing to Company upon Shipper's receipt of Company's termination notice and paid to Company within ten (10) days of such receipt.

(d) In the event that Company terminates pursuant to Section 10.2(a)(i), 10.2(a)(ii) or 10.2(a)(iii), Company shall, upon receipt of payment from Shipper of all obligations due to Company, return all Credit Support provided hereunder.

Article 11 - Exhibit A of Service Agreement, Rate Schedules and General Terms and Conditions

Company's Rate Schedules and General Terms and Conditions, which are on file with the Federal Energy Regulatory Commission and in effect, and Exhibit A hereto are all applicable to this Service Agreement and are hereby incorporated in, and made a part of, this Service Agreement.

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

BISON PIPELINE LLC  
By: TransCanada Northern Border Inc.,  
its Operator

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

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

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

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

ATTEST:

(NAME OF SHIPPER)

\_\_\_\_\_

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

\_\_\_\_\_

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

BISON PIPELINE LLC  
RATE SCHEDULE FT-1  
SERVICE AGREEMENT

EXHIBIT A TO SERVICE AGREEMENT

COMPANY - Bison Pipeline LLC  
COMPANY'S ADDRESS - 13710 FNB Parkway  
Omaha, Nebraska 68154-5200

SHIPPER -  
SHIPPER'S ADDRESS -

Right of First Refusal: Yes  No

Maximum Delivery Quantity: \_\_\_\_\_ Mcf/day (\_\_\_\_\_ Dth/Day) (Dth/day will be determined by multiplying the MDQ Mcf/day times a Btu factor of 967)

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This Service Agreement covers interim capacity sold pursuant to Section \_\_\_ of the General Terms and Conditions. Right of First Refusal Rights, if any, applicable to this interim capacity are limited as provided in such Subsection \_\_\_ or \_\_\_ of the General Terms and Conditions. (Check applicable blank)

Deleted: (Note: Shipper's scheduled quantity shall not exceed the maximum delivery quantity in Mcf/day show above.)¶

\_\_\_\_\_ Yes  
\_\_\_\_\_ No

Transportation Path:

Receipt Point \_\_\_\_\_ Delivery Point Interconnect with Northern Border Pipeline Company pipeline system near C.S. No. 6 in Morton County, North Dakota

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

Discounted Rate: 1/ N/A

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

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

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

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

Contract: Discounted Daily Reservation Rate \_\_\_\_\_

Discounted Daily Commodity Rate \_\_\_\_\_

Point: Receipt Point \_\_\_\_\_

Delivery Point \_\_\_\_\_

Point to Point: Receipt Point \_\_\_\_\_ to Delivery Point \_\_\_\_\_

Zone: (define geographical area) \_\_\_\_\_

Relationship: \_\_\_\_\_

Rate Component: \_\_\_\_\_

Index Price Differential: \_\_\_\_\_

Negotiated Rate: 1/ No  Yes  (attach or state below explanation of rate)

An estimated negotiated reservation rate of \$.55 per MMBtu.

Rate Adjustment Provisions: The estimated negotiated reservation rate of \$.55 per MMBtu was developed using an estimated project cost of \$498 million.

a) Rate Adjustment resulting from the Bison Open Season.

In the event that, as a result of the Bison Open Season, the design capacity of the Project exceeds 406,000 Mcf per day, the negotiated reservation rate will be the lower of the initial recourse rate for the revised Bison Pipeline Project or the negotiated reservation rate of \$.55 per MMBtu. Unless revised pursuant to paragraph b) below, this negotiated reservation rate shall be in effect on the In-Service Date of the Bison Pipeline Project (the "in-service negotiated reservation rate").

b) Rate Adjustment resulting from the Updated Bison Pipeline Project Cost Estimate.

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Company shall furnish Shipper an updated Bison Pipeline Project cost estimate. Fifty (50) percent of any increase in costs above \$498 Million will be reflected as a proportional adjustment to the negotiated reservation rate; provided, in no event will shipper's negotiated reservation rate exceed \$.605 per MMBtu.

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c) Rate Adjustment resulting from the Actual Costs of Construction of Bison Pipeline Project.

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Within a period ending six months after the In-Service Date of the Bison Pipeline Project, Company shall furnish Shipper a detailed estimate of the actual costs of building the Bison Pipeline Project. Fifty percent of any increase in costs above \$498 million shall be reflected as a proportional adjustment to the negotiated reservation rate provided in no event shall Shipper's total negotiated reservation rate exceed \$.605 per MMBtu.

1/ Upon the In-Service Date the negotiated rate for firm service hereunder shall be the sum of the negotiated reservation rate plus the applicable commodity charges and other rates and charges, set forth in Section 4 of Rate Schedule FT-1. Without limiting the applicable surcharges for the Project that will be charged, in the event any future fuel tax, carbon emissions tax, greenhouse gas assessment, or similar charge is imposed on Company, or if Company is required to incur additional expense to comply with any greenhouse gas laws, rules or regulations, including equipment modifications or replacements, such amount may be recovered through a FERC approved surcharge applicable to all shippers. If such amounts are recoverable only through the FERC approved recourse rates for Company, and provided that the recourse rates do not provide Company with full recovery and that all other shippers with negotiated rates are paying their ratable share in the same manner, Shipper shall agree to modify its negotiated rate to include Company's ratable share of such amount, to the extent necessary to provide full recovery of such amount for Company.

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2/ See Section \_\_\_ of the General Terms and Conditions for description of various types of discount rates.

BISON PIPELINE LLC  
SERVICE AGREEMENT  
RATE SCHEDULE FT-1

EXHIBIT A TO SERVICE AGREEMENT  
(Continued)

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

Billing Commencement Date of this Exhibit A is the In-Service Date of the Bison Pipeline Project.

BISON PIPELINE LLC  
By: TransCanada Northern Border Inc.,  
its Operator

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

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

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

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

ATTEST:

(NAME OF FT-1 SHIPPER)

\_\_\_\_\_

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

\_\_\_\_\_

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

Exhibit B  
to Rate Schedule FT-1 Service Agreement

CREDIT STANDARDS

Shipper (or the entity that guarantees Shipper's obligations) will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") or at least Baa3 by Moody's Investor Service ("Moody's"), in each case with stable or better outlook; and (ii) the contractual obligations derived from the sum of reservation fees, commodity fees and any other associated fees and charges for the contract term, on a net present value basis, is less than 10% of Shipper's tangible net worth. In the event Shipper is rated by both S&P and Moody's, the lower rating applies. For the purposes of this Exhibit B, the term "tangible net worth" means total assets, less total liabilities, less intangible assets, less off-balance sheet obligations. Intangible assets include, but are not limited to, goodwill, patents, and unamortized loan costs. Only actual tangible assets are included in Company's assessment of creditworthiness. If a Shipper has multiple service agreements with Company, then the total of potential fees and charges of all such service agreements shall be considered in determining creditworthiness. Nothing herein shall limit Company's ability to further analysis of any of the factors set forth below to a Shipper whose creditworthiness is established by a rating agency, if such factor would alter Company's evaluation of that Shipper.

If a Shipper (or guarantor) does not meet the criteria described above, then Shipper may request that Company evaluate its creditworthiness based upon the level of service requested relative to the Shipper's current and future ability to meet its obligations. Such credit appraisal shall be based upon Company's evaluation of any or all of the following requested information and credit criteria:

- a. S&P and Moody's opinions, outlooks, watch alerts, and rating actions and other credit reporting agencies will be considered in determining creditworthiness.
- b. Financial reports whereby consistent financial statement analysis will be applied by Company to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
- c. Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy. An exception may be made for a Shipper who is a debtor-in-possession operating under Chapter XI of the Federal Bankruptcy Act if Company is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.

- d. Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.
- e. The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including Shipper's ability to recover the costs of Company's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- f. Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the agreement(s).

Exhibit C  
to Rate Schedule FT-1 Service Agreement

GUARANTY

GUARANTY, dated \_\_\_\_\_, 200\_, made by \_\_\_\_\_, a \_\_\_\_\_, (the "Guarantor") in favor of **Bison Pipeline LLC**, a Delaware limited liability company ("Pipeline").

W I T N E S S E T H :

WHEREAS, \_\_\_\_\_ ("Shipper") is a \_\_\_\_\_ subsidiary of Guarantor; and

WHEREAS, Pipeline and Shipper have entered into a Precedent Agreement dated \_\_\_\_\_, 2008, for natural gas transportation services (the "Precedent Agreement") and will enter into a Rate Schedule FT-1 Service Agreement #\_\_\_\_\_ resulting therefrom (as amended and supplemented from time to time, the Precedent Agreement and the Rate Schedule FT-1 Service Agreement are singularly or collectively referred to as the "Agreement") providing for the transportation of natural gas, and Guarantor has agreed to provide credit support for the Agreement.

NOW, THEREFORE, in consideration of the foregoing, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. Guarantor irrevocably, unconditionally and absolutely guarantees to Pipeline and its successors and assigns the full, prompt and timely payment when due of all amounts that Shipper is or becomes obligated to pay under or pursuant to the Agreement and the full and complete performance when due by Shipper of other obligations and liabilities of Shipper now existing or hereafter assumed or incurred under, or arising out, the Agreement (all such amounts, obligations, and liabilities collectively referred to as the "Guaranteed Obligations") up to an aggregate amount of \$\_\_\_\_\_ U.S. Dollars plus any and all out-of-pocket costs, including reasonable legal fees and expenses, interest as allowed by applicable law, and other expenses

incurred by Pipeline in enforcing Guarantor's payment obligations under this Guaranty; provided that Guarantor shall not be liable for such expenses of Pipeline if Pipeline is not successful in such enforcement action. The Guaranteed Obligations include, but are not limited to, (i) all losses or damages incurred by Pipeline as a result of the breach or anticipatory breach of the Agreement, and (ii) in the event that Shipper becomes a debtor under the United States Bankruptcy Code and the Agreement is rejected under bankruptcy law, all damages caused by such reject of the Agreement. In the event that the Agreement is rejected in bankruptcy, limitations on the claim that may be asserted against Shipper under bankruptcy law shall not limit the liability of Guarantor. This is a guaranty of payment and not of collection.

2. Guarantor hereby waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives presentment, demand of payment (except as provided in Section 10 hereof), protest, notice of dishonor or nonpayment of any such liability, suit or taking of other action by Pipeline against, and any other notice to, any party liable thereon (including such Guarantor or any other guarantor).

3. Pipeline may at any time and from time to time without the consent of, or notice to Guarantor, and without impairing or releasing any of the obligations of Guarantor hereunder:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, amend or alter, any of the Guaranteed Obligations;

(b) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property securing the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against Shipper or others or otherwise act or refrain from acting;

(d) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those

hereunder) incurred directly or indirectly in respect thereof or hereof;

(e) apply any sums, regardless of how realized, to any liability owing by Shipper to Pipeline under or pursuant to the Agreement;

(f) consent to or waive any breach of, or any act, omission or default under the Agreement or otherwise amend, modify or supplement the Agreement; and

(g) act or fail to act in any manner referred to in this Guaranty which may deprive Guarantor of its right to subrogation against Shipper to recover full indemnity for any payments made pursuant to this Guaranty.

4. The obligations of Guarantor under this Guaranty are absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (a) any action or inaction by Pipeline as contemplated in Section 3 of this Guaranty; (b) the bankruptcy, insolvency, liquidation or reorganization of Shipper; or (c) any change in the ownership or structure of Shipper. Except as provided in the immediately preceding sentence, Guarantor reserves to itself any other defenses (if any) to which Shipper may have to payment of the Guaranteed Obligations.

5. If and to the extent that Guarantor makes any payment to Pipeline pursuant to this Guaranty, any claim which Guarantor may have against Shipper by reason thereof shall be subject and subordinate to the prior payment in full of the Guaranteed Obligations.

6. Guarantor makes the following representations and warranties:

(a) Guarantor (i) is a duly organized and validly existing \_\_\_\_\_ in good standing under the laws of the jurisdiction of its formation and (ii) has the power and authority to own its

property and assets and to transact the business in which it is engaged.

(b) Guarantor has the necessary power to execute, deliver and perform the terms and provisions of this Guaranty and has taken all necessary action to authorize the execution, delivery and performance by it of this Guaranty. Guarantor has duly executed and delivered this Guaranty, and this Guaranty constitutes its legal, valid and binding obligation enforceable against Guarantor in accordance with its terms.

(c) Neither the execution, delivery or performance by Guarantor of this Guaranty, nor compliance by it with the terms and provisions hereof, (i) will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality applicable to Guarantor, (ii) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any of the property or assets of Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement, loan agreement or any other agreement, contract or instrument to which Guarantor is a party or by which it or any of its property or assets is bound or to which it may be subject or (iii) will violate any provision of the constituent documents of Guarantor.

7. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of Pipeline in exercising any right, power or privilege hereunder and no course of dealing between Guarantor or Pipeline shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights, powers and remedies herein expressly provided

are cumulative and not exclusive of any rights, powers, or remedies which Pipeline would otherwise have. In the event any of the Guaranteed Obligations are, after receipt of payment thereof, required to be paid by Pipeline pursuant to the order of any court to or for the benefit of any creditor of Shipper or Guarantor, such obligations of Guarantor hereunder shall be reinstated.

8. This Guaranty may be assigned by Guarantor upon the prior written consent of Pipeline, such consent not to be unreasonably withheld or delayed. This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and shall inure to the benefit of Pipeline and its successors and assigns and shall apply to Shipper and its successors and assigns.

9. All notices and other communications hereunder shall be in writing and shall be deemed received when delivered personally or by reputable overnight carrier or when received if sent by U.S. mail, registered or certified, return receipt requested, to the parties at the following addresses (or at such other address as a party may specify by like notice):

(a) **If to Guarantor, to:**

(b) **If to Pipeline, to:**  
Bison Pipeline LLC  
13710 FNB Parkway  
Omaha, NE 68154-5200  
Attention: Credit Dept.

10. Any demand by Pipeline for payment hereunder shall be in writing, signed by a duly authorized representative of Pipeline and delivered to Guarantor pursuant to Section 9 hereof, and shall (a) reference this Guaranty and the Agreement, (b) specifically identify Shipper and the amount of Guaranteed Obligations to be paid and (c) set forth payment instructions, including bank name, routing number and

bank account number. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within five (5) business days of receipt of such demand.

11. This Guaranty shall be governed by and construed in accordance with the laws of the State of Nebraska, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

[GUARANTOR]

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

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

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

Exhibit D  
to Rate Schedule FT-1 Service Agreement

[LETTER OF CREDIT ISSUER - "Bank"]  
Irrevocable Standby Letter of Credit No. \_\_\_\_

DATE:

Beneficiary:	Applicant:
Bison Pipeline LLC	
13710 FNB Parkway Omaha, NE 68154-5200 Attn: Senior Credit Analyst Fax: (402) 492-7492	

Amount:	Expiration Date:
USD (Written amount)	(Date), or any future extended date as provided herein

Dear Sir or Madam:

On behalf of \_\_\_\_\_ ("Shipper"), we hereby issue in favor of BISON PIPELINE LLC ("Beneficiary") our irrevocable Standby Letter of Credit Number \_\_\_\_\_ ("Letter of Credit") for a sum not exceeding in the aggregate U.S. \$\_\_\_\_\_ (written dollar amount).

This Letter of Credit is effective \_\_\_\_\_.

Partial and multiple drawings are permitted.

This Letter of Credit is issued for the payment of monies only and is available to Beneficiary upon presentation of a copy of this Letter of Credit and your sight draft(s) in the form of Exhibit A or Exhibit B attached hereto drawn on (**Bank Name**), which shall constitute written demand for payment made upon us and which demand we shall honor without inquiring whether Beneficiary has a right as between Beneficiary and Shipper.

Presentation of a sight draft(s) via facsimile, courier or in person shall be permitted hereunder. We shall, by same-day return fax to the attention of Senior Credit Analyst at the fax number set forth in Beneficiary's address, confirm receipt of presentation (but no failure or delay by us in confirming receipt of presentation shall affect the effectiveness of presentation by Beneficiary). Sight draft(s) presentation before 9:00 AM Central Time on any business day shall be honored before 5:00 PM Central Time on the same business day, and presentation after 9:00 AM Central Time and before 5:00 PM Central Time on any business day shall be honored on the following business day by wire transfer in immediately available, freely transferable United States Dollars to such account as Beneficiary may designate to us in such sight draft(s).

Any drawings presented in connection with this Letter of Credit must be presented to us at (**Bank Name/Address**).

This Letter of Credit shall be transferable, as directed by an authorized representative of Beneficiary.

A facsimile of this Letter of Credit shall serve as the operative instrument until receipt by Beneficiary of the original document.

It is a condition of this Letter of Credit that it shall be considered automatically extended without amendment for an additional period of one (1) year from the present or each future expiry date unless we notify Beneficiary in writing not less than ninety (90) days before such date that we elect not to extend this Letter of Credit for such additional term, such notice to be sent by overnight courier to Beneficiary at the address indicated above. Upon receipt by Beneficiary of such notice, Beneficiary may draw on us at sight for the balance remaining under this Letter of Credit within the then applicable expiry date.

This Letter of Credit expires at the close of business at our above address on \_\_\_\_\_, or any future applicable expiry date.

Other than as is specifically set forth above, notices or communications concerning this Letter of Credit may be sent to either party by courier, certified or registered mail, facsimile or electronic mail to its respective address set forth herein. If by courier, any such notice or communication is deemed to have been received by the party to whom it is sent at the time of its delivery, or upon successful transmittal if sent by facsimile or electronic mail, or on the business day following its receipt if mailed by certified or registered mail. If any form of delivery is interrupted by force majeure or other cause beyond the control of the parties, then a party shall use any of the services that have not been so interrupted in order to ensure prompt receipt by the other party.

Except to the extent the terms hereof are inconsistent with its provisions, in which case this Letter of Credit shall govern, this Letter of Credit is subject to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590 ("ISP98") and, as to matters not addressed by ISP98, by the laws of the State of New York and applicable U.S. Federal Law. Except to the extent that ISP98 provides otherwise, this Letter of Credit, and all disputes that may arise there from, shall be governed by the laws of the State of New York and applicable U.S. Federal Law, and the parties hereby irrevocably agree to submit to the jurisdiction of the courts of the State of New York. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein or to which this Letter of Credit relates (other than as expressly set forth in this Paragraph), and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

---

Authorized Officer

[BENEFICIARY LETTERHEAD]

EXHIBIT A

Insert date

To:

Insert Bank ("Issuer")  
and address as reflected in LC referenced below

From: Bison Pipeline LLC ("Beneficiary")

RE: Standby Letter of Credit No. \_\_\_\_\_ ("Letter of Credit")

Dear Sir or Madam:

The undersigned, an authorized representative of Beneficiary, hereby certifies to you that **[insert Shipper name]** has failed to pay Beneficiary or perform its obligations in accordance with the terms and provisions of the gas transportation agreements and/or other agreements between Beneficiary and **[Insert Shipper name]** and, thus, Beneficiary is drawing upon the Letter of Credit in an amount equal to U.S. **[\$[insert numeric dollar amount] ([insert written amount] United States Dollars)**.

Beneficiary directs that the payment of such amount be made by transferring to Beneficiary's account No. **[insert number]**, **[insert Beneficiary bank name]**, ABA# **[insert number]**, in immediately available funds for the amount specified above, up to the full value stated in the Letter of Credit.

Bison Pipeline LLC  
By: \_\_\_\_\_, its Operator

\_\_\_\_\_  
Authorized Signature

[BENEFICIARY LETTERHEAD]

EXHIBIT B

Insert Date

To:

Insert Bank ("Issuer")  
and address as reflected in LC referenced below

From: Bison Pipeline LLC ("Beneficiary")

RE: Standby Letter of Credit No. \_\_\_\_\_ ("Letter of Credit")

Dear Sir or Madam:

The undersigned, an authorized representative of Beneficiary, hereby certifies to you that because **[Insert Shipper name]** has not provided a replacement letter of credit, or alternate security, acceptable to Beneficiary not less than thirty (30) days prior to the applicable expiry date of this Letter of Credit, Beneficiary is drawing upon the Letter of Credit in an amount equal to U.S. **[\$[insert numeric dollar amount] ([insert written amount] United States Dollars)**.

Beneficiary directs that the payment of such amount be made by transferring to Beneficiary's account No. **[insert number]**, **[insert Beneficiary bank name]**, ABA# **[insert number]**, in immediately available funds for the amount specified above, up to the full value stated in the Letter of Credit.

Bison Pipeline LLC  
By: \_\_\_\_\_, its Operator

\_\_\_\_\_  
Authorized Signature

Exhibit B  
to Precedent Agreement

NEGOTIATED RATE 1/

An estimated negotiated reservation rate of \$.55 per MMBtu

Rate Adjustment Provisions: The estimated negotiated reservation rate of \$.55 per MMBtu was developed using an estimated project cost of \$498 million.

a) Rate Adjustment resulting from the Bison Open Season.

In the event that, as a result of the Bison Open Season, the design capacity of the Project exceeds 406,000 Mcf per day, the negotiated reservation rate will be the lower of the initial recourse rate for the revised Bison Pipeline Project or the negotiated reservation rate of \$.55 per MMBtu. Unless revised pursuant to paragraph b) below, this negotiated reservation rate shall be in effect on the In-Service Date of the Bison Pipeline Project (the "in-service negotiated reservation rate").

b) Rate Adjustment resulting from the Updated Bison Pipeline Project Cost Estimate.

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Company shall furnish Shipper an updated Bison Pipeline Project cost estimate. Fifty (50) percent of any increase in costs above \$498 Million will be reflected as a proportional adjustment to the negotiated reservation rate; provided, in no event will shipper's negotiated reservation rate exceed \$.605 per MMBtu.

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c) Rate Adjustment resulting from the Actual Costs of Construction of Bison Pipeline Project.

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Within a period ending six months after the In-Service Date of the Bison Pipeline Project, Company shall furnish Shipper a detailed estimate of the actual costs of building the Bison Pipeline Project. Fifty percent of any increase in costs above \$498 million shall be reflected as a proportional adjustment to the negotiated reservation rate provided in no event shall Shipper's total negotiated reservation rate exceed \$.605 per MMBtu.

1/ Upon the In-Service Date the negotiated rate for firm service hereunder shall be the sum of the negotiated reservation rate plus the applicable commodity charges and other rates and charges, set forth in Section 4 of Rate Schedule FT-1. Without limiting the applicable surcharges for the Project that will be charged, in the event any future fuel tax, carbon emissions tax, greenhouse gas assessment, or similar charge is imposed on Company, or if Company is required to incur additional expense to comply with any greenhouse gas laws, rules or regulations, including equipment modifications or replacements, such amount may be recovered through a FERC approved surcharge applicable to all shippers. If such amounts are recoverable only through the FERC approved recourse rates for Company, and provided that the recourse rates do not provide Company with full recovery and that all other shippers with negotiated rates are paying their ratable share in the same manner, Shipper shall agree to modify its negotiated rate to include Company's ratable share of such amount, to the extent necessary to provide full recovery of such amount for Company.

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Exhibit C  
to Precedent Agreement

**CREDIT STANDARDS**

Shipper (or the entity that guarantees Shipper's obligations) will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") or at least Baa3 by Moody's Investor Service ("Moody's"), in each case with stable or better outlook; and (ii) the contractual obligations derived from the sum of reservation fees, commodity fees and any other associated fees and charges for the contract term, on a net present value basis, is less than 10% of Shipper's tangible net worth. In the event Shipper is rated by both S&P and Moody's, the lower rating applies. For the purposes of this Exhibit C, the term "tangible net worth" means total assets, less total liabilities, less intangible assets, less off-balance sheet obligations. Intangible assets include, but are not limited to, goodwill, patents, and unamortized loan costs. Only actual tangible assets are included in Company's assessment of creditworthiness. If a Shipper has multiple service agreements with Company, then the total of potential fees and charges of all such service agreements shall be considered in determining creditworthiness. Nothing herein shall limit Company's ability to further analysis of any of the factors set forth below to a Shipper whose creditworthiness is established by a rating agency, if such factor would alter Company's evaluation of that Shipper.

If a Shipper (or guarantor) does not meet the criteria described above, then Shipper may request that Company evaluate its creditworthiness based upon the level of service requested relative to the Shipper's current and future ability to meet its obligations. Such credit appraisal shall be based upon Company's evaluation of any or all of the following requested information and credit criteria:

- a. S&P and Moody's opinions, outlooks, watch alerts, and rating actions and other credit reporting agencies will be considered in determining creditworthiness.
- b. Financial reports whereby consistent financial statement analysis will be applied by Company to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
- c. Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy. An exception may be made for a Shipper who is a debtor-in-possession operating under Chapter XI of the Federal Bankruptcy Act if Company is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.

- d. Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.
- e. The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including Shipper's ability to recover the costs of Company's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- f. Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the agreement(s).

Exhibit D  
to Precedent Agreement

GUARANTY

GUARANTY, dated \_\_\_\_\_, 200\_, made by \_\_\_\_\_, a \_\_\_\_\_, (the "Guarantor") in favor of **Bison Pipeline LLC**, a Delaware limited liability company ("Pipeline").

W I T N E S S E T H :

WHEREAS, \_\_\_\_\_ ("Shipper") is a \_\_\_\_\_ subsidiary of Guarantor; and

WHEREAS, Pipeline and Shipper have entered into a Precedent Agreement dated \_\_\_\_\_, 2008, for natural gas transportation services (the "Precedent Agreement") and will enter into a Rate Schedule FT-1 Service Agreement #\_\_\_\_\_ resulting therefrom (as amended and supplemented from time to time, the Precedent Agreement and the Rate Schedule FT-1 Service Agreement are singularly or collectively referred to as the "Agreement") providing for the transportation of natural gas, and Guarantor has agreed to provide credit support for the Agreement.

NOW, THEREFORE, in consideration of the foregoing, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. Guarantor irrevocably, unconditionally and absolutely guarantees to Pipeline and its successors and assigns the full, prompt and timely payment when due of all amounts that Shipper is or becomes obligated to pay under or pursuant to the Agreement and the full and complete performance when due by Shipper of other obligations and liabilities of Shipper now existing or hereafter assumed or incurred under, or arising out, the Agreement (all such amounts, obligations, and liabilities collectively referred to as the "Guaranteed Obligations") up to an aggregate amount of \$\_\_\_\_\_ U.S. Dollars plus any and all out-of-pocket costs, including reasonable legal fees and expenses, interest as allowed by applicable law, and other expenses

incurred by Pipeline in enforcing Guarantor's payment obligations under this Guaranty; provided that Guarantor shall not be liable for such expenses of Pipeline if Pipeline is not successful in such enforcement action. The Guaranteed Obligations include, but are not limited to, (i) all losses or damages incurred by Pipeline as a result of the breach or anticipatory breach of the Agreement, and (ii) in the event that Shipper becomes a debtor under the United States Bankruptcy Code and the Agreement is rejected under bankruptcy law, all damages caused by such reject of the Agreement. In the event that the Agreement is rejected in bankruptcy, limitations on the claim that may be asserted against Shipper under bankruptcy law shall not limit the liability of Guarantor. This is a guaranty of payment and not of collection.

2. Guarantor hereby waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives presentment, demand of payment (except as provided in Section 10 hereof), protest, notice of dishonor or nonpayment of any such liability, suit or taking of other action by Pipeline against, and any other notice to, any party liable thereon (including such Guarantor or any other guarantor).

3. Pipeline may at any time and from time to time without the consent of, or notice to Guarantor, and without impairing or releasing any of the obligations of Guarantor hereunder:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, amend or alter, any of the Guaranteed Obligations;

(b) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property securing the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against Shipper or others or otherwise act or refrain from acting;

(d) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those

hereunder) incurred directly or indirectly in respect thereof or hereof;

(e) apply any sums, regardless of how realized, to any liability owing by Shipper to Pipeline under or pursuant to the Agreement;

(f) consent to or waive any breach of, or any act, omission or default under the Agreement or otherwise amend, modify or supplement the Agreement; and

(g) act or fail to act in any manner referred to in this Guaranty which may deprive Guarantor of its right to subrogation against Shipper to recover full indemnity for any payments made pursuant to this Guaranty.

4. The obligations of Guarantor under this Guaranty are absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (a) any action or inaction by Pipeline as contemplated in Section 3 of this Guaranty; (b) the bankruptcy, insolvency, liquidation or reorganization of Shipper; or (c) any change in the ownership or structure of Shipper. Except as provided in the immediately preceding sentence, Guarantor reserves to itself any other defenses (if any) to which Shipper may have to payment of the Guaranteed Obligations.

5. If and to the extent that Guarantor makes any payment to Pipeline pursuant to this Guaranty, any claim which Guarantor may have against Shipper by reason thereof shall be subject and subordinate to the prior payment in full of the Guaranteed Obligations.

6. Guarantor makes the following representations and warranties:

(a) Guarantor (i) is a duly organized and validly existing \_\_\_\_\_ in good standing under the laws of the jurisdiction of its formation and (ii) has the power and authority to own its

property and assets and to transact the business in which it is engaged.

(b) Guarantor has the necessary power to execute, deliver and perform the terms and provisions of this Guaranty and has taken all necessary action to authorize the execution, delivery and performance by it of this Guaranty. Guarantor has duly executed and delivered this Guaranty, and this Guaranty constitutes its legal, valid and binding obligation enforceable against Guarantor in accordance with its terms.

(c) Neither the execution, delivery or performance by Guarantor of this Guaranty, nor compliance by it with the terms and provisions hereof, (i) will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality applicable to Guarantor, (ii) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any of the property or assets of Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement, loan agreement or any other agreement, contract or instrument to which Guarantor is a party or by which it or any of its property or assets is bound or to which it may be subject or (iii) will violate any provision of the constituent documents of Guarantor.

7. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of Pipeline in exercising any right, power or privilege hereunder and no course of dealing between Guarantor or Pipeline shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights, powers and remedies herein expressly provided

are cumulative and not exclusive of any rights, powers, or remedies which Pipeline would otherwise have. In the event any of the Guaranteed Obligations are, after receipt of payment thereof, required to be paid by Pipeline pursuant to the order of any court to or for the benefit of any creditor of Shipper or Guarantor, such obligations of Guarantor hereunder shall be reinstated.

8. This Guaranty may be assigned by Guarantor upon the prior written consent of Pipeline, such consent not to be unreasonably withheld or delayed. This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and shall inure to the benefit of Pipeline and its successors and assigns and shall apply to Shipper and its successors and assigns.

9. All notices and other communications hereunder shall be in writing and shall be deemed received when delivered personally or by reputable overnight carrier or when received if sent by U.S. mail, registered or certified, return receipt requested, to the parties at the following addresses (or at such other address as a party may specify by like notice):

(a) **If to Guarantor, to:**

(b) **If to Pipeline, to:**  
Bison Pipeline LLC  
13710 FNB Parkway  
Omaha, NE 68154-5200  
Attention: Credit Dept.

10. Any demand by Pipeline for payment hereunder shall be in writing, signed by a duly authorized representative of Pipeline and delivered to Guarantor pursuant to Section 9 hereof, and shall (a) reference this Guaranty and the Agreement, (b) specifically identify Shipper and the amount of Guaranteed Obligations to be paid and (c) set forth payment instructions, including bank name, routing number and

bank account number. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within five (5) business days of receipt of such demand.

11. This Guaranty shall be governed by and construed in accordance with the laws of the State of Nebraska, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

[GUARANTOR]

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

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

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

Exhibit E  
to Precedent Agreement

[LETTER OF CREDIT ISSUER - "Bank"]  
Irrevocable Standby Letter of Credit No. \_\_\_\_

DATE:

Beneficiary:	Applicant:
Bison Pipeline LLC	
13710 FNB Parkway Omaha, NE 68154-5200 Attn: Senior Credit Analyst Fax: (402) 492-7492	

Amount:	Expiration Date:
USD (Written amount)	(Date), or any future extended date as provided herein

Dear Sir or Madam:

On behalf of \_\_\_\_\_ ("Shipper"), we hereby issue in favor of BISON PIPELINE LLC ("Beneficiary") our irrevocable Standby Letter of Credit Number \_\_\_\_\_ ("Letter of Credit") for a sum not exceeding in the aggregate U.S. \$\_\_\_\_\_ (written dollar amount).

This Letter of Credit is effective \_\_\_\_\_.

Partial and multiple drawings are permitted.

This Letter of Credit is issued for the payment of monies only and is available to Beneficiary upon presentation of a copy of this Letter of Credit and your sight draft(s) in the form of Exhibit A or Exhibit B attached hereto drawn on (**Bank Name**), which shall constitute written demand for payment made upon us and which demand we shall honor without inquiring whether Beneficiary has a right as between Beneficiary and Shipper.

Presentation of a sight draft(s) via facsimile, courier or in person shall be permitted hereunder. We shall, by same-day return fax to the attention of Senior Credit Analyst at the fax number set forth in Beneficiary's address, confirm receipt of presentation (but no failure or delay by us in confirming receipt of presentation shall affect the effectiveness of presentation by Beneficiary). Sight draft(s) presentation before 9:00 AM Central Time on any business day shall be honored before 5:00 PM Central Time on the same business day, and presentation after 9:00 AM Central Time and before 5:00 PM Central Time on any business day shall be honored on the following business day by wire transfer in immediately available, freely transferable United States Dollars to such account as Beneficiary may designate to us in such sight draft(s).

Any drawings presented in connection with this Letter of Credit must be presented to us at (**Bank Name/Address**).

This Letter of Credit shall be transferable, as directed by an authorized representative of Beneficiary.

A facsimile of this Letter of Credit shall serve as the operative instrument until receipt by Beneficiary of the original document.

It is a condition of this Letter of Credit that it shall be considered automatically extended without amendment for an additional period of one (1) year from the present or each future expiry date unless we notify Beneficiary in writing not less than ninety (90) days before such date that we elect not to extend this Letter of Credit for such additional term, such notice to be sent by overnight courier to Beneficiary at the address indicated above. Upon receipt by Beneficiary of such notice, Beneficiary may draw on us at sight for the balance remaining under this Letter of Credit within the then applicable expiry date.

This Letter of Credit expires at the close of business at our above address on \_\_\_\_\_, or any future applicable expiry date.

Other than as is specifically set forth above, notices or communications concerning this Letter of Credit may be sent to either party by courier, certified or registered mail, facsimile or electronic mail to its respective address set forth herein. If by courier, any such notice or communication is deemed to have been received by the party to whom it is sent at the time of its delivery, or upon successful transmittal if sent by facsimile or electronic mail, or on the business day following its receipt if mailed by certified or registered mail. If any form of delivery is interrupted by force majeure or other cause beyond the control of the parties, then a party shall use any of the services that have not been so interrupted in order to ensure prompt receipt by the other party.

Except to the extent the terms hereof are inconsistent with its provisions, in which case this Letter of Credit shall govern, this Letter of Credit is subject to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590 ("ISP98") and, as to matters not addressed by ISP98, by the laws of the State of New York and applicable U.S. Federal Law. Except to the extent that ISP98 provides otherwise, this Letter of Credit, and all disputes that may arise there from, shall be governed by the laws of the State of New York and applicable U.S. Federal Law, and the parties hereby irrevocably agree to submit to the jurisdiction of the courts of the State of New York. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein or to which this Letter of Credit relates (other than as expressly set forth in this Paragraph), and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

---

Authorized Officer

[BENEFICIARY LETTERHEAD]

EXHIBIT A

Insert date

To:

Insert Bank ("Issuer")  
and address as reflected in LC referenced below

From: Bison Pipeline LLC ("Beneficiary")

RE: Standby Letter of Credit No. \_\_\_\_\_ ("Letter of Credit")

Dear Sir or Madam:

The undersigned, an authorized representative of Beneficiary, hereby certifies to you that **[insert Shipper name]** has failed to pay Beneficiary or perform its obligations in accordance with the terms and provisions of the gas transportation agreements and/or other agreements between Beneficiary and **[Insert Shipper name]** and, thus, Beneficiary is drawing upon the Letter of Credit in an amount equal to U.S. **[\$[insert numeric dollar amount] ([insert written amount] United States Dollars)**.

Beneficiary directs that the payment of such amount be made by transferring to Beneficiary's account No. **[insert number]**, **[insert Beneficiary bank name]**, ABA# **[insert number]**, in immediately available funds for the amount specified above, up to the full value stated in the Letter of Credit.

Bison Pipeline LLC  
By: \_\_\_\_\_, its Operator

\_\_\_\_\_  
Authorized Signature

[BENEFICIARY LETTERHEAD]

EXHIBIT B

Insert Date

To:

Insert Bank ("Issuer")  
and address as reflected in LC referenced below

From: Bison Pipeline LLC ("Beneficiary")

RE: Standby Letter of Credit No. \_\_\_\_\_ ("Letter of Credit")

Dear Sir or Madam:

The undersigned, an authorized representative of Beneficiary, hereby certifies to you that because **[Insert Shipper name]** has not provided a replacement letter of credit, or alternate security, acceptable to Beneficiary not less than thirty (30) days prior to the applicable expiry date of this Letter of Credit, Beneficiary is drawing upon the Letter of Credit in an amount equal to U.S. **[\$[insert numeric dollar amount] ([insert written amount] United States Dollars)**.

Beneficiary directs that the payment of such amount be made by transferring to Beneficiary's account No. **[insert number]**, **[insert Beneficiary bank name]**, ABA# **[insert number]**, in immediately available funds for the amount specified above, up to the full value stated in the Letter of Credit.

Bison Pipeline LLC  
By: \_\_\_\_\_, its Operator

\_\_\_\_\_  
Authorized Signature