Minnesota Energy Resources Corporation
2685 145th Street West
Rosemount, MN 55068
www.minnesotaenergyresources.com

January 25, 2019

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of Proposed Tariff Amendments to Remove Volume Balancing Service and Modify Residential Deposit Provisions

Docket No. G011/M-19-___

Dear Mr. Wolf:

Minnesota Energy Resources Corporation ("MERC" or the "Company") submits this miscellaneous filing to the Minnesota Public Utilities Commission ("Commission") for approval to remove MERC's volume balancing service offerings from its tariffed service offerings and to update the Company's Residential deposit practices to conform the maximum amount of deposit to be required between Residential and non-Residential customers and be consistent with Minn. R. 7820.4500.

Currently, MERC's tariffs include voluntary small and large volume balancing service offerings, as reflected in Tariff Sheet Nos. 6.08-6.09 and MERC's service agreements contained in Section 10.00 of its tariffs on file with the Commission. At this time, MERC does not have any customers enrolled in either volume balancing service, but has had one marketer recently inquire regarding the availability of these services. Upon review of these service offerings and the historic lack of interest, MERC has determined that the potential revenue from a single customer does not justify the cost associated with offering the service on such a limited basis. Therefore, MERC respectfully requests approval to remove these service offerings. MERC has reached out to other marketers currently serving transportation customers and, aside from the one marketer who inquired about the balancing service, none have indicated any interest in keeping these services available. Additionally, marketers have indicated that end-user allocation agreements with the transmission company are utilized to address balancing where needed.

Additionally, MERC requests approval to update the amount of cash deposit or surety bond that can be required for Residential Customers to conform the Residential deposit procedure with non-Residential customers and to be consistent with Minn. R. 7820.4500. In particular, MERC's current tariffs provide that the amount of the cash deposit or surety bond required for Residential Customers shall not exceed the amount of the charge for one month's average usage based on annual normalized consumption whereas the amount of the cash deposit or surety bond required for non-residential customers shall not exceed an estimated two months' gross bill or existing two months' bill.

Minnesota Rule 7820.4500, subpart 1, provides that "When required, a customer may assure payment by submitting a deposit. A deposit shall not exceed an estimated two months' gross bill or existing two months' bill where applicable." MERC requests approval to increase the maximum deposit allowed for Residential customers to an estimated two months' gross bill or existing two months' bill where applicable, to conform with non-Residential customers and with Minn. R. 7820.4500. This update will align MERC with the other utilities within WEC Energy Group and will help standardize customer deposit processes. Also, the use of two months' gross bill is permissible under Minn. R. 7820.4500, and is currently utilized by all other natural gas utilities in Minnesota.

Clean and redline version of MERC's tariff sheets reflecting the proposed changes are included as Attachment A to this filing. MERC has reflected the tariff amendments on the reformatted tariff sheets pending final approval in Docket No. G011/GR-17-563. A copy of this miscellaneous filing has been served on the Minnesota Department of Commerce, Division of Energy Resources and the Minnesota Office of the Attorney General – Residential Utilities and Antitrust Division.

Please contact me at (920) 433-2926 if you have any questions regarding the information in this Petition. Thank you for your attention to this matter.

Sincerely,

Seth DeMerritt

Seth S. DeMerritt
Minnesota Energy Resources Corporation
Senior Project Specialist

Enclosures
cc: Service List

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Dan Lipschultz	**Vice Chair**
Matt Schuerger	**Commissioner**
Katie Sieben	**Commissioner**
John Tuma	**Commissioner**

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of Proposed Tariff Amendments to Remove Volume Balancing Service and Modify Residential Deposit Provisions

Docket No. G-011/M-19-____

PETITION FOR APPROVAL OF TARIFF AMENDMENTS TO REMOVE VOLUME BALANCING SERVICES AND TO MODIFY RESIDENTIAL DEPOSIT RATES

Pursuant to Minn. R. 7829.1300, Minnesota Energy Resources Corporation ("MERC") submits to the Minnesota Public Utilities Commission ("Commission") this Petition for approval to remove MERC's small and large volume balancing service offerings from its tariffed service offerings and to update the Company's Residential deposit practices to conform the maximum amount of deposit to be required between Residential and non-Residential customers and be consistent with Minn. R. 7820.4500.

I. <u>Summary of Filing</u>

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary of the filing is attached.

II. <u>Service</u>

Pursuant to Minn. R. 7829.1300, subp. 2, MERC has served a copy of this petition on the Department of Commerce, Division of Energy Resources and the Office of the Attorney General – Residential Utilities and Antitrust Division. The summary of the filing has been served on all parties on the attached general service list.

III. <u>General Filing Information</u>

Pursuant to Minn. R. 7829.1300, subp.3, the following information is provided:

A. Name, Address, and Telephone Number of Filing Party

Minnesota Energy Resources Corporation
2685 145th Street West
Rosemount, MN 55068
(651) 322-8901

B. Name, Address, Electronic Address, and Telephone Number of Attorney for the Utility

Kristin M. Stastny
Briggs and Morgan, P.A.
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
KStastny@briggs.com
(612) 977-8656

C. Date of the Filing and Date Proposed Agreement Will Take Effect

Date of Filing: January 25, 2019

Proposed Effective Date: Upon Commission Approval

D. Statute Controlling Schedule for Processing the Filing

Under Minn. R. 7829.0100, subp. 11, this petition is a "miscellaneous" filing because no determination of MERC's general revenue requirement is necessary. Comments on a miscellaneous filing are due within 30 days of filing, with replies due 10 days thereafter. Minn. R. 7829.1400, subp. 1, 4.

E. Signature, Electronic Address, and Title of Utility Employee Responsible for the Filing

Seth DeMerritt

Seth S. DeMerritt
Senior Project Specialist
Seth.DeMerritt@WECEnergygroup.com
2685 145th Street West
Rosemount, MN 55068
(920) 433-2926

F. Description of the Filing, Impact on Rates and Services, and Reasons for the Filing

Through this filing, MERC is requesting approval to remove the small and large volume balancing service offerings from its tariffed service offerings and to update Residential deposit requirements to conform the maximum amount of deposit to be required between Residential and non-Residential customers and be consistent with Minn. R. 7820.4500. Clean and redline version of MERC's tariff sheets reflecting the proposed changes are included as Attachment A to this filing.[1]

1. Removal of Balancing Services

Previously, in Docket No. G007,011/GR-08-835, the Commission evaluated a proposal to eliminate MERC's small volume balancing service and to require telemetry. The Commission concluded at that time that Small Volume Transportation customers may still find value in not having to comply with balancing requirements in the Company's tariff and may want to continue to protect against the risk of incurring scheduling penalties by purchasing balancing service.[2] MERC agreed in that proceeding that it would be willing to continue offering balancing services. However, since the Commission's 2009 Order, MERC's balancing service has not been utilized and it is clear that customers do not find value in this service offering. The cost of programming this service into billing system updates when there has been little to no customer interest in the service is unjustified and therefore, MERC is requesting Commission approval to discontinue offering balancing services and to remove these service offerings from its tariffs.

Because no customers are currently enrolled in MERC's balancing services, there would be no net change to MERC's revenue, costs, or earnings as a result of the proposal to eliminate these service offerings.

2. Residential Deposits

Additionally, MERC requests approval to update the amount of cash deposit or surety bond that may be required for Residential Customers to conform the Residential deposit procedure with non-Residential customers and to be consistent with Minn. R. 7820.4500. In

[1] MERC has reflected the tariff amendments on the reformatted tariff sheets pending final approval in Docket No. G011/GR-17-563.

[2] In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota, Docket No. G007,011/GR-08-835, Findings of Fact, Conclusions of Law, and Order at 17-18 (June 29, 2009). The Commission also denied Constellation's Petition for Rehearing on that issue in its Order after Rehearing dated September 14, 2009. At 18.

particular, MERC's current tariffs provide that the amount of the cash deposit or surety bond required for Residential Customers shall not exceed the amount of the charge for one month's average usage based on annual normalized consumption whereas the amount of the cash deposit or surety bond required for non-residential customers shall not exceed an estimated two months' gross bill or existing two months' bill. MERC proposes revisions to its Tariff Sheet No. 8.15 to apply the maximum two months' gross bill or existing two months' bill to all customers.

Minnesota Rule 7820.4500, subpart 1, provides that "When required, a customer may assure payment by submitting a deposit. A deposit shall not exceed an estimated two months' gross bill or existing two months' bill where applicable." MERC requests approval to increase the maximum deposit for Residential customers to an estimated two months' gross bill or existing two months' bill where applicable, to conform with non-Residential customer deposits and with Minn. R. 7820.4500. This update will align MERC with other Minnesota utilities as well as with the other utilities within WEC Energy Group and will help standardize customer deposit processes.[3]

The proposed modification should be approved as consistent with the public interest because this change is consistent with Minnesota rules and will standardize MERC's deposit practices and ensure customer payment in accordance with applicable Minnesota rules regarding the collection of utility deposits.[4] The additional amount of deposits required from Residential customers in accordance with the proposed change would be applied to customer bills or refunded with interest in accordance with applicable Minnesota rules.

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[3] In particular, all other Minnesota natural gas utilities' tariffs provide for customer deposits not to exceed an estimated two months' gross bill or existing two months' bill. *See* Xcel Minnesota Gas Rate Book, MPUC No. 2, Section No. 6, 1st Revised Sheet No. 4.1; Great Plains Minnesota Gas Rate Schedule, Volume 2, Section No. 6, 4th Revised Sheet No. 6-18; Greater Minnesota Gas, Gas Rate Book, Section VI, 2nd Revised Sheet No. 3; CenterPoint Energy Minnesota Gas Tariffs, Section VI, Third Revised Page 17.

[4] Minn. R. Part 7820.4100-4700.

CONCLUSION

MERC respectfully requests the Commission approve this petition to remove MERC's volume balancing service offerings from its tariffed service offerings and to update the Company's Residential deposit practices to conform the maximum amount of deposit to be required between Residential and non-Residential customers and be consistent with Minn. R. 7820.4500. If additional information is required, please contact Seth DeMerritt at (920) 433-2926 or Kristin M. Stastny at (612) 977-8656.

DATED: January 25, 2019

Respectfully Submitted,

BRIGGS AND MORGAN, P.A.

By /s/ Kristin M. Stastny
Kristin M. Stastny
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Telephone: (612) 977-8656
KStastny@Briggs.com

Attorney for Minnesota Energy
Resources Corporation

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Dan Lipschultz	Vice Chair
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of Proposed Tariff Amendments to Remove Volume Balancing Service and Modify Residential Deposit Provisions	Docket No. G-011/M-19-____

SUMMARY OF FILING

Please take notice that on January 25, 2019, Minnesota Energy Resources Corporation ("MERC") filed with the Minnesota Public Utilities Commission ("Commission") a Petition for approval to remove MERC's small and large volume balancing service offerings from its tariffed service offerings and to update the Residential deposit practices to conform the maximum amount of deposit to be required between Residential and non-Residential customers and be consistent with Minn. R. 7820.4500. In particular, this change would result in an increase in the allowable Residential deposit from one months' gross bill or existing one months' bill to two months' gross bill or existing two months' bill.

Attachment A
Clean and Redline Tariff Sheets

Clean Tariff Sheets

CANCELED

10. Payment: The bill is due seventeen days after issuance. There shall be a late payment charge of one and one-half percent per month on the unpaid balance.

11. Penalty for Unauthorized Takes When Service is Interrupted or Curtailed: If customer fails to curtail its use of gas hereunder when requested to do so by Company, customer shall be billed at the transportation charge, plus the cost of gas Company secures for the customer, plus the greater of either the pipeline daily delivery variance charges (see Sheet 6.50) or $50 per dekatherm, whichever is applicable, for gas used in excess of the volumes of gas to which customer is limited. Company may in addition disconnect customer's supply of gas if customer fails to curtail its use thereof when requested by Company to do so.

12. Notification: Company will provide written notice to each customer contracting for transportation service that unless the customer buys joint service from Company, Company is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges Company incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 14 above, and the price for such gas.

13. End User Allocation Agreement: Company will enter into and/or maintain an End User Allocation Agreement (“EUAA”) with any transportation customer requesting such EUAA under the following conditions: (1) Customer must have telemetry installed at its facility; (2) Such EUAA will not negatively impact Company’s sales customers; and (3) Northern Natural Gas Company is willing to enter into such EUAA.

14. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

7. GUARANTEE DEPOSIT (Continued)

C. Amount of Deposit to be Required and Interest Paid

The Company shall not require deposit or guarantee of any customer or applicant for service who has established good credit.

The amount of the cash deposit or surety bond required shall not exceed an estimated two months' gross bill or existing two months' bill.

The customer may pay deposits in installments.

Interest shall be paid on deposits in excess of $20. The rate of interest must be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate must be rounded to the nearest tenth of one percent. By December 15 of each year, the commissioner of commerce shall announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year. Interest shall be paid from date of deposit to the date of refund or disconnection. Payment of the interest to the customer will be made at least annually or at the time the deposit is refunded. Interest payments may, at the option of the Company, be made in cash or be a credit to the customer's bill.

Copies of the official tariff sheets are available at offices providing service under the tariffs, and at the offices of the Minnesota Public Utility Commission ("Commission"). The information available here attempts to be materially the same, but should there be any conflicts or discrepancies, in all cases the official tariffs on file with the Commission will take precedence over these documents.

DOCUMENTS INCLUDED IN THIS FILE:

MERC

Minnesota Energy Resources Corporation
CERTIFICATION FOR FIRM TRANSPORTATION CUSTOMERS

[Name of individual signing for Customer] , [position] , of [Customer name] ("Customer") and [name of individual signing for Marketer] , [position], of [Marketer name] ("Marketer") certify and agree as follows:

1. Customer and Marketer represent to Minnesota Energy Resources Corporation ("MERC" or "Company") that one or both of them have and will maintain, or will have and maintain at all relevant times, firm transportation rights on transporting pipelines upstream of Company's natural gas distribution system to deliver on a firm basis all volumes of gas to Company for Customer's accounts identified on Exhibit "A" attached hereto.

2. In the event any such firm transportation rights are terminated or limited in any manner so that Customer and Marketer are unable to deliver gas to Company's natural gas distribution system as provided above, then Customer and Marketer shall immediately notify Company in writing sent by facsimile to the following number: __________________.

3. Customer and Marketer shall jointly and severally indemnify and hold Company harmless from all suits, actions, claims, debts, liabilities, accounts, damages, costs, losses, penalties and expenses (including attorney's fees and court costs) arising out of the failure of Customer and Marketer to maintain, or cause to be maintained, the firm transportation rights described herein.

4. This Certification shall be governed and construed in accordance with the laws of the State of Minnesota.

5. [Name of individual signing for Customer]warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Customer and that execution of this Certification serves to bind Customer.

6. [Name of individual signing for Marketer]warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Marketer and that execution of this Certification serves to bind Marketer.

7. This Certification may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same agreement, and may be executed and delivered by facsimile signature, which shall be considered an original.

Marketer Name	**Customer Name**
By:______________________________________	By:________________________________
Title:____________________________________	Title:______________________________

Exhibit “A”
Customer Firm Accounts

SMALL VOLUME INTERRUPTIBLE
NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and __________________________ ("Customer").

It is hereby agreed as follows:

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

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's Tariffs and the applicable regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utility Commission, as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company's office.

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

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

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

The payment for unauthorized volumes shall not give Customer the right to take

unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

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

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

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified:______________________________________

*Telephone Number:*______________________________________
*Address:*____

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

8. **Succession and Assignment.** This Agreement and each of its terms shall bind

and inure to the benefit of the parties hereto, their respective successors and assigns.

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

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

"Company"	"Customer"
Minnesota Energy Resources Corporation ("MERC")	
	______________________________ (*print name)*
By:______________________________	By:______________________________
Title:______________________________	Title:______________________________
Date: ______________________________	Date:______________________________

SMALL VOLUME TRANSPORTATION
SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ____ ("Customer").

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

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

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

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

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

3. **Charges**: Customer shall be responsible for and shall pay to Company the charges as set-forth in its Tariffs. :

Customer Charge: $110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the Commission from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.

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

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

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

Aggregation Service

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

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

5. **Balancing**: Customer agrees that nominated volumes and actual receipt and

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

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

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

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

8. **<u>Penalty for Unauthorized Takes When Service is Interrupted or Curtailed</u>**: If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (See Sheet 6.09 of Company's Tariff).

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

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

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

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

12. **Regulatory Commission Authority**: The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the Commission and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas.

Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company's Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

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

(a) the risk that Customer may incur penalties for usage of unauthorized volumes described in the Company's Tariffs in Section 13 of Company's Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company's Tariff Sheet No. 6.03,and any charges Company incurs from the pipeline on behalf of Customer; and

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

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

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

Minnesota Energy Resources Corporation ("MERC")	**"Customer"**
	______________________________ (print name)
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

SMALL JOINT FIRM/INTERRUPTIBLE
NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ______________________________ ("Customer").

It is hereby agreed as follows:

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

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's Tariffs and the applicable regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utilities Commission as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, rules, regulations, terms and conditions upon demand directed to Company's office.

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

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

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

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

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

If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50 per dekatherm for gas used in excess of the volumes of gas to which

Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

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

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

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

6. **Request to Transfer to Non-Joint Service**. Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices**. Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan,

Minnesota 55122-3401and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

*Name of Person to be Notified:*_____________________________________
*Title of Person to be Notified:*_____________________________________
*Telephone Number:*____
*Address:*____

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

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

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

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

Minnesota Energy Resources Corporation ("MERC")

By:__________________________________

Title:_________________________________

Customer

____
(*print name*)

By:__________________________________

Title:_________________________________

LARGE VOLUME INTERRUPTIBLE
NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and _________________________ ("Customer").

It is hereby agreed as follows:

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

2. **<u>Terms of Sale.</u>** Natural gas sold and delivered hereunder shall be furnished in accordance in accordance with Company's Tariffs and the applicable, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utilities Commission, as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company's office.

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

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

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

The payment for unauthorized volumes shall not give Customer the right to take

unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

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

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

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401, and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified:_____________________________________

*Telephone Number:*_______________________________________
*Address:*____

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

8. **Succession and Assignment.** This Agreement and each of its terms shall bind

and inure to the benefit of the parties hereto, their respective successors and assigns.

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

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

"Company"	"Customer"
Minnesota Energy Resources Corporation ("MERC")	
	______________________________ (*print name)*
By:______________________________	By:______________________________
Title:______________________________	Title:______________________________
Date: ______________________________	Date:______________________________

LARGE VOLUME TRANSPORTATION
SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and **______________________________________** ("Customer").

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

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

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

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

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 et seq. and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company's Gas Tariff on file with the Minnesota Public Utilities Commission ("Commission"), as the same may be amended, modified or superseded from time to time (the "Tariff"). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed prior to the commencement of natural gas service to Customer.

3. **Charges**: Customer shall be responsible for and shall pay to Company the charges as set-forth in its Tariffs:

Customer Charge: $110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the Commission from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.

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

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

Optional Services: The following service, described in Company's Tariff sheet 6.08 is available at Customer's option:

Aggregation Service

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

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

5. **Balancing**: Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the

delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

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

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

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

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed**: If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

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

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

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

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

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

new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

13. **<u>Acknowledgement of Transportation Risks</u>**: Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

(a) the risk that Customer may incur penalties for usage of unauthorized volumes described in the Company's Tariffs in Section 14 of Company's Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company's Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and any charges Company incurs from the pipeline on behalf of Customer; and

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

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

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

Minnesota Energy Resources Corporation ("MERC")	Customer ______________________________ (*print name*)
By:____________________________	By:____________________________
Title:__________________________	Title:__________________________

LARGE JOINT FIRM/INTERRUPTIBLE
GAS SALES AGREEMENT
(Minnesota)

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ____________________________________ ("Customer").

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

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

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

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

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

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

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

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

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

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

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

6. **Penalty For Unauthorized Takes When Service is Interrupted**. If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed the applicable charges in paragraph 4 above, plus either the applicable charge from the transporting pipeline (see Sheet No. 6.50 of the Tariff) or $50.00 per dekatherm so taken, whichever is greater. However, if Customer is served off Northern Natural Gas Company's pipeline, and if Northern calls a Critical Day, Customer shall be billed for all commodity volumes at the applicable rate in paragraph 4 plus the then current Critical Day daily delivery variance charge ("DDVC") for each dekatherm so taken when service is interrupted.

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

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

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

8. **Request to Transfer to Non-Joint Service**. Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

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

Agreement and the Tariff, the Tariff shall control.

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

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

Minnesota Energy Resources Corporation "MERC"	"**Customer"** ______________________________ (*print name)*
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

SUPER LARGE VOLUME TRANSPORTATION SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and **____** ("Customer").

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

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

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

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

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 Tariff and the General Rules, Regulations, Terms and Conditions, all as contained in Company's Gas Tariff on file with the Minnesota Public Utilities Commission ("Commission"), as the same may be amended, modified or superseded from time to time. Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed prior to the commencement of natural gas service to Customer.

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

Customer Charge:	$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be

approved by the Commission from time to time.

Daily Firm Capacity Charge:	If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.
Commodity Charge:	All volumes received by Customer hereunder shall be charged a rate equal the amount contained in Revised Sheet No. 6.20. Additional costs will be assigned as they are authorized by the FERC or the Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.
Optional Services:	The following service, described in Company's Tariff sheet 6.23 or 6.28 as applicable, is available at Customer's option:

Aggregation Service

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

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

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

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

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

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

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed**: If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50.00 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff). Further, as applicable, Customer shall pay relevant pipeline penalties, as applicable.

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

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

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

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

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

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

(a) the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company's Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company's Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and

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

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

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

Minnesota Energy Resources Corporation "MERC"	**"Customer"**
	______________________________ (*print name)*
By:______________________________	By:______________________________
Name:______________________________	Name:______________________________
Title:______________________________	Title:______________________________

Redline Tariff Sheets

CANCELED

~~10. Small Volume Balancing Service~~

~~Daily Balancing: Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company's Small Volume Balancing Service in lieu of meeting Company's Transportation Tariff daily scheduling requirements. Customers who elect this service shall enter into a Small Volume Balancing Service agreement with Company. Customers choosing this daily balancing service must submit a daily nomination to Company on those days the service is used. Under certain circumstances described below, Company may, at its option, require customer to deliver its MDQ, as defined in General Rules, Regulations, Terms and Conditions, to the Receipt Point up to a cumulative 20 days (in addition to interstate pipeline OFO and critical days) during the months of November through March. If MDQ delivery does not occur then customer must curtail to the level of their confirmed nomination. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that interstate pipeline calls a Critical Day or Operational Flow Order, customer must, without notice from Company, deliver its MDQ to the receipt point. In the event that Company calls a Critical Day, as defined in general Rules, Regulations, Terms and Conditions, or issues an Operational Flow Order as defined in general Rules, Regulations, Terms and Conditions, Company will notify customer via fax that customer must deliver its MDQ to the Receipt Point. Company will provide customer with at least 25 hours notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to customer, that customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order. If customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order, or the Company has called a critical day, then Company shall assess a penalty to customer for each dekatherm that customer failed to deliver in an amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow Order and customer fails to deliver its MDQ then Company will assess a penalty to customer in an amount equal to that identified in 13 below for each dekatherm that customer failed to deliver.~~

~~The cost of the service is 7.0¢ per dekatherm transported on Company's system. Revenues collected from this balancing service will be credited against the cost of sales gas (demand and commodity) Weighted Average Cost of Gas (WACOG).~~

~~11. Large Volume Balancing Service (LVBS) Program~~

~~This service is available to Large Volume Transportation customers that have telemetry equipment installed. This service is also available to aggregators that have pooled Large Volume Transportation customers with telemetry equipment installed. The service is not available to mainline customers or customers with end user allocation agreements. Company shall have the right to deny service if it deems the customer or aggregator is intentionally over or under nominating. Customers who elect this service shall enter into a Large Volume Balancing Service agreement with Company.~~

~~This service allows the customer to purchase additional swing capability. This allows the customer's daily usage to vary from its nomination by the amount of service that the customer chooses to purchase, beyond the tolerance permitted under Section 7 of this Transportation Rate Schedule. For example, a customer purchasing 20 units of LVBS and nominating 100 MMBtu on a normal day would be permitted to consume as little as 75 MMBtu or as much as 125 MMBtu during that day before incurring any daily scheduling charges. (100 x 5% + 20 = 25 MMBtu+/-).~~

TRANSPORTATION RATE SCHEDULE (Continued) 6~~5~~th Revised Sheet No. 6.09

~~This service will not be available on pipeline SOL, SUL, or Critical Days. Likewise, this service shall not be available on any day that the Company issues a Curtailment Day, or any other day that the Company determines, in its sole judgment, that the service would be detrimental to its General Service customers.~~

~~The reservation rate for this service is $2.18 per dekatherm. This rate is equivalent to Northern Natural Gas' SMS demand charge. A variable charge of $0.0208 per dekatherm shall be applied to those volumes consumed outside the daily tolerance level of +/- 5%. This rate is equivalent to NNG's SMS variable/commodity rate. The Company will change the rates for LVBS any time NNG changes its rate for SMS by calculating the new SMS rate using a 50% utilization factor. The Company will submit a miscellaneous tariff filing, including revised tariff sheets, with the Minnesota Public Utilities Commission any time it proposes to adjust this rate due to a change in the SMS rate. Revenues collected from this service will be credited against the cost of sales gas.~~
~~The term of service is one month commencing on the first gas day of the calendar month and shall remain in effect from month-to-month thereafter until terminated by either party by thirty days written notice.~~

10~~2~~. Payment: The bill is due seventeen days after issuance. There shall be a late payment charge of one and one-half percent per month on the unpaid balance.

11~~3~~. Penalty for Unauthorized Takes When Service is Interrupted or Curtailed: If customer fails to curtail its use of gas hereunder when requested to do so by Company, customer shall be billed at the transportation charge, plus the cost of gas Company secures for the customer, plus the greater of either the pipeline daily delivery variance charges (see Sheet 6.50) or $50 per dekatherm, whichever is applicable, for gas used in excess of the volumes of gas to which customer is limited. Company may in addition disconnect customer's supply of gas if customer fails to curtail its use thereof when requested by Company to do so.

12~~4~~. Notification: Company will provide written notice to each customer contracting for transportation service that unless the customer buys joint service from Company, Company is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges Company incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 14 above, and the price for such gas.

13~~5~~. End User Allocation Agreement: Company will enter into and/or maintain an End User Allocation Agreement ("EUAA") with any transportation customer requesting such EUAA under the following conditions: (1) Customer must have telemetry installed at its facility; (2) Such EUAA will not negatively impact Company's sales customers; and (3) Northern Natural Gas Company is willing to enter into such EUAA.

14~~6~~. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

7. GUARANTEE DEPOSIT (Continued)

C. Amount of Deposit to be Required and Interest Paid

The Company shall not require deposit or guarantee of any customer or applicant for service who has established good credit.

The amount of the cash deposit or surety bond required ~~for Residential Customers shall not exceed the amount of the charge for one month's average usage based on annual normalized consumption.~~

~~The amount of the cash deposit or surety bond required for non-residential customers~~ shall not exceed an estimated two months' gross bill or existing two months' bill.

The customer may pay deposits in installments.

Interest shall be paid on deposits in excess of $20. The rate of interest must be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate must be rounded to the nearest tenth of one percent. By December 15 of each year, the commissioner of commerce shall announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year. Interest shall be paid from date of deposit to the date of refund or disconnection. Payment of the interest to the customer will be made at least annually or at the time the deposit is refunded. Interest payments may, at the option of the Company, be made in cash or be a credit to the customer's bill.

~~**EXCEPTION**: Per order in Docket G-999/CI-05-1832, reconnection fees and deposit requirements are waived for customers receiving benefits through the federal Low-Income Home Energy Assistance Program (LIHEAP) effective December 1, 2005 through April 15, 2006.~~

Copies of the official tariff sheets are available at offices providing service under the tariffs, and at the offices of the Minnesota Public Utility Commission (“Commission”). The information available here attempts to be materially the same, but should there be any conflicts or discrepancies, in all cases the official tariffs on file with the Commission will take precedence over these documents.

DOCUMENTS INCLUDED IN THIS FILE:

MERC

Minnesota Energy Resources Corporation
CERTIFICATION FOR FIRM TRANSPORTATION CUSTOMERS

[Name of individual signing for Customer] , [position] , of [Customer name] ("Customer") and [name of individual signing for Marketer] , [position], of [Marketer name] ("Marketer") certify and agree as follows:

1. Customer and Marketer represent to Minnesota Energy Resources Corporation ("MERC" or "Company") that one or both of them have and will maintain, or will have and maintain at all relevant times, firm transportation rights on transporting pipelines upstream of Company's natural gas distribution system to deliver on a firm basis all volumes of gas to Company for Customer's accounts identified on Exhibit "A" attached hereto.

2. In the event any such firm transportation rights are terminated or limited in any manner so that Customer and Marketer are unable to deliver gas to Company's natural gas distribution system as provided above, then Customer and Marketer shall immediately notify Company in writing sent by facsimile to the following number: __________________.

3. Customer and Marketer shall jointly and severally indemnify and hold Company harmless from all suits, actions, claims, debts, liabilities, accounts, damages, costs, losses, penalties and expenses (including attorney's fees and court costs) arising out of the failure of Customer and Marketer to maintain, or cause to be maintained, the firm transportation rights described herein.

4. This Certification shall be governed and construed in accordance with the laws of the State of Minnesota.

5. [Name of individual signing for Customer]warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Customer and that execution of this Certification serves to bind Customer.

6. [Name of individual signing for Marketer]warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Marketer and that execution of this Certification serves to bind Marketer.

7. This Certification may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same agreement, and may be executed and delivered by facsimile signature, which shall be considered an original.

Marketer Name	**Customer Name**
By:______________________________________	By:________________________________
Title:____________________________________	Title:______________________________

Exhibit “A”
Customer Firm Accounts

SMALL VOLUME INTERRUPTIBLE
NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and __________________________ ("Customer").

It is hereby agreed as follows:

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

2. **<u>Terms of Sale.</u>** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's Tariffs and the applicable regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utility Commission, as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company's office.

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

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

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

The payment for unauthorized volumes shall not give Customer the right to take

unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

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

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

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified:____________________________________

*Telephone Number:*____________________________________
*Address:*____

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

8. **Succession and Assignment.** This Agreement and each of its terms shall bind

MINNESOTA ENERGY RESOURCES

and inure to the benefit of the parties hereto, their respective successors and assigns.

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

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

"Company"	"Customer"
Minnesota Energy Resources Corporation ("MERC")	
	______________________________ *(print name)*
By:______________________________	By:______________________________
Title:______________________________	Title:______________________________
Date: ______________________________	Date:______________________________

SMALL VOLUME TRANSPORTATION
SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ____ ("Customer").

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

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

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

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

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

3. **Charges**: Customer shall be responsible for and shall pay to Company the charges

as set-forth in its Tariffs. :

Customer Charge:	$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the Commission from time to time.
Daily Firm Capacity Charge:	If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.
Commodity Charge:	All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company's Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges. Additional costs will be assigned as they are authorized by the FERC or the Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.
Optional Services:	The following services, described in Company's Tariff sheet 6.07 and 6.08, are available at Customer's option:

~~Small Volume Balancing Service~~
Aggregation Service

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

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

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

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

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

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

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed**: If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (See Sheet 6.09 of Company's Tariff).

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

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

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

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

12. **Regulatory Commission Authority**: The provisions of this Agreement are subject to Company’s Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the Commission and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas.

Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company's Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

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

(a) the risk that Customer may incur penalties for usage of unauthorized volumes described in the Company's Tariffs in Section 13 of Company's Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company's Tariff Sheet No. 6.03,and any charges Company incurs from the pipeline on behalf of Customer; and

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

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

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

Minnesota Energy Resources Corporation ("MERC")	**"Customer"**
	______________________________ (print name)
By:______________________________	By:__________________________
Name:____________________________	Name:________________________
Title:_____________________________	Title:_________________________

~~SMALL VOLUME BALANCING SERVICES AGREEMENT~~

~~This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ____ ("Customer").~~

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

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

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

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

~~1. **Availability.** Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company's Small Volume Balancing Service in lieu of meeting Company Tariff requirements for the installation of telemetry and daily scheduling requirements. Customer represents that it meets the service availability requirements for balancing services under this Agreement.~~

~~2. **Nominations.** Customer must submit a daily nomination to Company on the days the balancing services are used. Such nominations shall be made as provided in Company's tariff.~~

~~3. **MDQ Requirements; Penalties**. Under certain circumstances described below, Company may, at its option, require Customer to deliver its MDQ to the Receipt Point up to a cumulative 20 days during the months of November through March. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that the interstate pipeline calls a "Critical Day" or "Operational Flow Order," Customer must, without notice from Company, deliver its MDQ to the Receipt Point. In the event that Company calls a Critical Day or issues an Operational Flow Order, Company will notify Customer via fax that Customer must deliver its MDQ to the Receipt Point. Company will provide Customer with at least 25 hours' notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to Customer, that Customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order.~~

~~If Customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order or the Company has called a Critical Day, then Company shall assess a penalty to Customer for each dekatherm that Customer failed to deliver in an amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow~~

~~Order and Customer fails to deliver its MDQ, then Company will assess a penalty to Customer in an amount equal to that identified in Sheet 6.09 of Company's Tariff for each dekatherm that Customer failed to deliver.~~

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

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

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

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

~~"Company"~~ ~~"Customer"~~

~~**Minnesota Energy Resources Corporation ("MERC")**~~

~~By:___________________________________~~ ~~By:___________________________________~~

~~Title:_________________________________~~ ~~Title:_________________________________~~

~~**ELECTION OF SMALL VOLUME BALANCING SERVICE**~~
~~**ADDENDUM TO**~~
~~**GAS TRANSPORTATION AGREEMENT**~~

~~This Addendum is made and entered into as of the _______ day of _________________, ______, by and between Minnesota Energy Resources Corporation (“MERC” or “Company”), and ____ (“Customer”), and provides for an election of a Small Volume Balancing Service.~~

~~WHEREAS, Company and Customer have entered into a Gas Transportation Agreement dated _______________, ______ (the “Agreement”) and now desire to amend certain provisions of the Agreement.~~

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

~~1. Election of Company’s Small Volume Balancing Service~~

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

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

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

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

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

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

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

~~**Minnesota Energy Resources Corporation (“MERC”)**~~	~~***<Customer Name Here>***~~
	~~Account #:__________________________~~
~~By:_______________________________________~~	~~By:_______________________________________~~
~~Title:_____________________________________~~	~~Title:_____________________________________~~

SMALL JOINT FIRM/INTERRUPTIBLE
NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ______________________________ ("Customer").

It is hereby agreed as follows:

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

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's Tariffs and the applicable regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utilities Commission as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, rules, regulations, terms and conditions upon demand directed to Company's office.

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

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

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

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

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

If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50 per dekatherm for gas used in excess of the volumes of gas to which

Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

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

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

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

6. **Request to Transfer to Non-Joint Service**. Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices**. Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan,

Minnesota 55122-3401and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

*Name of Person to be Notified:*___________________________________
*Title of Person to be Notified:*___________________________________
*Telephone Number:*____
*Address:*____

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

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

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

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

Minnesota Energy Resources Corporation (“MERC”)	Customer __________________________________ (*print name*)
By:________________________________	By:________________________________
Title:______________________________	Title:______________________________

LARGE VOLUME INTERRUPTIBLE
NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ___________________________ ("Customer").

It is hereby agreed as follows:

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

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance in accordance with Company's Tariffs and the applicable, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utilities Commission, as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company's office.

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

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

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

The payment for unauthorized volumes shall not give Customer the right to take

unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

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

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

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401, and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified:____________________________________

*Telephone Number:*_____________________________________
*Address:*____

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

8. **Succession and Assignment.** This Agreement and each of its terms shall bind

and inure to the benefit of the parties hereto, their respective successors and assigns.

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

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

"Company"	"Customer"
Minnesota Energy Resources Corporation ("MERC")	
	______________________________ (*print name)*
By:____	By:______________________________
Title:______________________________________	Title:____________________________
Date: ______________________________________	Date:____________________________

LARGE VOLUME TRANSPORTATION
SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ____ ("Customer").

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

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

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

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

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 et seq. and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company's Gas Tariff on file with the Minnesota Public Utilities Commission ("Commission"), as the same may be amended, modified or superseded from time to time (the "Tariff"). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed prior to the commencement of natural gas service to Customer.

3. **Charges**: Customer shall be responsible for and shall pay to Company the charges as set-forth in its Tariffs:

Customer Charge: $110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the Commission from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.

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

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

Optional Services: The following service, described in Company's Tariff sheet 6.08 is available at Customer's option:

Aggregation Service ~~Large Volume Balancing Service~~

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

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

5. **Balancing**: Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which

accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

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

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

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

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed**: If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

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

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

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

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

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

any other changes to Company's Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

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

(a) the risk that Customer may incur penalties for usage of unauthorized volumes described in the Company's Tariffs in Section 14 of Company's Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company's Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and any charges Company incurs from the pipeline on behalf of Customer; and

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

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

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

Minnesota Energy Resources Corporation ("MERC")	Customer _____________________________ (*print name*)
By:__________________________	By:__________________________
Title:________________________	Title:________________________

LARGE JOINT FIRM/INTERRUPTIBLE
GAS SALES AGREEMENT
(Minnesota)

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ______________________________________ ("Customer").

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

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

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

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

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

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

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

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

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

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

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

6. **Penalty For Unauthorized Takes When Service is Interrupted**. If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed the applicable charges in paragraph 4 above, plus either the applicable charge from the transporting pipeline (see Sheet No. 6.50 of the Tariff) or $50.00 per dekatherm so taken, whichever is greater. However, if Customer is served off Northern Natural Gas Company's pipeline, and if Northern calls a Critical Day, Customer shall be billed for all commodity volumes at the applicable rate in paragraph 4 plus the then current Critical Day daily delivery variance charge ("DDVC") for each dekatherm so taken when service is interrupted.

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

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

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

8. **Request to Transfer to Non-Joint Service**. Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

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

Agreement and the Tariff, the Tariff shall control.

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

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

Minnesota Energy Resources Corporation	"**Customer"**
"MERC"	______________________________
	(print name)
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

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

~~This Addendum is made and entered into as of the _______ day of _________________, ______, by and between Minnesota Energy Resources Corporation ("MERC" or "Company"), and ____ ("Customer").~~

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

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

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

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

~~Number of Units: ___________ Customer's/Representative's Initials: _________~~

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

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

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

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

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

~~**Minnesota Energy Resources Corporation ("MERC")**~~	~~**Name:**___________________________~~
	~~**Account #:**_______________________~~
~~By:_____________________________~~	~~By:_____________________________~~
~~Title:___________________________~~	~~Title:___________________________~~

SUPER LARGE VOLUME TRANSPORTATION
SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and ______________________________________ ("Customer").

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

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

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

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

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 Tariff and the General Rules, Regulations, Terms and Conditions, all as contained in Company's Gas Tariff on file with the Minnesota Public Utilities Commission ("Commission"), as the same may be amended, modified or superseded from time to time. Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed prior to the commencement of natural gas service to Customer.

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

Customer Charge:	$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be

approved by the Commission from time to time.

Daily Firm Capacity Charge:	If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.
Commodity Charge:	All volumes received by Customer hereunder shall be charged a rate equal the amount contained in Revised Sheet No. 6.20. Additional costs will be assigned as they are authorized by the FERC or the Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.
Optional Services:	The following service, described in Company's Tariff sheet 6.23 or 6.28 as applicable, is available at Customer's option:

Aggregation Service

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

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

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

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

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

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

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed**: If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or $50.00 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff). Further, as applicable, Customer shall pay relevant pipeline penalties, as applicable.

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

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

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

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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

Company:	Customer:
Minnesota Energy Resources Corporation (“MERC”) Attention: Address: Telephone: Fax:	Company: Attention: Address: Telephone: Fax:

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

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

(a) the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company's Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company's Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and

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

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

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

Minnesota Energy Resources Corporation "MERC"	**"Customer"**
	______________________________ *(print name)*
By:________________________________	By:____________________________
Name:______________________________	Name:__________________________
Title:_______________________________	Title:__________________________

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of Proposed Tariff Amendments to Remove Volume Balancing Service and Modify Residential Deposit Provisions	Docket No. G011/M-19-____

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 25th of January, 2019, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed a true and correct copy of the enclosed Petition on www.edockets.state.mn.us. Said documents were also served via U.S. mail and electronic service as designated on the attached service list.

Dated this 25th day of January, 2019.

/s/ Kristin M. Stastny
Kristin M. Stastny

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Ahern	ahern.michael@dorsey.com	Dorsey & Whitney, LLP	50 S 6th St Ste 1500 Minneapolis, MN 554021498	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Seth	DeMerritt	Seth.DeMerritt@wecenergygroup.com	MERC (Holding)	700 North Adams PO Box 19001 Green Bay, WI 543079001	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Daryll	Fuentes	dfuentes@usg.com	USG Corporation	550 W Adams St Chicago, IL 60661	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Brian	Meloy	brian.meloy@stinson.com	Stinson,Leonard, Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Catherine	Phillips	catherine.phillips@we-energies.com	We Energies	231 West Michigan St Milwaukee, WI 53203	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Colleen	Sipiorski	ctsipiorski@wecenergygroup.com	Minnesota Energy Resources Corporation	700 North Adams St Green Bay, WI 54307	Paper Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kristin	Stastny	kstastny@briggs.com	Briggs and Morgan, P.A.	2200 IDS Center 80 South 8th Street Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Mary	Wolter	mary.wolter@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)	231 West Michigan St Milwaukee, WI 53203	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List