

IRREVOCABLE STANDBY LETTER OF CREDIT
DATE OF ISSUANCE: _____

BENEFICIARY: Northern Natural Gas Company, a Delaware corporation
1111 South 103rd Street
Omaha, NE 68124-1000
Attn: Credit Operations
Phone: (402) 398-7741
Fax: (402) 548-5266

Applicant: [Company] _____
[Address] _____
[City, State, Zip] _____
Attn: _____
Phone: _____
Fax: _____

Re: Irrevocable Standby Letter of Credit No.: _____

Amount (U.S. Dollars): \$ _____ Expiration Date: _____

At the request of [Insert Party's legal name, address and zip code] ("Shipper"), [Insert Bank's legal name, address and zip code] ("Issuing Bank") hereby establishes our Irrevocable Standby Letter of Credit ("Letter of Credit") in your favor for the initial amount of [_____] United States Dollars [(\$_____)], available to you at sight upon demand at our offices as specified above on or before the expiration hereof.

Funds under this Letter of Credit are available at sight against your draft drawn on us bearing upon its face the amount of the draw and the clause, "Drawn under [Issuing Bank Name] Letter of Credit Number [Number] dated [date]," and accompanied by the following documents:

The original or a photocopy (as evidenced by a notarized statement from an officer of Beneficiary) of this Letter of Credit and any subsequent amendments, if any; and

A statement purportedly signed by an authorized officer of Northern Natural Gas Company stating that "Shipper is in default of its obligations under one or more agreement(s) between Shipper and Northern Natural Gas Company" and/or that "Shipper has failed to pay its invoice when due under one or more agreement(s) between Shipper and Northern Natural Gas Company" and/or that "Northern Natural Gas Company has contractual obligations with Shipper that extend beyond the applicable expiration date of the Letter of Credit and Shipper has not provided an acceptable substitute Letter of Credit, or alternative acceptable eligible security within ninety (90) calendar days prior to such date."

Partial drawings and multiple drawings under this Letter of Credit are permitted. All charges of this Letter of Credit are for the account of the Applicant.

We hereby engage with you that drafts under and in compliance with the terms and conditions of this Letter of Credit will be duly honored by us if presented in person at this office or by overnight courier or by registered mail on or before the current expiration date.

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

Draft presentation before 9:00 AM [Applicable Time Zone] on any Business Day (as defined below) shall be honored before 5:00 PM [Applicable Time Zone] on the same Business Day by wire transfer in immediately available funds to any account designated by an authorized representative of the Beneficiary (or any other reasonable means specified by an authorized representative of the Beneficiary). Draft presentation after 9:00 AM [Applicable Time Zone] and before 5:00 PM [Applicable Time Zone] on any Business Day shall be honored on the following Business Day in immediately available funds to any account designated by an authorized representative of the Beneficiary (or any other reasonable means specified by an authorized representative of the Beneficiary). As used in this Letter of Credit, the term "Business Day" shall mean a day other than Saturday or Sunday or any other day in which Banking Institutions in the State of [Applicable State where Issuing Bank is Located] are authorized or required by law to close.

The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid through the Issuing Bank referencing this Letter of Credit No. _____.

To the extent not inconsistent or in conflict with the specific terms of this Letter of Credit, this Letter of Credit is subject to all provisions of *The Uniform Customs and Practice for Documentary Credits* (2007 Revision), International Chamber of Commerce, Publication No. 600 ("UCP 600"). To the extent not addressed by the specific terms of this Letter of Credit, and if the UCP 600 is silent or does not govern, this Letter of Credit shall be governed by the laws of the State of New York, without regard to principles of conflicts of law.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LETTER OF CREDIT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

[BANK SIGNATURE]