

PERMIAN BASIN AREA EXPANSION
PRECEDENT AGREEMENT
BETWEEN
NORTHERN NATURAL GAS COMPANY
AND
SOUTHWESTERN PUBLIC SERVICE COMPANY

This precedent agreement ("Precedent Agreement") is made and entered into as of this 20th day of May 2026, by and between Northern Natural Gas Company, a Delaware corporation ("Northern"), and Southwestern Public Service Company, a New Mexico corporation ("Customer"). Northern and Customer are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, Northern owns and operates an interstate natural gas transmission system subject to the jurisdiction of the FERC; and

WHEREAS, Customer seeks to acquire firm natural gas transportation services from Northern; and

WHEREAS, Customer and Northern have collaborated to establish the requirements for a new pipeline lateral of approximately 15.5-miles, a new compressor station, a new meter station interconnect, and other system upgrades, all of which comprise the Project as more fully defined and described herein, for the purpose of providing the firm natural gas transportation service requested by Customer; and

WHEREAS, Customer and Northern, upon fulfillment of the conditions precedent set forth herein, desire to enter into a firm throughput service agreement, as defined below, under which Northern will provide, and Customer will receive, firm transportation service;

NOW THEREFORE, in consideration of the terms and conditions set forth below, the receipt and sufficiency of which are hereby acknowledged, Northern and Customer hereby agree and consent as follows:

Section 1. Definitions For clarification, any defined terms utilized in these definitions are either defined in this Section 1 or are defined elsewhere in this Precedent Agreement.

- 1.1. "Actual Cost" means the Customer's cost of the Project, as reasonably determined by Northern, including, but not limited to, (i) planning, design, materials, labor, contract and engineering costs; (ii) overheads; (iii) all applicable taxes; (iv) income tax gross-up, when applicable; (v) allowance for funds used during construction (AFUDC), when applicable; (vi) associated operation and maintenance costs; and (vii) any reservation charge credits, as defined in Northern's FERC Gas Tariff, paid to other shippers by Northern as a result of any outage caused by the construction of the Project.
- 1.2. "Branch/Markwest New Mexico Interconnect" means the existing interconnect between Northern and Branch known as POI 56403 located in Lea County, New Mexico. This point will be modified to provide bi-directional service.
- 1.3. "Commissioning Period" means the period prior to the Service Effective Date during which Northern has necessary facilities completed and can provide service to Customer on an interruptible basis.
- 1.4. "Contract Value" means, as of the determination date, the unpaid reservation charges for the remaining original term of the TSA.
- 1.5. "Customer Facilities" means all natural gas service facilities (including, but not limited to, valves, pressure regulators and odorization equipment) located downstream of the Primary Delivery Point(s) set forth in Table A of Exhibit A.
- 1.6. "Customer's Remaining Obligation" means that portion of the Actual Cost which has not been paid to Northern, as of any determination date, and is equal to (x) multiplied by (y); where (x) equals the Contract Value divided by the total reservation charges payable to Northern for the Entitlement for the entire original term of the TSA, and (y) equals the Actual Cost.
- 1.7. "Discounted Entitlement" means 261,600 Dth/day of annual Entitlement received from the Branch/Markwest New Mexico Interconnect (POI 56403) for delivery to the Gaines County Generating Station (POI 79721).
- 1.8. "Discounted Rate" means the discounted rate set forth in Exhibit A.

- 1.9. "Entitlement" or "MDQ" means the maximum daily quantity of natural gas to be transported under the TSA.
- 1.10. "Existing Entitlement" means the entitlement in TFX Contract No. 142281.
- 1.11. "FERC" means the Federal Energy Regulatory Commission.
- 1.12. "GT&C" means the General Terms and Conditions of Northern's FERC Gas Tariff, as revised from time to time.
- 1.13. "Imaged Documents" means any image or electronically stored copy of any document(s) generated by any Party with respect to this Precedent Agreement, including this Precedent Agreement.
- 1.14. "Maximum Rate Entitlement" means a new TFX Firm Throughput Service Agreement for 100,000 Dth/day with receipts located in MIDs 3, 4 or 6 on the mainline south of Northern's Seminole Compressor Station for delivery to the SPS – Lea Plants (POI 78975).
- 1.15. "Maximum Reservation Rate" means the monthly maximum reservation rate set forth in the applicable Rate Schedule of Northern's FERC Gas Tariff.
- 1.16. "Necessary Approval" means orders, approvals, consents or waivers, issued by FERC, any federal, state, local, sovereign, or municipal body, or any other governmental authority that have become final and are no longer subject to rehearing or appeal regarding (i) the construction and operation of the Project, and (ii) this Precedent Agreement.
- 1.17. "Gaines County Generating Station" means the new 16-inch line pressure delivery meter station (POI 79721) designed to flow 10,900 Dth/hour that will be constructed pursuant to this Precedent Agreement and located in Gaines County, Texas (approximately Latitude: N 32.633, Longitude: W -103.048). The maximum allowable design delivery pressure at the point will be 800 PSIG. The minimum design delivery pressure will be 600 PSIG.
- 1.18. "New Hobbs Compressor Station" means the new compressor station to be constructed pursuant to this Precedent Agreement located near the Branch/Markwest New Mexico Interconnect (POI 56403) located in Lea County, New Mexico.

- 1.19. "New Lateral Line" means an approximately 15.5-mile 24-inch pipeline lateral commencing from the New Hobbs Compressor Station in Lea County, New Mexico to the Gaines County Generating Station delivery point (POI 79721).
- 1.20. "New Transwestern Interconnect" means the new 50,000 Dth/day interconnect between Northern's facilities and Transwestern's facilities to be located near or within the New Hobbs Compressor Station plant yard. The estimated in-service date of the New Transwestern Interconnect" will coincide with the completion of the Project.
- 1.21. "Northern's FERC Gas Tariff" means Northern's FERC Gas Tariff, as revised from time to time.
- 1.22. "Open Season" means the notice and opportunity to bid for service associated with the Project.
- 1.23. "Plains Compressor Station Modifications" means the modifications at Northern's Plains Compressor Station needed to eliminate bottlenecks at the station to accommodate the Maximum Rate Entitlement.
- 1.24. "PSIG" means pounds per square inch gauge.
- 1.25. "Precedent Agreement" means this agreement, including Exhibits A through D, which are attached hereto and incorporated herein.
- 1.26. "Primary Delivery Point(s)" means Northern's Field Area delivery points set forth in Table A of Exhibit A at which Customer requests firm service.
- 1.27. "Primary Receipt Point(s)" means Northern's Field Area receipt points set forth in Table A of Exhibit A at which Customer requests firm service.
- 1.28. "Project" means the activities related to the Open Season and Northern's construction and completion of any facilities that are necessary, as determined in Northern's sole discretion, to provide the service contemplated by this Precedent Agreement. The Project includes the Branch/Markwest New Mexico Interconnect, the new Gaines County Generating Station delivery point (POI 79721), the New Hobbs Compressor Station, the New Transwestern Interconnect, the New Lateral Line, and the Plains Compressor Station Modifications.

- 1.29. "SADD Sheet" means a Storage Agreement Daily Detail agreement to allow Customer to true-up scheduled quantities to actual deliveries between the Branch/Markwest New Mexico Interconnect (POI 56403) and the Gaines County Generating Station delivery point (POI 79721) outside of a nomination cycle.
- 1.30. "Security" means the amount of credit assurance required by Northern pursuant to Exhibit C, provided by Customer and held by or for Northern to secure Customer's obligations to Northern under this Precedent Agreement and/or the TSA.
- 1.31. "Service Effective Date" means May 1, 2028, the projected completion date of the Northern facilities necessary for firm service to commence under the TSAs.
- 1.32. "True-Up" means the process(es) initiated by Northern at any time during or after completion of the Project, to adjust any amount previously estimated to the Actual Cost and the Security provided pursuant to Exhibit C, attached hereto and incorporated herein. Northern will determine the Actual Cost of the Project and provide Customer a True-Up within 180 days of completion of the Project.
- 1.33. "TSA(s)" means the firm throughput service agreements, including all exhibits and appendices thereto, to be entered into as required pursuant to this Precedent Agreement and described in Exhibit A.
- 1.34. "Will" means is required to and imposes an obligation on the appropriate Party.

Section 2. Firm TSA

- 2.1. Northern and Customer will enter into TSA(s) consistent with Northern's Rate Schedule TFX or any successor firm transportation rate schedule in effect on the date of execution of the TSA(s), which will be subject to all of the terms and conditions of Northern's FERC Gas Tariff, all rules and regulations of governmental authorities having jurisdiction and any Necessary Approvals. The TSA(s) will provide for the transportation of natural gas from the Primary or Alternate Receipt Point(s) to the Primary or Alternate Delivery Point(s).
- 2.2. The beginning date and ending date of service under the TSA(s) are set forth in Exhibit A, subject to receipt of Necessary Approvals, acceptance of such approvals by Northern, and

the completion (as determined in Northern's sole opinion) of the Project facilities necessary to provide firm transportation service to Customer under the TSA. Northern will not be liable for any delays in the anticipated in-service date, provided Northern uses commercially reasonable efforts to complete the Project in a timely manner.

- 2.3. The Parties acknowledge that supply chain shortages in materials may adversely impact the planned completion of the Project. Northern will use commercially reasonable efforts to timely acquire and install all necessary materials to complete the Project in a timely manner. Notwithstanding these efforts, consistent with other provisions of this Precedent Agreement, Northern shall not be held liable should the facilities be placed in-service after the targeted Service Effective Date. Northern will provide Customer commercially reasonable updates on the Project each month, or as mutually agreed upon by the Parties, until the Project is completed which will include supply chain concerns and delays in materials that could impact the in-service date of the Project. Northern shall provide notice to Customer that the Project facilities required to provide service have been completed and Northern is ready and able to provide service under the TSA.
- 2.4. The transportation rates to be paid by Customer to Northern under the TSA(s) are set forth in Exhibit A.
- 2.5. The Entitlement or MDQ is set forth in Exhibit A.
- 2.6. Northern agrees to enter into a SADD Sheet with Branch/Markwest New Mexico and Customer prior to the commencement of service under the TSAs set forth in Exhibit A.
- 2.7. Northern agrees to file to have the New Hobbs Compressor Station included as a rolled-in component of Northern's Section 1 fuels rate. To the extent this proposal is not accepted by FERC, Customer will be subject to any incremental fuel charges established for the New Hobbs Compressor Station that are approved by the FERC.
- 2.8. Customer will execute the TSA(s) without modification within thirty (30) calendar days of tender by Northern. If Customer fails to execute the TSA without modification within thirty (30) calendar days of tender by Northern, Customer will immediately be in breach of this Precedent Agreement on the date of such failure and will be liable for damages available at law or in equity, as accelerated to the date of such breach.

- 2.9. All Necessary Approvals must be in a form and substance and on a time schedule satisfactory to Northern in its reasonable determination. Northern, in its sole discretion, may waive a Necessary Approval.

Section 3. Construction of Facilities

- 3.1. Northern will use commercially reasonable efforts to secure all Necessary Approvals and, subject to the receipt and acceptance of all Necessary Approvals, to construct the Project.
- 3.2. To the extent reasonably requested by Northern, Customer will file in support of any filing made by Northern to secure any Necessary Approval and will timely provide to Northern required and commercially reasonable information and documents requested by Northern to demonstrate the approval sought is in the public convenience and necessity.
- 3.3. Upon Northern's acceptance or waiver of all Necessary Approvals, Northern will commence construction of the Project.
- 3.4. Subject to receipt and acceptance of all Necessary Approvals and the completion of construction, Northern anticipates completion of the New Lateral Line to the Gaines County facility by December 31, 2027, with a projected in-service date of the remaining Project facilities by the following spring 2028. Consistent with other provisions of this Agreement, Northern will not be liable for any delays in the projected in-service dates for the Project facilities.

Section 4. Reimbursement for Construction of the Project

- 4.1. Customer will pay Northern for the Actual Cost of the Project by paying the Discounted Rate for the service over the term of the TSA.
- 4.2. Due to the need to commence FERC Section 7(c) development activities and the long lead time for delivery of compressor units and materials, Northern will initiate such activities and the purchase of materials for the Project. The estimated costs of the Project are set forth in Exhibit D. Customer will pay Northern the Actual Cost (including any applicable AFUDC, tax gross-up, overheads, O&M, and ad valorem taxes) for the Project. In the event the Project is terminated by the Customer or due to Customer's default, Customer agrees to reimburse Northern in full for all costs incurred and/or committed to for the Project. If prior

to the Customer's payment of Actual Costs, the Customer no longer meets the creditworthiness provisions in Section 6 and Exhibit C herein, Customer will within fifteen (15) calendar days of such determination pay to Northern Security in an amount equal to the estimated cost of the Project as set forth in Exhibit D. The Parties agree to True-Up the estimated cost to the Actual Cost.

- 4.3. Notwithstanding anything herein to the contrary, in the event of a default under this Precedent Agreement or the TSA(s), Customer will pay Northern for Customer's Remaining Obligation in addition to any damages for such default under the TSA(s), via acceleration or otherwise. If Actual Cost is not known at the time the Customer's Remaining Obligation is calculated or determined, Northern, in its sole discretion, may use a good faith estimate of Actual Cost, subject to notice and discussion with Customer.
- 4.4. In exchange for the consideration received hereunder, including without limitation the expected revenue from the TSA(s), Northern is willing to make the capital expenditures for the construction of the Project; provided, however, if the Entitlement under TFX Contract 1 is, for any reason during the term of TFX Contract 1, in whole or in part, (i) reduced (except in the instance of a temporary capacity release), or (ii) realigned away from the Primary Receipt or Primary Delivery Points, such act is a breach of this Precedent Agreement and Customer will promptly pay to Northern an amount, which is immediately due and owing, equal to the Customer's Remaining Obligation on the date triggering the provisions of this Section 4.4.
- 4.5. This Section 4 and the reimbursement obligations herein will survive the permanent release of the capacity in the TSA or any assignment thereof and Customer will continue to be obligated for the reimbursement of Customer's Remaining Obligation unless Northern consents in writing to the express release of such obligation.

Section 5. Termination

In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the TSA(s) are subject to termination as specified below:

- 5.1. Northern may terminate this Precedent Agreement and the TSA(s) and withdraw any application for a Necessary Approval or refuse to accept or file to rescind any Necessary Approval if Northern determines, in its sole discretion, the Project has become

- uneconomical for Northern to pursue. Prior to termination pursuant to this Section 5.1, the Parties will work together in good faith to mutually agree upon a solution prior to Northern's termination.
- 5.2. Northern may, at any time, terminate this Precedent Agreement and the TSA(s) if Northern determines, in its sole discretion, that a governmental authority has placed unacceptable conditions or mitigation measures on any Necessary Approval. Prior to termination pursuant to this Section 5.2, the Parties will work together in good faith to mutually agree upon a solution.
 - 5.3. Customer may terminate this Precedent Agreement no later than January 1, 2027, and solely in the event Customer does not receive regulatory authorization to construct the new Gaines County generation facility located at or near the location of the Gaines County Generating Station delivery point. If Customer terminates this Precedent Agreement pursuant to this Section 5.3, Customer will reimburse Northern for the Actual Costs incurred for the Project as of the date termination notice is given. Northern's estimate of spending through December 31, 2026 is approximately \$44.2m.
 - 5.4. In the event the Project is terminated prior to the Project being ready for service for any reason not solely caused by Northern, Customer will pay to Northern within thirty (30) calendar days of written notice, the amount of any Actual Cost incurred, including, but not limited to, costs committed for construction of the Project through the date of termination.
 - 5.5. Northern may terminate this Precedent Agreement and the TSA(s) immediately upon written notice to Customer if (i) Customer, in Northern's reasonable judgment, fails to meet and maintain the creditworthiness requirements set forth in Section 6 below and Exhibit C, and (ii) Customer fails to provide Security in accordance with Section 6 below and Exhibit C.
 - 5.6. Where feasible, the Parties will use commercially reasonable efforts to mitigate the costs, damages, and charges arising out of a termination under this Section 5, including consideration of assignment made pursuant to Section 7 below. Each Party shall track all mitigated costs, damages, and charges achieved for a period of six (6) months from the termination date and remit to the other Party any such mitigation amounts collected during such period, but in no case shall any mitigation amount exceed the total amount due by either Party under this Precedent Agreement.

Section 6. Creditworthiness and Security

- 6.1. Customer must meet the requirements of Part 8, Section 46 of Northern's FERC Gas Tariff and the Security requirements of Exhibit C.
- 6.2. In the event of any conflict between the Security requirements of Exhibit C and the Security requirements of Part 8, Section 46 of Northern's FERC Gas Tariff, the Security requirements of Exhibit C will prevail.

Section 7. Assignment

This Precedent Agreement and the TSA(s) will be binding upon and inure to the benefit of Customer and Northern and their respective successors and assigns. Notwithstanding the foregoing, Customer may not assign or delegate its rights or obligations hereunder without the prior express written consent of Northern, which will not be unreasonably withheld, and any such purported assignment or delegation without Northern's express written consent will be null and void. Notwithstanding the above, Customer may assign this Precedent Agreement to an affiliate by providing Northern 30 days advance written notice of assignment to an affiliate.

Section 8. Governmental Regulations, Choice of Law, Jurisdiction, and Waiver of Jury Trial

- 8.1 This Precedent Agreement and the TSA are subject to Northern's FERC Gas Tariff (except as specifically provided herein), all valid laws, rules, regulations and orders of any governmental agency or regulatory authority having jurisdiction, including without limitation, the receipt of Necessary Approvals.
- 8.2 AS TO ALL MATTERS OF CONSTRUCTION AND INTERPRETATION, THIS PRECEDENT AGREEMENT WILL BE INTERPRETED, CONSTRUED AND GOVERNED BY THE LAWS OF THE STATE OF NEBRASKA WITHOUT REGARD TO CONFLICT OF LAW PROVISIONS.
- 8.3 THE STATE OR FEDERAL COURTS SITUATED IN THE STATE OF NEBRASKA WILL HAVE EXCLUSIVE JURISDICTION TO RESOLVE ANY DISPUTES WITH RESPECT TO THIS PRECEDENT AGREEMENT, AND CUSTOMER AND NORTHERN HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION

THEREOF FOR ANY ACTIONS, SUITS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS PRECEDENT AGREEMENT.

- 8.4 TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS PRECEDENT AGREEMENT. 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.

Section 9. Notices

- 9.1 Any notices required by this Precedent Agreement must be in writing and addressed to:

(a) If to Customer:
Southwestern Public Service Company
Attention: Cody Danaher
3500 Blake Street
Denver, Colorado 80202
Phone No.: (303) 285-6817
Email: Cody.M.Danaher@Xcelenergy.com

(b) If to Northern:
Customer Service and Business Development
1111 So. 103rd St.
Omaha, Nebraska 68124
Phone No.: (402) 398-7094
Fax No.: (402) 398-7117
Email: nngcontracts@nngco.com

- 9.2 Notices will be properly served when sent via overnight mail, certified mail, postage prepaid return receipt requested, when received by Facsimile at the facsimile number set forth in this Precedent Agreement or when received by email at the email address set forth in this Precedent Agreement. Customer may change its address for the purpose of this Precedent Agreement by giving written notice of such change to Northern. Northern's contact

information may be changed by posting revised contract information on its internet website at www.northernnaturalgas.com. This Precedent Agreement will be deemed amended to reflect the revised contact information.

Section 10. Breach and Consequential Damages

- 10.1 Either Party's failure to comply with the terms contained in the TSA(s), the applicable rate schedule, Part 8 of Northern's FERC Gas Tariff, or the terms of this Precedent Agreement is a breach and constitutes a default under this Precedent Agreement. The defaulting Party will be liable for any and all damages hereunder, at law or in equity, as accelerated to the date of such breach, including any such rights and obligations that may be exercised or required by Northern's FERC Gas Tariff.
- 10.2 NEITHER PARTY, NOR ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AFFILIATES, SUCCESSORS OR ASSIGNS WILL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES OR FOR LOST PROFITS, OR LOSS OF BUSINESS OR BUSINESS OPPORTUNITY HOWSOEVER CAUSED, WHETHER ARISING OUT OF CONTRACT, TORT, STRICT LIABILITY, INDEMNITY, WARRANTY, PROFESSIONAL LIABILITY, CONTRIBUTION, OR OTHERWISE.

Section 11. Representation and Warranties of Customer and Northern

Customer hereby warrants and represents to Northern, and Northern hereby warrants and represents to Customer, the following:

- 11.1 Customer and Northern are both duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization/incorporation, and each has full power to execute, deliver and perform this Precedent Agreement.
- 11.2 The execution, delivery and performance of this Precedent Agreement have been and remain duly authorized by all necessary corporate or organizational action and do not contravene any provision of law or of Customer's or Northern's constitutional documents or any contractual restriction binding on Customer or Northern or their respective assets.

- 11.3 With respect to Customer, all consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Precedent Agreement have been obtained by Customer and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with Customer's execution, delivery or performance of this Precedent Agreement.
- 11.4 Customer's or Northern's assets, at their respective fair value, exceed Customer's and Northern's, respective liabilities and Customer and Northern have, or will have, sufficient cash and capital to pay their respective liabilities and obligations as they become due. Further, each Party is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.
- 11.5 In consideration for its execution of this Precedent Agreement, Customer and Northern respectively, will receive reasonably equivalent value for the obligations that they are assuming as a result of this Precedent Agreement and/or the TSA(s).
- 11.6 In connection with this Precedent Agreement and the activities contemplated herein, neither Party will knowingly take any action, or omit to take any action, that would (i) cause that Party or the other Party to be in material violation of any Applicable Law applicable to that Party, or (ii) cause that Party or the other Party to be in violation, whether by virtue of the Party's jurisdiction of incorporation or conduct of its business operations, of any Applicable Law applicable to such Party, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, or any similar statute, regulation, order or convention binding on such Party, as each may be amended from time to time, and including any implementing regulations promulgated pursuant thereto.

Section 12. Miscellaneous

- 12.1 Customer and Northern recognize and agree that this Precedent Agreement is the result of Northern's response to Customer's Solicitation of Interest for Service Proposal dated

November 15, 2024, and that except for the rates and terms agreed to herein, Customer would have pursued an alternative to serve the Customer's requirements.

- 12.2 Covenants regarding the Project and the Customer Facilities are in Exhibit B.
- 12.3 This Precedent Agreement may be executed in counterparts, each of which when signed will be deemed an original, but all of which together will constitute one and the same instrument. A signature in "PDF" format or an electronic signature to this Precedent Agreement will be deemed an original and binding upon the Party against which enforcement is sought.
- 12.4 Upon both Parties' execution of the applicable TSA(s), Section 2 and Exhibit A of this Precedent Agreement will expire and be superseded by the TSA. All remaining sections and paragraphs and Exhibit C of this Precedent Agreement will survive until all obligations or responsibilities under this Precedent Agreement and the TSA have been fully satisfied. Exhibit B will survive for the life of the Project.
- 12.5 Imaged Documents may be introduced as evidence in any proceeding as if such were original business records and neither Party may contest the admissibility of Imaged Documents as evidence in any proceeding.
- 12.6 Each provision of this Precedent Agreement will be considered severable so that if any one provision or clause conflicts with or may not be given full effect because of applicable law, this will not affect any other provisions which can be given effect without the conflicting provision or clause and the conflicting provision or clause will be renegotiated by the Parties in good faith to provide equal economic value to both Parties; provided, however, this Section 12.6 will provide no basis to treat the Precedent Agreement and the TSA as separate, severable agreements or to effect such a severance.
- 12.7 This Precedent Agreement is not intended to create, and will not be construed to create, a legal relationship of partnership or an association for profit between the Parties hereto. The provisions of this Precedent Agreement will not impart rights of enforceability to any person, firm or organization not a Party or not bound as a Party, or not a permitted successor or assignee of a Party bound by this Precedent Agreement.

- 12.8 Except as may be otherwise provided for with respect to a particular provision, failure or delay by a Party in exercising any right, power, or privilege hereunder shall not operate as a waiver thereof, nor shall any limited or partial exercise preclude any further exercise thereof or the exercise of any further right, power, or privilege hereunder.

- 12.9 Any terms not defined herein will have the meanings set forth in Northern's FERC Gas Tariff. Any conflicts between this Precedent Agreement and Northern's FERC Gas Tariff will be resolved in favor of Northern's FERC Gas Tariff, with the exception of the Security requirements of Exhibit C.

- 12.10 This Precedent Agreement together with the TSA(s) and Exhibits hereto and thereto constitute the entire agreement between Northern and Customer pertaining to the subject matter hereof. In the event of a conflict between a provision of this Precedent Agreement and a provision of a prior agreement, representation or understanding of the Parties, oral or written, the provision of this Precedent Agreement will control. Except as specifically provided in Section 9, no provision of this Precedent Agreement may be amended or waived unless such amendment or waiver is agreed to in writing by both Parties.

The Parties hereto have executed this Precedent Agreement to indicate their acceptance.

NORTHERN NATURAL GAS COMPANY

SOUTHWESTERN PUBLIC SERVICE
COMPANY

By: Thomas Halpin

By: 

Title: VP, Customer Service and Bus Dev

Title: Executive Vice President, Chief Generation Officer
Xcel Energy Service, Inc., Authorized Signatory
for Southwestern Public Service Company

Date: May 20, 2026

Date: May 21, 2026

PERMIAN BASIN AREA EXPANSION
PRECEDENT AGREEMENT
BETWEEN
NORTHERN NATURAL GAS COMPANY
AND
SOUTHWESTERN PUBLIC SERVICE COMPANY

Exhibit A

TSA's Terms and Conditions

Contract for Discounted Entitlement (TFX Contract 1):

Rate Schedule: TFX

Contract Term:

The Contract for the Discounted Entitlement is contingent upon and subject to any Necessary Approvals, acceptance of such approvals, if necessary, and the completion (as determined in Northern's sole opinion) of the Northern Project facilities necessary to provide firm transportation service to Customer under the TSA. The Discounted Entitlement, or portions thereof, will commence the later of the Service Effective Date or the first day of the month following the date Northern's facilities needed to provide the service are placed into service. Customer and Northern may agree to start service prior to the first day of the month following the date on which Northern's facilities are placed in-service, however, the term shall end the later of April 30, 2043, or 15 years after the commencement of service (Initial Term).

1. Customer shall have a unilateral option to extend TFX Contract 1 in its entirety for an additional term of five to fifteen years (Renewal Term) by providing written notice to Northern eighteen (18) months prior to the expiration of the Initial Term.

Table A: Quantities and Points

<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Annual Volume</u> (Dth/day)	<u>Term</u>
MW New Mexico/NNG Lea (POI 56403)	Gaines County Generating Station (POI 79721)	261,600	15 years

Note:

- 1) The quantities shown are firm maximum daily quantities (MDQ or Entitlement).

Rates:

1. During the Commissioning Period, Customer will schedule interruptible service and pay the lesser of \$0.17 Dth/day or the applicable overrun rate through the Service Effective Date.
2. Beginning on the Service Effective Date through the end of the Initial Term, Customer shall pay a Total Monthly Charge equal to the Contract MDQ multiplied by the Discounted Rate of \$0.1530/Dth multiplied by 30.4. Northern will allocate the Total Monthly Charge between the demand and commodity components and winter and summer by charging the commodity rates and the balance as reservation rates; provided however, none of the rate components shall be above the maximum rate or below the minimum rate set forth in Northern's Tariff.
3. The Total Monthly Charge will be adjusted to reflect the Actual Cost of the Project. The Discounted Rate above is based on an estimated capital cost for facilities of \$96,777,913. Every \$1,000,000 variance in capital cost would result in a rate adjustment of \$0.00151/Dth/day.
4. During the Renewal Term, Customer shall pay a Total Monthly Charge equal to the Contract MDQ multiplied by the lesser of \$0.16 Dth/day or the average of the annual maximum reservation tariff rate. Northern will allocate the Total Monthly Charge between the reservation and commodity components and winter and summer by charging the commodity rates and the balance as reservation rates; provided however, none of the rate components shall be above the maximum rate or below the minimum rate set forth in Northern's Tariff.

5. In addition to the above rates, Customer shall (i) provide the applicable fuel, use and unaccounted for; and (ii) pay all FERC-approved charges and surcharges applicable to the service.
6. The Discounted Rate is applicable to the Discounted Entitlement at the receipt and delivery points (POI) listed in Table A. If any other points are used on a primary or alternate basis, Customer will pay Northern's maximum tariff reservation and commodity rates for the contract MDQ for the month any other points are used and for the remaining Initial Term and the Renewal Term of TFX Contract 1.
7. If Customer realigns its Discounted Entitlement from the Primary Receipt or Delivery Points, Northern may increase the Discounted Rate effective May 1, 2028 to Northern's Maximum Rates, without regard as to when the realignment occurred. Thus, if the Primary Receipt or Delivery Points are realigned, Northern will bill, and Customer will pay, the difference between the amount paid by Customer and Northern's maximum reservation and commodity rates under the TSA and Northern's Maximum Rates from May 1, 2028 through the date the realignment occurred. Thereafter, Northern's maximum reservation and commodity rates shall apply for the remaining Initial Term and the Renewal Term of TFX Contract 1.
8. In no event shall the rates exceed the maximum rate or be less than the minimum rate authorized under Northern's FERC Gas Tariff, as revised from time to time. In the event the rates agreed to pursuant hereto are or become greater than the maximum or less than the minimum under Northern's FERC Gas Tariff, as revised from time to time, then Customer agrees that Northern will immediately decrease the rate(s) herein down to the maximum or increase the rate(s) herein up to the minimum. In such event, other rate components may be adjusted upward or downward to preserve the agreed-upon overall revenue, provided that the resulting rate component shall not exceed the maximum rate or be below the minimum rate applicable to the rate component.

Other Terms:

1. The Entitlement is subject to the Right of First Refusal (ROFR) as described in Section 52 of Northern's FERC Gas Tariff.

2. The service shall be provided at a minimum pressure of 600 PSIG at the Gaines County Generating Station delivery point for primary delivery up to the MDQ at the point for hourly flows up to 1/24 of the point MDQ. The maximum allowable pressure of the Gaines County Generating Station delivery point is 800 PSIG. The pressure guarantee is subject to Force Majeure provisions as defined in the General Terms and Conditions of Northern's FERC Gas Tariff.
3. Customer shall have an hourly flow rate of 4.16% of the Discounted Entitlement at the Gaines County Generating Station delivery point, plus any overrun volumes scheduled. Customer shall provide Northern at least one hour notice prior to beginning its hourly takes. Northern will use commercially reasonable efforts to accommodate Customer's hourly flow rates when Customer is unable to provide the one-hour prior notice.
4. This Agreement will be filed with the FERC as a non-conforming agreement with the language referenced in Paragraph 3 above as the non-conforming aspect. Northern will file the Agreement with the FERC within thirty (30) days of the date of execution and support the approval of said filing. If FERC finds the terms and conditions to be permissible and accepts the Agreement subject to a condition that Northern change its FERC Gas Tariff to offer any provisions contained in this Agreement to similarly situated shippers, Northern will do so. If FERC denies the revisions to Northern's FERC Gas Tariff the Agreement will be executed without the provisions set forth in Paragraph 3.
5. Each of the Parties agrees the TFX Contract 1 will include the following paragraph:

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT. 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.

Contract for Maximum Rate Entitlement (TFX Contract 2):

Rate Schedule: TFX

Contract Term:

The Contract for the Maximum Rate Entitlement is contingent upon and subject to any Necessary Approvals, acceptance of such approvals, if necessary, and the completion (as determined in Northern's sole opinion) of the Northern Project facilities necessary to provide firm transportation service to Customer under the TSA. The Maximum Rate Entitlement, or portions thereof, will commence the later of the Service Effective Date or the first day of the month following the date Northern's facilities needed to provide the service are placed into service. Customer and Northern may agree to start the service prior to the first day of the month following the date Northern's facilities are placed in-service, however, the term shall end the later of April 30, 2043 or 15 years after the commencement of service (Initial Term).

Table A: Quantities and Points

<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Annual Volume</u> (Dth/day)	<u>Term</u>
	SPS – Lea Plants (POI 78975)	100,000	15 years
Agua Blanca Pecos Co (POI 79398)		25,000	15 years
Vaquero Caymus Plant Pecos Co (POI 79303)		25,000	15 years
Oasis/NNG Waha (POI 62148)		25,000	15 years
Trans-Pecos Hub Pecos Co (POI 79311)		25,000	15 years

Notes:

- 1) Winter includes November 1 through March 31. Summer includes April 1 through October 31.
- 2) The quantities shown are firm maximum daily quantities (MDQ or Entitlement).

Rates:

Customer shall pay Northern's maximum rates and charges plus all applicable surcharges in effect from time to time.

Other Terms:

1. Customer shall have an hourly flow rate of 4.16% of the Entitlement at the Gaines County Generating Station delivery point (POI 79721), plus any overrun volumes scheduled. Customer shall provide Northern at least one hour notice prior to beginning its hourly takes. Northern will use commercially reasonable efforts to accommodate Customer's hourly flow rates when Customer is unable to provide the one-hour prior notice.
2. This Agreement will be filed with the FERC as a non-conforming agreement with the language referenced in Paragraph 1 above as the non-conforming aspect. Northern will file the Agreement with the FERC within thirty (30) days of the date of execution and support the approval of said filing. If the FERC finds the terms and conditions to be permissible and accepts the Agreement subject to a condition that Northern change its FERC Gas Tariff to offer any provisions contained in this Agreement to similarly situated shippers, Northern will do so. If FERC denies the revisions to Northern's FERC Gas Tariff the Agreement will be executed without the provisions set forth in Paragraph 2.
3. Each of the Parties agrees the TFX Contract 2 will include the following paragraph:

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT. 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.

Extension of Existing Contract No. 142281:

1. Northern and Customer will extend its Existing Entitlement under Contract No. 142281 through the Initial Term of TFX Contract No. 2, at the rates and terms, including alternate point rights at the discounted rate, in effect at the time this Precedent Agreement is executed.
2. The Gaines County Generating Station delivery point (POI 79721) will be added as an eligible alternate delivery point at the discounted rate.

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Exhibit B

Facilities

A. Northern Facilities:

1. Northern and/or its designee will construct, own, operate and maintain the Project facilities. In no event will Northern own, operate or maintain any facilities downstream of its delivery point(s).
2. The Project, in Northern's sole determination, will be designed, constructed, operated, and maintained by Northern in accordance with all applicable laws and regulations, and prudent operating procedures and construction standards that Northern may adopt from time to time.
3. Northern will defend, indemnify and save harmless Customer, its affiliated companies and officers, directors, shareholders, employees, subsidiaries, agents and other representatives from and against that portion of the liabilities, losses, claims, damages, penalties, causes of action, suits (including suits for personal injuries or death and including reasonable attorneys' fees and expenses) claimed from or against Customer caused by or resulting from the negligence or willful misconduct of Northern in the ownership, operation and maintenance of Northern's Facilities

B. Customer Facilities:

1. Customer will provide, own, operate and maintain the Customer Facilities. Customer is responsible for providing over-pressure protection equipment for the Customer Facilities. In no event will Customer own, operate or maintain Northern's delivery point(s) or any facilities upstream of Northern's delivery point(s).

2. The Customer Facilities will be designed, manufactured, fabricated, constructed, installed, operated, tested and maintained by Customer in accordance with applicable laws, regulations, industry standards, codes (including AGA design standards) and prudent operating practices.
3. Customer will defend, indemnify and save harmless Northern, its affiliated companies and officers, directors, shareholders, employees, subsidiaries, agents and other representatives from and against that portion of the liabilities, losses, claims, damages, penalties, causes of action, suits (including suits for personal injuries or death and including reasonable attorneys' fees and expenses) claimed from or against Northern caused by or resulting from the negligence or willful misconduct of Customer in the ownership, operation and maintenance of Customer Facilities.
4. The Parties agree to work together in good faith to mutually agree on easements and rights-of-way access, at no cost to Northern, to allow the Project facilities to be constructed and operated on Customer's property.

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Exhibit C
Security Requirements

A. Definitions

1. "Mainline Facilities" means facilities on the main pipeline system of Northern, and appurtenant facilities to such Mainline Facilities.
2. "Non-mainline Facilities" means facilities other than Mainline Facilities, which includes, but is not limited to, branch or lateral lines, and measurement facilities.

B. When Security is not Required

No Security will be required during any period of time after the execution of this Precedent Agreement and/or during the term of the TSA that Customer meets and maintains the creditworthiness requirements of Part 8, Section 46 of Northern's FERC Gas Tariff.

C. When Security is Required

1. **Amount of Security To Be Provided:**

If Customer does not meet or maintain the creditworthiness requirements of Section 46 of the GT&C at any time after the execution of this Precedent Agreement and/or during the term of the TSA, then, upon request by Northern, Customer will provide Security in an amount equal to the sum of the following items:

- a. (i) for the portion of the facilities that constitutes Mainline Facilities, the Customer will provide Security in an amount equal to the total of Customer's Remaining Obligation (computed as of the date of the demand) including income

tax gross up and/or (ii) for the portion of the facilities that constitutes Non-mainline Facilities, the Customer will provide Security in an amount equal to the lesser of the Actual Cost of the facilities or the Contract Value (computed as of the date of the demand), plus the amount of credit assurance authorized for the TSA under Part 8, Section 46 of Northern's FERC Gas Tariff (equal to the highest three months of reservation charges plus an amount to cover imbalances as provided in Northern's FERC Gas Tariff); however, if Customer provides a guaranty, the amount of the guaranty will be, at a minimum, in an amount equal to the Customer's Contract Value including, but not limited to, an amount to cover imbalances as provided in Northern's FERC Gas Tariff.

2. **Form of Security To Be Provided:**

a. Customer may provide a guaranty, letter of credit or cash.

b. If Customer provides a letter of credit, the letter of credit will be substantially in the form posted on Northern's website as revised from time to time and issued by a U.S. chartered financial institution acceptable to Northern with a long-term rating of at least A-/A3 (or equivalent). Northern's acceptance shall not be unreasonably withheld.

c. If Customer provides a guaranty, the guaranty will be substantially in the form posted on Northern's website and executed by a guarantor that meets the creditworthiness requirements of Section 46 of the GT&C.

d. If Customer provides cash, Customer agrees to execute a Joinder in Master Escrow Agreement substantially in the form posted on Northern's website. In the alternative, Customer may use a mutually agreed upon third-party escrow with commercially reasonable terms paid for by Customer.

3. **Timing of Provision of Security:** The amount of Security required under this Exhibit C will be provided within fifteen (15) calendar days of the date of Northern's written request. If Actual Cost is not known at the time of Northern's request, the amount requested will be based on a good faith estimate of the costs expected to be incurred. Once the Actual Cost is known Security provided will be subject to True-

Up within ten (10) days after Actual Cost is known. Northern's request must include calculation and supporting detail.

4. **Return of Security Associated with the Actual Cost of the Project:**

a. Any return of Security is conditioned upon Customer (i) performing in accordance with the TSA including making all payments required when due, and (ii) providing all required Security on a timely basis as set forth herein.

b. If Northern has constructed Mainline Facilities to provide Customer's service, and if Customer: (i) has performed in accordance with the TSA including making all payments required when due, (ii) has not taken any of the actions set forth in subparts (i) and (ii) of Section 4.4 of this Precedent Agreement, and (iii) has timely provided all the required credit assurance associated with any activity with Northern, then Northern will return that portion of the Security associated with the Actual Cost of Mainline Facilities in excess of the product of (A) the original security amount associated with the Actual Cost of the Mainline Facilities and (B) the ratio of the remaining unpaid reservation charges under the original term of the TSA to the total reservation charges under the original term of the TSA.

c. If Northern has constructed Non-mainline Facilities, to provide Customer's service, and if Customer: (i) has performed in accordance with the TSA including making all payments when due, (ii) has not taken any of the actions set forth in subparts (i) and (ii) of Section 4.4 of this Precedent Agreement and (iii) has provided all the required credit assurance associated with any activity with Northern, then Northern will return that portion of the Security associated with the Actual Cost of the Non-mainline Facilities in the amount by which the Security associated with the Actual Cost of the Non-mainline facilities exceeds the Customer's Contract Value.

d. Any return of Security will occur annually or as otherwise mutually agreed upon by the Parties. The obligation of Northern to reduce the Security will be subject to the right of Northern to recoup and/or setoff all or any part of the Security against any obligation or claims whatsoever owing to Northern from Customer, whether in connection with the Precedent Agreement or the TSA, or in connection with any unrelated transaction.

e. Subject to C.4.a. and C.4.d. above, Northern will return that portion of the Security in excess of the amount required pursuant to C.1. above, determined as of the date of the return of Security.

5. **Miscellaneous:**

a. If due to default under this Precedent Agreement or the TSA, actions of Customer set forth in subparts (i) and (ii) of Section 4.4 of this Precedent Agreement, or Customer otherwise becomes obligated to pay Customer's Remaining Obligation, and Northern is holding Security, then Customer waives any and all claims to the balance of the Security held by Northern and agrees that such balance will be retained by Northern and applied toward any amounts due from Customer.

b. Failure to remit in full all Security by the due dates constitutes a material breach of this Precedent Agreement and may, at the discretion of Northern, result in termination of Northern's obligations under the Precedent Agreement or the TSA.

c. Upon any default under this Precedent Agreement or the TSA, either Party may pursue any remedies it may have available at law or equity, including any such rights and obligations that may be exercised or required by Northern's FERC Gas Tariff.

d. The Security will be owned and held by Northern for its sole and exclusive benefit until the earlier of (i) Customer meeting the creditworthiness requirements of Section 46 of the GT&C, or (ii) Customer satisfying in full all of its obligations under this Precedent Agreement and/or the TSA.

e. The Security will be owned and held by Northern, and Customer's sole interest in the Security will be a residual interest, if any, remaining after all of Customer's obligations under the TSA and this Precedent Agreement are satisfied in full. If Security is provided in the form of a letter of credit, Customer will have no interest in the letter of credit or its proceeds.

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Exhibit D

Estimated Cost of the Project

Cost Estimate:

Northern and Customer acknowledge that this is a good faith estimate of the total estimated capital cost of the Project. In the event the Project is terminated by the Customer or due to Customer's default, Customer agrees to reimburse Northern in full the Actual Cost for all costs incurred and/or committed to for the Project, subject to Northern's commercially reasonable efforts to mitigate such costs or damages pursuant to Section 5.6 of this Precedent Agreement.

Description	Estimated Expenditures	Estimated Timing
Compressor Payment 1 and Pre-filing Costs	\$1,617,000	Oct 2025
Right of way, Survey Work and Pre-filing Costs	\$665,000	Nov 2025
Right of way, Survey Work and Pre-filing Costs	\$665,000	Dec 2025
Compressor Payment 2 and Pre-filing Costs	\$4,053,000	Jan 2026
Right of way, Survey Work and Pre-filing Costs	\$665,000	Feb 2026
Survey Work and Pre-filing Costs	\$665,000	Mar 2026
Section 7 Application to Pre-Construction	\$40,100,000	Apr 2026 – Apr 2027
Certificate Approval through Construction	\$48,370,000	May 2027 – Dec 2027
Budget	\$96,800,000	