

FERC GAS TARIFF

**PRO FORMA** ORIGINAL VOLUME NO. 1

of

FLORIDIAN NATURAL GAS STORAGE COMPANY, LLC

FILED WITH THE

FEDERAL ENERGY REGULATORY COMMISSION

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## PRELIMINARY STATEMENT

Floridian Natural Gas Storage Company, LLC (“FGS”) is principally engaged in the business of natural gas storage in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). FGS will own a natural gas storage facility in Martin County, Florida at which it will receive natural gas for liquefaction, storage, vaporization and redelivery.

Consistent with the terms of this FERC Gas Tariff, FGS will provide both firm and interruptible gas storage services under specific service agreements. If any such service agreement is to become operative only upon the satisfaction of certain precedent conditions, FGS will execute a separate written precedent agreement regarding the conditions to be satisfied before the service agreement becomes operative. FGS will reserve the right to limit service agreements for storage of gas to customers acceptable to FGS after consideration of its commitments to others, the capacity of its facility, and other factors deemed pertinent by FGS. FGS storage services will be made available by FGS on a non-discriminatory basis.

FGS will seek from FERC authority to perform storage services at market-based rates.

MAP

(an overview map will be set forth on this tariff sheet )

STATEMENT OF RATES

	<u>Rate</u>	<u>Unit</u>
RATE STATEMENT FOR FSS RATE SCHEDULE (Firm Storage Service)		
Storage Charge	Market Based/Negotiable	\$/Dt/Day
Payment is equal to the Storage Charge for Firm Storage Service specified in Customer's executed Service Agreement multiplied by Customer's Maximum Storage Quantity and the number of days in the month.		
Fuel Reimbursement	To be determined	In Kind
This amount of gas is to be tendered by Customer in kind based upon the quantity of gas tendered by Customer on any day for liquefaction and storage and a percentage rate determined in accordance with Section 7 of the General Terms and Conditions of this FERC Gas Tariff.		
Electric Reimbursement Charge	To be determined	\$/Dt
Payment is equal to the Electric Reimbursement Charge, determined in accordance with Section 7 of the General Terms and Conditions of this FERC Gas Tariff, multiplied by the Dt quantity of gas tendered by Customer at the Point of Receipt for liquefaction during the month.		
Authorized Excess Quantity Charges	Market Based/Negotiable	\$/Dt
Payment is equal to the respective Authorized Excess Quantity Charge specified in Customer's executed Service Agreement multiplied as applicable by (1) the Dt quantity of gas in excess of Customer's Maximum Hourly Liquefaction Quantity tendered by Customer at the Point of Receipt for liquefaction in any hour during the month or (2) the Dt quantity of gas in excess of Customer's Maximum Hourly Vaporization Quantity vaporized and delivered to Customer at the Point of Delivery in any hour during the month.		
Gas Title Transfer Charge	Market Based/Negotiable	\$/Dt
Payment is equal to the Gas Title Transfer Charge specified in Customer's executed Service Agreement multiplied by the Dt quantity of gas of Customer's Storage Inventory title to which was transferred by Customer to another Customer during the month.		
Truck Delivery Charge	Market Based/Negotiable	\$/Dt
Payment is equal to the Truck Delivery Charge specified in Customer's executed Service Agreement multiplied by the Dt equivalent of the quantity of gas delivered in its liquefied state by FGS to Customer by truck during the month.		

STATEMENT OF RATES

(continued)

	<u>Rate</u>	<u>Unit</u>
<b>RATE STATEMENT FOR ISS RATE SCHEDULE</b>		
<b>(Interruptible Storage Service)</b>		
Storage Charge	Market Based/Negotiable	\$/Dt/Day
<p>Payment is equal to the sum of the products for each day in the month of the Storage Charge for Interruptible Service specified in Customer's executed Service Agreement multiplied by either Customer's Maximum Storage Quantity or, in the event that Interruptible Storage Service to Customer has been interrupted on such day, the portion of Customer's Maximum Storage Quantity that has not been interrupted on such day.</p>		
Liquefaction Charge	Market Based/Negotiable	\$/Dt
<p>Payment is equal to the Liquefaction Charge multiplied by the Dt quantity of gas tendered by Customer at the Point of Receipt for liquefaction during the month.</p>		
Vaporization Charge	Market Based/Negotiable	\$/Dt
<p>Payment is equal to the Vaporization Charge multiplied by the Dt quantity of gas delivered to Customer at the Point of Delivery for liquefaction during the month.</p>		
Fuel Reimbursement	To be determined	In Kind
<p>This amount of gas is to be tendered by Customer in kind based upon the quantity of gas tendered by Customer at the Point of Receipt on any day for liquefaction and storage and a percentage rate determined in accordance with Section 7 of the General Terms and Conditions of this FERC Gas Tariff.</p>		
Electric Reimbursement Charge	To be determined	\$/Dt
<p>Payment is equal to the Electric Reimbursement Charge, determined in accordance with Section 7 of the General Terms and Conditions of this FERC Gas Tariff, multiplied by the Dt quantity of gas tendered by Customer at the Point of Receipt for liquefaction during the month.</p>		
Authorized Excess Quantity Charge	Market Based/Negotiable	\$/Dt
<p>Payment is equal to the respective Authorized Excess Quantity Charge specified in Customer's executed Service Agreement multiplied as applicable by (1) the Dt quantity of gas in excess of Customer's Maximum Hourly Liquefaction Quantity tendered by Customer at the Point of Receipt for liquefaction in any hour during the month, or (2) the Dt quantity of gas in excess of Customer's Maximum Hourly Vaporization Quantity vaporized and delivered to Customer at the Point of Delivery in any hour during the month.</p>		
Gas Title Transfer Charge	Market Based/Negotiable	\$/Dt
<p>Payment is equal to the Gas Title Transfer Charge specified in Customer's executed Service Agreement multiplied by the Dt quantity of gas of Customer's Storage Inventory title to which was transferred by Customer to another Customer during the month.</p>		
Truck Delivery Charge	Market Based/Negotiable	\$/Dt
<p>Payment is equal to the Truck Delivery Charge specified in Customer's executed Service Agreement multiplied by the Dt equivalent of the quantity of gas delivered in its liquefied state by FGS to Customer by truck during the month.</p>		

## STATEMENT OF RATES

(continued)

### NOTES:

In addition to the charges set forth above, Customer shall reimburse all applicable taxes assessed FGS as set forth in Section 19 of the General Terms and Conditions of this FERC Gas Tariff, all fees and costs as required by FERC or any other regulatory body related to service under the respective Rate Schedule as set forth in Section 26 of the General Terms and Conditions of this FERC Gas Tariff, and all other applicable surcharges, including but not limited to, the Annual Charge Adjustment (ACA).

Each rate set forth in this FERC Gas Tariff is the currently effective rate pertaining to the particular rate schedule referenced, but each such rate is separate and independent and a change in any such rate shall not thereby effect a change in any other rate or rate schedule.

FSS RATE SCHEDULE  
FIRM STORAGE SERVICE

1. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this FGS FERC Gas Tariff (hereinafter “Tariff”), as such provisions may be amended from time to time, are hereby made a part of this FSS Rate Schedule, provided that in the event of any inconsistency, the provisions of this FSS Rate Schedule shall govern. All terms in this FSS Rate Schedule have the meaning set forth in the General Terms and Conditions of this Tariff.

2. AVAILABILITY

2.1 This FSS Rate Schedule is available to any potential Customer for the purchase from FGS of a firm service consisting of liquefaction of natural gas, the storage of such gas in its liquefied state and the vaporization and redelivery of gas when (a) Customer has requested Firm Storage Service pursuant to Section 3 of the General Terms and Conditions of this Tariff, (b) FGS has determined that it has sufficient available and uncommitted firm capacity to perform the service requested by Customer and (c) FGS and Customer have executed a Service Agreement in the form set forth in this Tariff for service under this FSS Rate Schedule. Availability under this FSS Rate Schedule shall be subject to a determination by FGS, in its sole discretion, that the service requested shall not interfere with the efficient operation of its Facility or cause a reduction in FGS’s ability to provide service to its other Customers under this FSS Rate Schedule.

2.2 Service under this FSS Rate Schedule may also be available when Customer has obtained released firm storage capacity from a Releasing Customer under this FSS Rate Schedule pursuant to Section 15 of the General Terms and Conditions of this Tariff.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 This FSS Rate Schedule shall apply to all Firm Storage Service rendered by FGS to Customer at FGS’s Facility pursuant to an executed Firm Service Agreement and Part 284 of FERC Regulations.

3.2 Storage service hereunder shall be on a firm basis and not subject to interruption except as provided in Section 13 of the General Terms and Conditions of this Tariff concerning Force Majeure and Operating Conditions.

3.3 Subject to Section 3.2, Firm Storage Service rendered by FGS to Customer under this FSS Rate Schedule shall consist of:

- (a) the receipt by FGS of natural gas for liquefaction as nominated by Customer for any day up to Customer’s Maximum Daily Liquefaction Quantity, and for any hour up to

Customer's Maximum Hourly Liquefaction Quantity, provided that Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;

- (b) the storage of gas so received and liquefied, up to Customer's Maximum Storage Quantity; and,
- (c) the vaporization and redelivery of Customer's gas as nominated by Customer for any day up to Customer's Maximum Daily Vaporization Quantity, and for any hour up to Customer's Maximum Hourly Vaporization Quantity, provided that Customer's Storage Inventory is equal to or exceeds the quantity nominated by Customer.

3.4 Subject to the prior consent of FGS, Customer on any day may tender a quantity of natural gas for liquefaction and storage in excess of Customer's Maximum Daily Liquefaction Quantity or Customer's Maximum Hourly Liquefaction Quantity, or request vaporization and redelivery of a quantity of gas in excess of Customer's Maximum Daily Vaporization Quantity or Customer's Maximum Hourly Vaporization Quantity, if, in FGS's sole discretion, liquefaction, storage and vaporization of such excess quantity, as applicable, can be accomplished without detriment to the Facility or the Facility's operational requirements or to FGS's ability to meet its firm obligations to any other Customer under this FSS Rate Schedule. Such excess quantity shall be deemed an Authorized Excess Daily Liquefaction Quantity, an Authorized Excess Hourly Liquefaction Quantity, an Authorized Excess Daily Vaporization Quantity or an Authorized Excess Hourly Vaporization Quantity.

3.5 Customer shall make all arrangements with Transporters for any transportation attendant to the Firm Storage Service. Customer's arrangements shall be compatible with Facility operations and as necessary at and upstream of the point where Customer tenders natural gas to FGS for storage and at or downstream of the point where FGS redelivers vaporized gas to Customer.

3.6 In the event of, and in order to address, an unanticipated contingency or emergency, and only in such event and for such purpose, Customer may make a storage withdrawal under this rate schedule by truck at the loading platform at FGS's Facility.

- (a) Customer shall give FGS at least 24 hours notice prior to each such withdrawal by truck, which notice shall state the time the carrier will arrive at FGS's Facility and the quantity of gas in its liquefied state to be received by Customer. FGS, in its sole discretion, may waive the 24 hour notice period.
- (b) It shall be Customer's responsibility to ensure that Customer's receiving facilities are compatible with FGS's delivery facilities.
- (c) Customer's and/or its carrier company's transportation vehicles shall be in complete compliance with all codes and regulations pertaining to the design, construction and operation of containers for the transportation of gas in its liquefied state.

- (d) Customer and/or its carrier company shall have proper insurance and Customer shall provide FGS with a certificate of insurance, satisfactory to FGS, prior to the movement of any vehicle onto FGS's property.
- (e) The size of Customer's and/or its carrier company's transporting vehicle shall not be in excess of a size that can safely navigate, including navigation on the roads at FGS's Facility.
- (f) The quantity of gas in its liquefied state delivered by FGS to Customer shall be determined by having the transportation vehicles weighed on certified scales at the Facility site before and after loading. FGS shall furnish Customer with certified weights prior to, and after, loading with such gas. Customer shall have the option to witness all such weighings. The weight of gas so delivered in its liquefied state shall be converted into dekatherms in accordance with the American Gas Association Gas Measurement Committee Report No. 5 of Fuel Gas Energy Metering, as amended, expanded or superseded from time to time, applied in an appropriate manner.
- (g) Customer's Storage Inventory shall be reduced by the quantity of gas withdrawn in its liquefied state as calculated in Section 3.6(f).

3.7 In no event shall FGS be obligated to provide any Firm Storage Service to Customer pursuant to this FSS Rate Schedule for which capacity is not available or which would require the modification or expansion of the Facility or the construction or acquisition of additional facilities.

#### 4. RATES

4.1 The rates and charges for Firm Storage Service under this FSS Rate Schedule shall include the applicable rate components set forth in the Statement of Rates of this Tariff and described below:

- (a) Storage Charge: a daily charge for each day of the month for each Dt of Customer's Maximum Storage Capacity.
- (b) Fuel Reimbursement: an in kind amount of gas for fuel usage and lost or unaccounted for gas determined in accordance with Section 7 of the General Terms and Conditions of this Tariff.
- (c) Electric Reimbursement Charge: a usage charge for each Dt of gas tendered by Customer for liquefaction during the month determined in accordance with Section 7 of the General Terms and Conditions of this Tariff.
- (d) Authorized Excess Quantity Charge: a usage charge for each Dt of gas in excess of Customer's Maximum Hourly Liquefaction Quantity tendered by Customer for liquefaction on any day during the month or in excess of Customer's Maximum Hourly Vaporization Quantity vaporized and delivered to Customer on any day during the month.

- (e) Gas Title Transfer Charge: a usage charge for each Dt of gas of Customer's Storage Inventory for which Customer transferred title to another Customer during the month.
  - (f) Truck Delivery Charge: when Customer elects withdrawal by truck in the event of, and in order to address, an unanticipated contingency or emergency, a usage charge for each Dt equivalent of the quantity of gas delivered in its liquefied state by FGS to Customer's and/or its carrier company's transporting vehicle during the month.
- 4.2 If Customer acquires capacity through a capacity release, the applicable rates and charges as set forth in Section 4.1 shall be those in the winning bid for the released capacity as posted on the FGS Web Site.
- 4.3 In addition to the rates and charges set forth in Sections 4.1 and 4.2, Customer shall reimburse FGS for:
- (a) all applicable taxes assessed FGS as set forth in Section 19 of the General Terms and Conditions of this Tariff;
  - (b) all fees and costs as required by FERC or any other regulatory body related to service under this FSS Rate Schedule as set forth in Section 26 of the General Terms and Conditions of this Tariff; and,
  - (c) all other applicable surcharges imposed on FGS, including but not limited to, the Annual Charge Adjustment (ACA).

5. WITHDRAWAL OF STORAGE INVENTORY BALANCE

At least 10 days prior to the end of the primary term or any renewed term of Customer's executed Service Agreement, or upon notice to terminate service pursuant to Section 18.4 of the General Terms and Conditions of this Tariff, FGS shall notify Customer to withdraw all of Customer's Storage Inventory under such Service Agreement. On or before the date of termination of the Service Agreement, Customer shall physically withdraw or transfer its Storage Inventory. To the extent that Customer fails to withdraw or transfer its Storage Inventory, FGS shall have the right to take and retain title to Customer's Storage Inventory at no cost to FGS.

ISS RATE SCHEDULE  
INTERRUPTIBLE STORAGE SERVICE

1. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this FGS FERC Gas Tariff (hereinafter “Tariff”), as such provisions may be amended from time to time, are hereby made a part of this ISS Rate Schedule, provided that in the event of any inconsistency, the provisions of this ISS Rate Schedule shall govern. All terms in this ISS Rate Schedule have the meaning set forth in the General Terms and Conditions of this Tariff.

2. AVAILABILITY

- 2.1 This ISS Rate Schedule is available to any potential Customer for the purchase from FGS of an interruptible service consisting of liquefaction of natural gas, the storage of such gas in its liquefied state and the vaporization and redelivery of gas when (a) Customer has requested Interruptible Storage Service pursuant to Section 3 of the General Terms and Conditions of this Tariff, (b) FGS has determined that it has sufficient operationally available and uncommitted capacity to perform the service requested by Customer and (c) FGS and Customer have executed a Service Agreement in the form set forth in this Tariff for service under this ISS Rate Schedule. Availability under this ISS Rate Schedule shall be subject to a determination by FGS, in its sole discretion, that the service requested shall not interfere with the efficient operation of its Facility or cause a reduction in FGS’s ability to provide service to its Customers under its FSS Rate Schedule.
- 2.2 FGS may refuse service under this ISS Rate Schedule if it determines, in its sole discretion, that Customer would not be able to withdraw all or a portion of Customer’s Storage Inventory within an operationally reasonable time frame when Customer is required to do so under Sections 4.2 or 6 of this ISS Rate Schedule or under Section 14 of the General Terms and Conditions of this Tariff.

3. APPLICABILITY AND CHARACTER OF SERVICE

- 3.1 This ISS Rate Schedule shall apply to all Interruptible Storage Service rendered by FGS to Customer at FGS’s Facility pursuant to an executed Service Agreement and Part 284 of FERC Regulations.
- 3.2 Storage service hereunder shall be on an interruptible basis secondary to service under the FSS Rate Schedule and shall be subject to interruption to the extent that capacity utilized by a Customer under this ISS Rate Schedule is needed by FGS to satisfy FGS’s obligations to Customers under the FSS Rate Schedule and as provided in Section 13 of the General Terms and Conditions of this Tariff concerning Force Majeure and Operating Conditions.

- 3.3 Subject to Section 3.2, Interruptible Storage Service rendered by FGS to Customer under this ISS Rate Schedule shall consist of:
- (a) the receipt by FGS of natural gas for liquefaction as nominated by Customer for any day up to Customer's Maximum Daily Liquefaction Quantity, and for any hour up to Customer's Maximum Hourly Liquefaction Quantity, provided that Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;
  - (b) the storage of gas so received and liquefied, up to Customer's Maximum Storage Quantity; and,
  - (c) the vaporization and redelivery of Customer's gas as nominated by Customer for any day up to Customer's Maximum Daily Vaporization Quantity, and for any hour up to Customer's Maximum Hourly Vaporization Quantity, provided that Customer's Storage Inventory is equal to or exceeds the quantity nominated by Customer.
- 3.4 Subject to the prior consent of FGS, Customer on any day may tender a quantity of natural gas for liquefaction and storage in excess of Customer's Maximum Daily Liquefaction Quantity or Customer's Maximum Hourly Liquefaction Quantity, or request vaporization and redelivery of a quantity of gas in excess of Customer's Maximum Daily Vaporization Quantity or Customer's Maximum Hourly Vaporization Quantity, if, in FGS's sole discretion, liquefaction, storage and vaporization of such excess quantity, as applicable, can be accomplished without detriment to the Facility or the Facility's operational requirements or to FGS's ability to meet its obligations to any other Customer. Such excess quantity shall be deemed an Authorized Excess Daily Liquefaction Quantity, an Authorized Excess Hourly Liquefaction Quantity, an Authorized Excess Daily Vaporization Quantity or an Authorized Excess Hourly Vaporization Quantity.
- 3.5 Customer shall make all arrangements with Transporters for any transportation attendant to the Interruptible Storage Service. Customer's arrangements shall be compatible with Facility operations and as necessary at and upstream of the point where Customer tenders natural gas to FGS for storage and at or downstream of the point where FGS redelivers vaporized gas to Customer.
- 3.6 In the event of, and in order to address, an unanticipated contingency or emergency, and only in such event and for such purpose, Customer may make a storage withdrawal under this rate schedule by truck at the loading platform at FGS's Facility.
- (a) Customer shall give FGS at least 24 hours notice prior to each such withdrawal by truck, which notice shall state the time the carrier will arrive at FGS's Facility and the quantity of gas in its liquefied state to be received by Customer. FGS, in its sole discretion, may waive the 24 hour notice period.
  - (b) It shall be Customer's responsibility to ensure that Customer's receiving facilities are compatible with FGS's delivery facilities.

- (c) Customer's and/or its carrier company's transportation vehicles shall be in complete compliance with all codes and regulations pertaining to the design, construction and operation of containers for the transportation of gas in its liquefied state.
- (d) Customer and/or its carrier company shall have proper insurance and Customer shall provide FGS with a certificate of insurance, satisfactory to FGS, prior to the movement of any vehicle onto FGS's property.
- (e) The size of Customer's and/or its carrier company's transporting vehicle shall not be in excess of a size that can safely navigate, including on the roads at FGS's Facility.
- (f) The quantity of gas in its liquefied state delivered by FGS to Customer shall be determined by having the transportation vehicles weighed on certified scales at the Facility site before and after loading. FGS shall furnish Customer with certified weights prior to, and after, loading with such gas. Customer shall have the option to witness all such weighings. The weight of gas so delivered in its liquefied state shall be converted into dekatherms in accordance with the American Gas Association Gas Measurement Committee Report No. 5 of Fuel Gas Energy Metering, as amended, expanded or superseded from time to time, applied in an appropriate manner.
- (g) Customer's Storage Inventory shall be reduced by the quantity of gas withdrawn in its liquefied state as calculated in Section 3.6(f).

3.7 In no event shall FGS be obligated to provide any Interruptible Storage Service to Customer pursuant to this ISS Rate Schedule for which capacity is not available or which would require the modification or expansion of the Facility or the construction or acquisition of additional facilities.

#### 4. INTERRUPTION OF SERVICE

- 4.1 At any time that interruptible liquefaction or vaporization capacity being utilized by Customer under this ISS Rate Schedule is needed by FGS to satisfy FGS's obligations to Customers under the FSS Rate Schedule, FGS shall notify Customer, in accordance with the deadlines for notice to bumped parties set forth in 5.2 of the General Terms and Conditions of this Tariff, of the extent to which Customer's scheduled liquefaction or vaporization quantities will be interrupted. In such event, Customer shall take all necessary actions to cooperate with and accommodate the interruption in service.
- 4.2 At any time that interruptible storage capacity utilized by Customer under this ISS Rate Schedule is needed by FGS to satisfy FGS's obligations to Customers under the FSS Rate Schedule, FGS shall notify Customer to withdraw all or a portion of Customer's Storage Inventory within an operationally reasonable time frame, such notice to set forth the withdrawal quantity and withdrawal deadline specified by FGS. On or before the withdrawal deadline, Customer must physically withdraw the withdrawal quantity from its Storage Inventory. To the extent that

Customer fails to withdraw the withdrawal quantity from its Storage Inventory, FGS shall have the right to take and retain title to such portion of Customer's Storage Inventory at no cost to FGS.

## 5. RATES

- 5.1 The rates and charges for Interruptible Storage Service under this ISS Rate Schedule shall include the applicable rate components set forth in the Statement of Rates in this Tariff and described below:
- (a) Storage Charge: a daily charge for each Dt of Customer's Maximum Storage Capacity.
  - (b) Fuel Reimbursement: an in kind amount of gas for fuel usage and lost or unaccounted for gas determined in accordance with Section 7 of the General Terms and Conditions of this Tariff.
  - (c) Electric Reimbursement Charge: a usage charge for each Dt of gas tendered by Customer for liquefaction during the month determined in accordance with Section 7 of the General Terms and Conditions of this Tariff.
  - (d) Authorized Excess Quantity Charge: a usage charge for each Dt of gas in excess of Customer's Maximum Hourly Liquefaction Quantity tendered by Customer for liquefaction on any day during the month or in excess of Customer's Maximum Hourly Vaporization Quantity vaporized and delivered to Customer on any day during the month.
  - (e) Gas Title Transfer Charge: a usage charge for each Dt of gas of Customer's Storage Inventory for which Customer transferred title to another Customer during the month.
  - (f) Truck Delivery Charge: when Customer elects withdrawal by truck in the event of, and in order to address, an unanticipated contingency or emergency, a usage charge for each Dt equivalent of the quantity of gas delivered in its liquefied state by FGS to Customer's and/or its carrier company's transporting vehicle during the month.
- 5.2 In addition to the rates and charges set forth in Section 5.1, Customer shall reimburse FGS for:
- (a) all applicable taxes assessed FGS as set forth in Section 19 of the General Terms and Conditions of this Tariff;
  - (b) all fees and costs as required by FERC or any other regulatory body related to service under this ISS Rate Schedules as set forth in Section 26 of the General Terms and Conditions of this Tariff; and,
  - (c) all other applicable surcharges imposed on FGS, including but not limited to, the Annual Charge Adjustment (ACA).

6. WITHDRAWAL OF STORAGE INVENTORY BALANCE

At least 10 days prior to the end of the primary term or any renewed term of Customer's executed Service Agreement, or upon notice to terminate service pursuant to Section 18.4 of the General Terms and Conditions of this Tariff, FGS shall notify Customer to withdraw all of Customer's Storage Inventory under such Service Agreement. On or before the date of termination of the Service Agreement, Customer shall physically withdraw or transfer its Storage Inventory. To the extent that Customer fails to withdraw or transfer its Storage Inventory, FGS shall have the right to take and retain title to Customer's Storage Inventory at no cost to FGS.

## GENERAL TERMS AND CONDITIONS

### 1. APPLICATION

- 1.1 The following General Terms and Conditions apply to all services rendered by FGS under any Service Agreement for service under any of FGS's Rate Schedules effective under this FGS FERC Gas Tariff (hereinafter Tariff).
- 1.2 Any reference in these General Terms and Conditions to a Section number is a reference to that Section of these General Terms and Conditions unless otherwise indicated.

### 2. DEFINITIONS

- 2.1 "Authorized Excess Daily Liquefaction Quantity" means the quantity of natural gas in excess of Customer's Maximum Daily Liquefaction Quantity that Customer nominates, and FGS schedules, to be received, liquefied and placed into storage for Customer's account on any day, provided that such quantity shall not cause Customer's Storage Inventory to exceed Customer's Maximum Storage Quantity.
- 2.2 "Authorized Excess Daily Vaporization Quantity" means the quantity of natural gas in excess of Customer's Maximum Daily Vaporization Quantity that Customer nominates, and FGS schedules, to be withdrawn from storage, vaporized and delivered for Customer's account on any day, provided that such quantity shall not cause Customer's Storage Inventory to go below zero.
- 2.3 "Authorized Excess Hourly Liquefaction Quantity" means the quantity of natural gas in excess of Customer's Maximum Hourly Liquefaction Quantity that Customer nominates, and FGS schedules, to be received, liquefied and placed into storage for Customer's account in any hour, provided that such quantity shall not cause Customer's Storage Inventory to exceed Customer's Maximum Storage Quantity.
- 2.4 "Authorized Excess Hourly Vaporization Quantity" means the quantity of natural gas in excess of Customer's Maximum Hourly Vaporization Quantity that Customer nominates, and FGS schedules, to be withdrawn from storage, vaporized and delivered for Customer's account in any hour, provided that such quantity shall not cause Customer's Storage Inventory to go below zero.
- 2.5 "British thermal unit" or "Btu" means the amount of heat required to raise the temperature of one pound of water 1 degree Fahrenheit at 60 degrees Fahrenheit.
- 2.6 "Business Day" means Monday through Friday excluding Federal banking holidays.

- 2.7 “Central Clock Time” or “CCT” means the time in the Central Time Zone, whether Central Standard Time or Central Daylight Savings Time.
- 2.8 “Customer” means the entity that has executed a Service Agreement with FGS for service under any of FGS’s Rate Schedules effective under this Tariff.
- 2.9 “Day” means a period of twenty-four consecutive hours, beginning and ending at 9 a.m. Central Central Clock Time; the reference date for any day shall be the date of the beginning of such day.
- 2.10 “Dekatherm” or “Dt” or “MMBtu” means the quantity of heat energy equal to 1,000,000 British thermal units. One dekatherm of gas means the quantity of gas which contains one dekatherm of heat energy.
- 2.11 “Electric Reimbursement Charge” means the reimbursement to FGS by Customer for electricity costs incurred by FGS, which Electric Reimbursement Charge shall be a charge per dekatherm of gas tendered by Customer for liquefaction and storage that is determined in accordance with Section 7.
- 2.12 “Facility” means the land, facilities and rights belonging to FGS at Indiantown, Martin County, Florida to be used for the receipt, liquefaction, storage, vaporization and redelivery of natural gas.
- 2.13 “FERC” means the Federal Energy Regulatory Commission or any successor agency.
- 2.14 “FGS” means Floridian Natural Gas Storage Company, LLC.
- 2.15 “FGS Web Site” means FGS’s html page accessible via the Internet’s World Wide Web at <http://www.FloridianGasStorage.com>.
- 2.16 “Firm Storage Service” means service rendered pursuant to an executed Service Agreement under the FSS Rate Schedule of this Tariff.
- 2.17 “Fuel Reimbursement” means the reimbursement in kind to FGS by Customer of gas for fuel usage and lost or unaccounted for gas, which Fuel Reimbursement shall be a daily quantity of gas tendered in addition to the quantity of gas tendered by Customer on such day for liquefaction and storage that is equal to the product of the quantity of gas tendered by Customer on any day for liquefaction and storage and a percentage rate determined in accordance with Section 7.
- 2.18 “Gas” or “natural gas” means a mixture of hydrocarbon and nonhydrocarbon gases which are gaseous at room temperature and pressure, whose primary constituent is methane and that meets

the requirements of the FERC Gas Tariffs of Florida Gas Transmission Company and Gulfstream Natural Gas System, L.L.C.

- 2.19 “Heating Value” means the number of British thermal units produced by the complete combustion with air, at constant pressure, of one cubic foot of dry gas under pressure of 14.73 pounds per square inch absolute and at a temperature of 60° Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and the water formed by combustion is condensed to the liquid state.
- 2.20 “Heel” means the minimum quantity of gas that must remain in the Facility storage tank(s) to maintain cryogenic temperature and redelivery capability, which minimum quantity shall be equal to 260,000 Dt.
- 2.21 “Heel Commitment” means the quantity of gas that each Customer is obligated to provide to FGS before commencement of service to Customer, which quantity shall be stated in Customer’s executed Service Agreement and shall equal the same proportion of the Heel as Customer’s Maximum Storage Quantity is of the Total Storage Capacity.
- 2.22 “Interest” means interest accrued at the same rate of interest and in the same manner as prescribed for pipeline refunds in FERC Regulations, 18 C.F.R. § 154.501(d).
- 2.23 “Interruptible Storage Service” means service rendered pursuant to an executed Service Agreement under the ISS Rate Schedule of this Tariff.
- 2.24 “Maximum Daily Liquefaction Quantity” means the maximum quantity of natural gas which FGS is obligated under the terms of the FSS Rate Schedule or the ISS Rate Schedule to receive, liquefy and place into storage for Customer’s account on any day, not including the Process Gas Loan and the Fuel Reimbursement, which quantity shall equal the same proportion of the Total Daily Liquefaction Capacity as Customer’s Maximum Storage Quantity is of the Total Storage Capacity and shall not exceed the quantity stated in Customer’s executed Service Agreement.
- 2.25 “Maximum Daily Vaporization Quantity” means the maximum quantity of natural gas which FGS is obligated under the terms of the FSS Rate Schedule or the ISS Rate Schedule to withdraw from storage, vaporize and deliver for Customer’s account on any day, and which Customer is entitled to receive from the Facility for its account on any day, which quantity shall equal the same proportion of the Total Daily Vaporization Capacity as Customer’s Maximum Storage Quantity is of the Total Storage Capacity and shall not exceed the quantity stated in Customer’s executed Service Agreement.

- 2.26 “Maximum Hourly Liquefaction Quantity” means the maximum quantity of natural gas which FGS is obligated under the terms of the FSS Rate Schedule or the ISS Rate Schedule to receive, liquefy and place into storage for Customer’s account in any hour, not including the Process Gas Loan and the Fuel Reimbursement, which quantity shall equal the same proportion of the Total Hourly Liquefaction Capacity as Customer’s Maximum Storage Quantity is of the Total Storage Capacity and shall not exceed the quantity stated in Customer’s executed Service Agreement.
- 2.27 “Maximum Hourly Vaporization Quantity” means the maximum quantity of natural gas which FGS is obligated under the terms of the FSS Rate Schedule or the ISS Rate Schedule to withdraw from storage, vaporize and deliver for Customer’s account in any hour, and which Customer is entitled to receive from the Facility for its account in any hour, which quantity shall equal the same proportion of the Total Hourly Vaporization Capacity as Customer’s Maximum Storage Quantity is of the Total Storage Capacity and shall not exceed the quantity stated in Customer’s executed Service Agreement.
- 2.28 “Maximum Storage Quantity” means the maximum quantity of natural gas which FGS is obligated under the terms of the FSS Rate Schedule or the ISS Rate Schedule to store as gas in its liquefied state for Customer’s account at any time, not including the Heel Commitment, which quantity shall be stated in Customer’s executed Service Agreement.
- 2.29 “Minimum Daily Aggregate Liquefaction Quantity” means the minimum quantity that it is operationally feasible for FGS to receive, liquefy and place into storage on any day, not including the Process Gas Loan and the Fuel Reimbursement, which quantity shall be determined each day by FGS based on the quantities nominated by each FGS Customer on such day, the quality of gas stored and to be delivered to and by FGS on such day, and the configuration on such day of the Facility, Florida Gas Transmission Company and Gulfstream Natural Gas System, L.L.C.
- 2.30 “Minimum Daily Aggregate Vaporization Quantity” means the minimum quantity that it is operationally feasible for FGS to withdraw from storage, vaporize and deliver on any day, which quantity shall be determined each day by FGS based on the quantities nominated by each FGS Customer on such day, the quality of gas stored and to be delivered to and by FGS on such day, and the configuration on such day of the Facility, Florida Gas Transmission Company and Gulfstream Natural Gas System, L.L.C..
- 2.31 “Month” means the period beginning at 9:00 a.m. CCT on the first day of the calendar month and continuing through the last day of the calendar month.

- 2.32 “Operational Flow Order” or “OFO” means an order issued by FGS to alleviate conditions which threaten or could threaten the safe operation or system integrity of the Facility, or to maintain conditions required to provide efficient and reliable firm service.
- 2.33 “Point(s) of Delivery” means the point or points specified in Customer’s Service Agreement at which FGS shall redeliver gas to Customer.
- 2.34 “Point(s) of Receipt” means the point or points specified in Customer’s Service Agreement at which FGS shall receive gas from Customer.
- 2.35 “Process Gas Loan” means the loan in kind to FGS by Customer of gas required in the process of providing liquefaction service, which Process Gas Loan shall be a daily quantity of gas determined in accordance with Section 7 and tendered in addition to the quantity of gas tendered by Customer on such day for liquefaction and storage.
- 2.36 “Quantity” or “quantities” mean the number of units of gas in its liquefied or vaporized state expressed in Dekatherms (Dt).
- 2.37 “Reasonably Prudent Operator” means a person acting in good faith with the intention of performing all contractual obligations, and who in doing so and in the general conduct of the undertaking exercises the degree of skill, diligence, prudence and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances.
- 2.38 “Storage Inventory” means the quantity in Dt of gas in its liquefied state in storage in FGS’s Facility for Customer’s account at any particular time.
- 2.39 “Service Agreement” means the written agreement, in the form prescribed in this Tariff, executed by FGS and Customer and applicable to the particular Rate Schedule under which service is to be provided by FGS to Customer, including a Service Agreement entered into pursuant to the Capacity Release provisions of this Tariff.
- 2.40 “Total Daily Liquefaction Capacity” means the total daily liquefaction capacity of the Facility available on any day up to 50,000 Dt per day.
- 2.41 “Total Daily Vaporization Capacity” means the total daily vaporization capacity of the Facility available on any day up to 400,000 Dt per day.
- 2.42 “Total Hourly Liquefaction Capacity” means the total hourly liquefaction capacity of the Facility available in any hour up to 2,083 Dt per hour.

- 2.43 “Total Hourly Vaporization Capacity” means the total hourly vaporization capacity of the Facility available in any hour up to 16,666 Dt per hour.
- 2.44 “Total Storage Capacity” means the total storage capacity of the Facility of 4,000,000 Dt.
- 2.45 “Transporter” means the Customer’s transporter designated to deliver gas to the Point of Receipt or to receive gas from the Point of Delivery.

### 3. REQUESTS FOR SERVICE

- 3.1 Upon the availability of new capacity due to the expiration of any Customer’s Service Agreement or otherwise, FGS will make such capacity available on a non-discriminatory basis. FGS may post on the FGS Web Site advance notice of an open season. Such notice shall set forth the time and day that the open season commences and ends, instructions for where and how to submit requests for service, the minimum rates, if any, that FGS will accept for the available service and any additional pertinent details about the open season. FGS shall entertain requests for service from potential Customers during the open season. Capacity shall be allocated by FGS in its sole discretion to those Customers offering the highest acceptable bids. FGS shall determine the highest bid based upon net present value, with consideration given, in FGS’s sole discretion, to both the prospective Customer’s creditworthiness and its operational flexibility and contractual arrangements with its Transporters; FGS reserves the right to reject, in its sole discretion, any bid not acceptable to FGS. To the extent capacity remains available after allocation to all acceptable bids for Firm Storage Service, remaining capacity shall be allocated to acceptable bids received for Interruptible Storage Service. When remaining unallocated capacity is not sufficient to meet the next highest acceptable bidder’s capacity requirements for Firm Storage Service or Interruptible Storage Service, as applicable, that next highest acceptable bidder has the option of accepting or declining the remaining capacity. Should the next highest acceptable bid be submitted by more than one Customer and there is insufficient remaining capacity available to serve such Customers submitting tied bids, then the remaining capacity shall be allocated to the Customers on a pro rata basis; any such Customer also has the option of accepting or declining the remaining capacity allocated to it pro rata. FGS shall then offer the remaining capacity to the next highest acceptable bidder, until all the remaining capacity is allocated.
- 3.2 FGS may accept requests for service for Firm Storage Service or Interruptible Storage Service for any available capacity, including any remaining available after an open season, allocating such capacity to the first Customer whose request for service FGS finds acceptable based upon the factors set forth in Section 3.1. Any potential Customer wishing to request service shall submit that request in writing to the FGS representative identified on Sheet No. 1 of this Tariff and FGS shall respond to such potential Customer’s request within 5 Business Days of its receipt.

- 3.3 Unless waived by FGS in its sole discretion, all requests for Firm Storage Service or Interruptible Storage Service must be accompanied by earnest money for the requested service in an amount equal to the total of the requested Storage Charge for the requested Maximum Storage Quantity for a 31 day period. This amount shall be applied toward the charges first due from Customer. If a service request is not granted by FGS, the earnest money submitted with the request for service shall be refunded promptly to potential Customer. If a service request is granted by FGS, and Customer under Section 3.7 forfeits the service allocated to it, FGS shall be entitled to retain the earnest money.
- 3.4 All requests for service must include the following information:
- (a) Customer's name and address, and Customer's representative's name, telephone and facsimile numbers and email address;
  - (b) a statement of whether Customer is a local distribution company, an intrastate pipeline company, an interstate pipeline company, marketer/broker, producer, end user or other type of entity (which other type of entity must be described);
  - (c) term of service, including the date service is requested to commence and the date service is requested to terminate;
  - (d) type of service requested;
  - (e) the Maximum Storage Quantity requested;
  - (f) rate offered by Customer for each service requested;
  - (g) all credit information required under Section 4.2; and
  - (h) should Customer desire FGS to provide service pursuant to Section 311 of the Natural Gas Policy Act, a statement warranting that Customer complies with all requirements pursuant to Section 311 and FERC Regulations thereunder for receiving such service, including, but not limited to, compliance with the "on-behalf-of" requirement then in effect.
- 3.5 FGS reserves the right to require, in connection with any request for service, additional information as a prerequisite to FGS offering to execute a Service Agreement with Customer (e.g., proof of Customer's lawful right and/or title to cause the gas to be delivered to FGS for service under this Tariff and of Customer's contractual or physical ability to cause such gas to be delivered to and received from Customer's designated Points of Delivery and Receipt).
- 3.6 FGS shall not be required to provide any requested service for which FGS does not have sufficient available capacity or which would require construction or acquisition by FGS of new facilities or expansion of existing facilities. FGS shall not be required to provide service to any Customer who fails to meet FGS's standards for creditworthiness; all requests for service are subject to credit approval by FGS under the provisions of Section 4 of this Tariff.
- 3.7 FGS shall promptly tender a Service Agreement for execution to any Customer whose request for service is accepted hereunder. Customer shall execute the Service Agreement as tendered within

30 days of its receipt or forfeit the service allocated to it and any earnest money submitted under Section 3.3 and FGS may consider Customer's request for service void.

- 3.8 If at any time after entering into a Service Agreement under the FSS or ISS Rate Schedules Customer desires additional storage capacity entitlement to its Maximum Storage Quantity, Customer may submit a new request for service pursuant to this Section 3 for such additional storage capacity entitlement. In the event that pursuant to this Section 3 Customer is allocated such additional storage capacity entitlement on terms identical to the terms of Customer's Service Agreement, including the same termination date for the service, then FGS and Customer may amend the Service Agreement to reflect the increased Maximum Storage Quantity in lieu of entering into a separate Service Agreement for such additional storage capacity entitlement.
- 3.9 FGS and Customer may mutually agree to consolidate into a single Service Agreement, and terminate as necessary, multiple Service Agreements that are between themselves, for service at the same rate under the same Rate Schedule, with the same termination date, and not pertaining to capacity acquired through capacity release. Any termination required in the consolidation process shall not initiate any procedures for offering capacity under this Section.
- 3.10 Any person may request information on pricing, terms of storage service or capacity availability by contacting the FGS representative identified on Sheet No. 1 of this Tariff. In the event that a complaint arises relative to a request for service, Customer or potential Customer may submit a complaint pursuant to Section 23.

#### 4. CREDIT EVALUATION

- 4.1 FGS shall not be required to provide service to a Customer that fails to satisfy FGS's creditworthiness criteria. Accordingly, acceptance of a request for service and/or continuation of service is contingent upon a satisfactory credit evaluation of Customer by FGS. On a non-discriminatory basis, FGS shall apply consistent financial standards to determine the acceptability of Customer's overall financial condition.
- 4.2 To enable FGS to conduct the credit evaluation, Customer shall submit the information listed below. Except as provided in Section 4.3, a request for service will not be accepted until FGS has received the listed material and based thereupon has made a determination that Customer is sufficiently creditworthy.
- (a) Customer shall provide a list of all corporate affiliates, parent companies and subsidiaries, current financial statements, annual reports, 10-K reports or other filings with regulatory agencies that discuss Customer's financial status, and available reports from credit reporting and bond reporting agencies, all of which shall show that Customer's obligations are being paid on a prompt basis;
  - (b) Customer shall provide a bank reference and at least 2 trade references; all of which shall show that Customer's obligations are being paid on a prompt basis;

- (c) if Customer has an ongoing business relationship with FGS, Customer shall have no delinquent balances outstanding for services provided by FGS to Customer and Customer shall have a record of paying its account according to the established terms and without making deductions or withholding payment except as authorized under its Service Agreement;
- (d) Customer shall confirm in writing that it is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures, such as an assignment for the benefit of creditors, under any informal creditors' committee agreement or under state laws, provided that an exception may be made for a Customer who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal bankruptcy court's jurisdiction;
- (e) Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would materially affect Customer's ability to remain solvent as an ongoing business entity; and,
- (f) Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability to exist as an ongoing business entity.

To the extent that such information is not available for Customer, Customer may provide that information for an affiliated company. In such event, a request for service will not be accepted until FGS has received the listed material for Customer's parent company and, based thereupon, made a determination that Customer's affiliated company is sufficiently creditworthy, and thereafter Customer has provided a guaranty from its affiliated company as provided in Section 4.3(d).

4.3 If Customer elects, either in lieu of providing the information set forth in Section 4.2 or upon notification by FGS that Customer has failed to satisfy the creditworthiness criteria, Customer may obtain credit approval from FGS by providing one of the following in an amount at all times equal to the total of the Storage Charges for three months of storage service for Customer's requested Maximum Storage Quantity:

- (a) an advance deposit;
- (b) a standby irrevocable letter of credit;
- (c) security interest in collateral satisfactory to FGS; or
- (d) a guaranty, acceptable to FGS, by another person or entity that has provided the information set forth in Section 4.2 to FGS and, based thereupon, FGS has made a determination is sufficiently creditworthy.

- 4.4 Customer shall also promptly provide such additional Customer credit information as may be reasonably required by FGS at any time during the term of service under a Service Agreement to enable FGS to determine Customer's creditworthiness.
- 4.5 Upon notification by FGS that Customer during the term of the Service Agreement no longer satisfies the credit criteria, FGS has the right to require security as specified in Section 4.3 and, if satisfactory security is not tendered within 3 Business Days, then FGS, in addition to any other remedy available to it, shall have the right upon 2 Business Days advance notice to suspend service until such security is tendered. If Customer's failure to tender satisfactory security continues for 60 days after the original due date, then FGS, in addition to any other remedy available to it, shall have the right upon 5 days advance notice to terminate Customer's Service Agreement(s).

## 5. NOMINATIONS AND SCHEDULING

- 5.1 For any day on which Customer desires FGS to receive and liquefy, or vaporize and deliver gas, Customer shall submit a nomination to FGS via the FGS Web Site. When a nomination for a date range is made, it is considered to have been made for each day within that range. The nomination shall specify: Customer name; Service Agreement number; daily quantity of gas to be received and liquefied or daily quantity of gas to be vaporized and delivered; the start and end dates of the period when such receipts or deliveries are desired, provided that both such dates are within the term of Customer's Service Agreement; the Points of Receipt or Points of Delivery, as applicable; Transporter and transportation contract number, upstream or downstream as applicable; and, Customer's authorized representative's name, title, telephone and facsimile numbers and email address. A separate nomination must be submitted for any desired Authorized Excess Daily Liquefaction Quantity or Authorized Excess Daily Vaporization Quantity, or for any desired Authorized Excess Hourly Liquefaction Quantity or Authorized Excess Hourly Vaporization Quantity, under the FSS or ISS Rate Schedules. Customer may not submit a nomination for a quantity of gas to be received and liquefied that would cause Customer's Storage Inventory to exceed Customer's Maximum Storage Quantity unless, with respect to such additional storage quantity, Customer makes a request for service pursuant to Section 3.8 and FGS and Customer enter into a new Service Agreement for Firm Storage Service or Interruptible Storage Service.
- 5.2 FGS shall accept nominations for service according to the following nomination timelines, all of which are Central Clock Time:
- (a) For Timely Nominations, the nomination timeline on the day prior to gas flow shall be:
- |            |   |
|------------|---|
| 11:30 a.m. | Nomination leaves control of Customer   |
| 11:45 a.m. | Receipt by FGS of nomination  |
| 12:00 p.m. | Quick response by FGS regarding validity of elements of nomination                              |
| 3:30 p.m.  | Receipt by FGS of completed confirmations from Transporter upstream or downstream as applicable |

4:30 p.m. Notice of quantities scheduled by FGS to Customer and Transporter, which scheduled quantities shall be effective as of 9:00 a.m. on the day of gas flow

(b) For Evening Nominations, the nomination timeline on the day prior to gas flow shall be:

6:00 p.m. Nomination leaves control of Customer

6:15 p.m. Receipt by FGS of nomination

6:30 p.m. Quick response by FGS regarding validity of elements of nomination

9:00 p.m. Receipt by FGS of completed confirmation from Transporter upstream or downstream as applicable

10:00 p.m. Notice of quantities scheduled by FGS to Customer, Transporter and bumped parties, which scheduled quantities shall be effective as of 9:00 a.m. on the day of gas flow

(c) For Intraday AM Nominations, the nomination timeline on the day of gas flow shall be:

10:00 a.m. Nomination leaves control of Customer

10:15 a.m. Receipt by FGS of nomination

10:30 a.m. Quick response by FGS regarding validity of elements of nomination

1:00 p.m. Receipt by FGS of completed confirmations from Transporter upstream or downstream as applicable

2:00 p.m. Notice of quantities scheduled by FGS to Customer, Transporter and bumped parties, which scheduled quantities shall be effective as of 5:00 p.m. on the day of gas flow

(d) For Intraday PM Nominations, the nomination timeline on the day of gas flow shall be:

5:00 p.m. Nomination leaves control of Customer

5:15 p.m. Receipt by FGS of nomination

5:30 p.m. Quick response by FGS regarding validity of elements of nomination

8:00 p.m. Receipt by FGS of completed confirmations from Transporter upstream or downstream as applicable

9:00 p.m. Notice of quantities scheduled by FGS to Customer, Transporter and bumped parties, which scheduled quantities shall be effective as of 12:01 a.m. on the day of gas flow

For each nomination timeline, the sending party must adhere to the deadline and the receiving party has the right to waive the deadline. FGS shall accommodate intraday nominations received after the deadline for Intraday PM Nominations provided that FGS, in its sole discretion, deems that it is operationally feasible to accommodate such nomination and it is possible to confirm the receipt or delivery quantity with the affected Transporter.

5.3 Intraday nominations may be made with respect to one day only and do not rollover or replace the remainder of a standing nomination. Intraday nominations may be used for (a) new requests for gas to be received and liquefied, or vaporized and redelivered, (b) increases or decreases in the daily quantities scheduled, and (c) changes in the Points of Receipt or Delivery. Intraday nominations shall state an effective date and time and shall be based on a daily quantity. FGS and Transporter shall agree on the hourly flows of an intraday nomination if not otherwise addressed in Transporter's tariff.

- 5.4 Nominations shall be processed for scheduling in the order in which they were received. Nominations made by Customers under the FSS Rate Schedule shall be scheduled first, provided that the sum of the nominations for liquefaction on such day is equal to or greater than the Minimum Daily Aggregate Liquefaction Quantity and the sum of the nominations for vaporization on such day is equal to or greater than the Minimum Daily Aggregate Vaporization Quantity. FGS initially shall schedule each such Customer's nomination for a quantity up to its Maximum Daily Liquefaction Quantity or Maximum Daily Vaporization Quantity and Maximum Hourly Liquefaction Quantity or Maximum Hourly Vaporization Quantity, as applicable. FGS next shall schedule each such Customer's nomination for an Authorized Excess Daily Liquefaction Quantity or Authorized Excess Daily Vaporization Quantity, or an Authorized Excess Hourly Liquefaction Quantity or Authorized Excess Hourly Vaporization Quantity, as applicable; to the extent that the sum of all such nominations exceeds the remaining available liquefaction or vaporization capacity as applicable, FGS shall allocate that remaining available capacity pro rata among such Customers based upon each such Customer's Maximum Daily Liquefaction Quantity or Maximum Daily Vaporization Quantity, as applicable. To the extent that capacity remains available after the scheduling of all nominations made by Customers under the FSS Rate Schedule, FGS shall schedule nominations made by Customers under the ISS Rate Schedule following the same procedure as for nominations under the FSS Rate Schedule provided that FGS may give priority to the nominations having the highest value to FGS.

## 6. RECEIPTS AND DELIVERIES

- 6.1 FGS shall not be obligated to receive from Customer for liquefaction and storage any quantity of gas that exceeds Customer's Maximum Daily Liquefaction Quantity on any day or Customer's Maximum Hourly Liquefaction Quantity in any hour or any quantity of gas that would cause the quantity of gas stored for Customer's account to exceed Customer's Maximum Storage Quantity. FGS shall not be obligated to vaporize and deliver to Customer any quantity of gas that exceeds Customer's Maximum Daily Vaporization Quantity on any day or Customer's Maximum Hourly Vaporization Quantity in any hour or any quantity of gas that would cause Customer's Storage Inventory to go below zero. In addition, FGS shall not be obligated to receive from Customer for liquefaction and storage, or vaporize and deliver to Customer, a quantity of gas that, together with quantities to be received from or delivered to other Customers on such day, is less than the Minimum Daily Aggregate Liquefaction Quantity or Minimum Daily Aggregate Vaporization Quantity, as applicable.
- 6.2 Customer shall tender to FGS, and FGS shall receive from Customer, at the Point of Receipt specified in Customer's Service Agreement, gas scheduled to be received and liquefied for Customer's account, plus the applicable Process Gas Loan and Fuel Reimbursement. FGS shall tender to Customer, and Customer shall receive from FGS, at the Point of Delivery specified in

Customer's Service Agreement, gas scheduled to be vaporized and delivered for Customer's account. To the extent applicable, FGS shall tender to Customer a quantity equal to the Process Gas Loan at the Point of Receipt as provided in Section 7.2.

- 6.3 Deliveries of gas to FGS at the Point of Receipt shall be made at sufficient pressures to enter FGS's Facility but in no event shall FGS receive gas at pressures higher than the maximum pressure permitted under Transporter's tariff. FGS shall deliver gas to Customer at sufficient pressures at the Point of Delivery to enter the downstream Transporter's system but in no event shall FGS make such deliveries at pressures higher than the maximum pressure permitted under Transporter's tariff.
- 6.4 FGS shall not be obligated to receive, and Customer shall not tender, gas at an hourly rate in excess of Customer's Maximum Hourly Liquefaction Quantity unless FGS in its sole discretion permits a higher flow rate. FGS shall not be obligated to deliver, and Customer shall not receive, gas at an hourly rate in excess of Customer's Maximum Hourly Vaporization Quantity unless FGS in its sole discretion permits a higher flow rate.
- 6.5 Customer shall be responsible for transportation to the Point of Receipt, and from the Point of Delivery, and payment of all transportation charges relating thereto. Customer shall provide notice to Transporter of any changes in deliveries to FGS at the Point of Receipt or in receipts from FGS at the Point of Delivery.
- 6.6 The policies, rules and operational procedures of Transporter shall control the delivery and receipt of gas at the Point of Receipt and the Point of Delivery. FGS and Customer each agree to provide promptly to the other all information necessary to permit scheduling pursuant thereto. FGS shall not be required to begin service for a Customer's account unless and until Transporter has confirmed all data required for nominations as provided for in Section 5.
- 6.7 Customer and FGS shall cooperate with each other and Transporter to verify delivery and receipt of the volumes on a timely basis.
- 6.8 In the event that Customer delivers to FGS at the Point of Receipt or FGS delivers to Customer at the Point of Delivery a quantity of gas not equal to the quantity of gas received by FGS or Customer, respectively, a "Transportation Imbalance" may occur. Provided that FGS has received or delivered the quantity of gas nominated by Customer and scheduled by FGS and Transporter, Customer shall be liable for all imbalances under its transportation agreement with Transporter. Upon notification by Customer or Transporter that a Transportation Imbalance exists because FGS failed to receive or deliver the quantity of gas nominated by Customer and scheduled by FGS and Transporter, FGS shall endeavor to correct the Transportation Imbalance subject to any restrictions imposed by Transporter and FGS shall be solely liable for any charges, penalties, costs and expenses incurred or payable by either Customer or FGS as a result of the Transportation Imbalance. Customer shall use its best efforts to prevent or diminish any occurrences of imbalances.

- 6.9 FGS shall determine in accordance with Section 8 the total quantity of gas received from Customer or Customer's Transporter at the Point(s) of Receipt and the total quantity of gas delivered to or for the account of Customer at the Point(s) of Delivery. Upon request, FGS shall promptly furnish such information to Customer.
- 6.10 Customer shall be liable and responsible for, shall hold FGS harmless from, and to the extent FGS has been required to pay Transporter, shall be required to reimburse FGS on an as-billed basis for, any and all costs and penalties which may be assessed by Transporter under Customer's transportation agreement, unless such costs and penalties are incurred because FGS is not acting as a Reasonable and Prudent Operator.
- 6.11 Customer shall be liable, and shall reimburse FGS, for all costs incurred by FGS as a consequence of Customer's actions or inactions.
- 6.12 Customer shall provide to FGS all information required for FGS to comply with reporting or other requirements of FERC or any other federal or state agency.

7. HEEL COMMITMENT, PROCESS GAS LOAN, FUEL REIMBURSEMENT AND ELECTRIC REIMBURSEMENT CHARGE

- 7.1 On or before the date that service to Customer commences under Customer's executed Service Agreement Customer shall tender to FGS its Heel Commitment.
- 7.2 If requested by FGS on any day, Customer shall deliver, in addition to the quantity of gas tendered by Customer on such day for liquefaction and storage, the Process Gas Loan, which shall be the daily quantity of gas that is determined by FGS to be required in order for FGS to provide liquefaction and storage service. Such quantity of gas is on loan from Customer to FGS and FGS shall deliver an equal quantity of gas at the Point of Receipt to Customer's Transporter for Customer's account within 24 hours of Customer's delivery of the Process Gas Loan.
- 7.3 In addition to the quantity of gas tendered by Customer on any day for liquefaction and storage, Customer shall deliver the Fuel Reimbursement. The effective percentage rate utilized to calculate the Fuel Reimbursement for the period from the date FGS places the Facility into commercial service until the second January 1 after such date shall be the quotient, based on FGS's best estimates for the first complete November 1-October 31 annual period of commercial service, of the total number of dekatherms of gas to be used at the Facility for fuel or constituting lost or unaccounted for gas and the total number of dekatherms of gas to be liquefied at the Facility. Thereafter, the effective percentage rate utilized to calculate the Fuel Reimbursement shall be subject to annual adjustment on each January 1 as follows:
- (a) for each annual period concluding on October 31, FGS shall calculate the total number of dekatherms of gas used at the Facility for fuel or constituting lost or unaccounted for gas;
  - (b) for each annual period concluding on October 31, FGS shall calculate the total number of dekatherms of gas liquefied at the Facility;

- (c) FGS shall calculate its actual average fuel rate for liquefaction service in such annual period by dividing the total number of dekatherms of gas used at the Facility for fuel or constituting lost or unaccounted for gas by the total number of dekatherms of gas liquefied at the Facility in such annual period; and,
- (d) the percentage rate utilized to calculate the Fuel Reimbursement shall be increased or decreased, as applicable, by the difference between the actual average fuel rate for liquefaction service in such annual period and the percentage rate utilized to calculate the Fuel Reimbursement effective in such annual period.

7.4 For each dekatherm of gas tendered by Customer on any day for liquefaction and storage, Customer shall pay the Electric Reimbursement Charge. The effective Electric Reimbursement Charge for the period from the date FGS places the Facility into commercial service until the second January 1 after such date shall be the quotient, based on FGS's best estimates for the first complete November 1-October 31 annual period of commercial service, of the total cost for electric power to be used at the Facility and the total number of dekatherms of gas to be liquefied at the Facility. Thereafter, the effective Electric Reimbursement Charge shall be subject to annual adjustment on each January 1 as follows:

- (a) for each annual period concluding on October 31, FGS shall calculate its total cost for electric power used at the Facility;
- (b) for each annual period concluding on October 31, FGS shall calculate the total number of dekatherms of gas liquefied at the Facility;
- (c) FGS shall calculate its actual average electric power cost per dekatherm of liquefaction service in such annual period by dividing the total cost for electric power used at the Facility by the total number of dekatherms of gas liquefied at the Facility in such annual period; and,
- (d) in the event that the percentage difference between the actual average electric power cost per dekatherm of liquefaction service in such annual period and the then-effective Electric Reimbursement Charge is more than 1.25%, then such Electric Reimbursement Charge shall be increased or decreased, as applicable, by such percentage difference.

## 8. MEASUREMENT

- 8.1 FGS shall keep accurate records of the quantities of gas tendered, liquefied, stored, vaporized and delivered to or for the account of Customer, and of Customer's Storage Inventory, which records shall be made available to Customer upon its request.
- 8.2 The unit of the gas deliverable shall be a Dekatherm (one Dt) of gas on the measurement basis hereinafter set forth.

- 8.3 The quantity and the Heating Value of the gas delivered by FGS to or for the account of Customer or delivered by Customer or Customer's Transporter to FGS for liquefaction shall be determined in accordance with the provisions for measurement in Transporter's tariff.
- 8.4 FGS shall install, maintain and operate, or shall cause to be installed, maintained and operated, measuring facilities properly equipped with orifice meters, recording gauges and other necessary measuring equipment of standard make and design commonly acceptable in the industry so as to accomplish the accurate measurement of gas delivered by Customer or FGS. The accuracy of the measurement equipment utilized by FGS or its designee shall be verified by FGS at reasonable intervals, and, if requested, in the presence of representatives of Customer, provided that the expense of any special tests as may be requested by Customer shall be borne by Customer if the measuring equipment is found by such tests to be accurate.

## 9. QUALITY

- 9.1 The gas delivered by Customer or Customer's Transporter to FGS for liquefaction and storage shall meet the quality specifications of Florida Gas Transmission Company and Gulfstream Natural Gas System, L.L.C., provided, however, that FGS reserves the right to refuse to accept delivery of gas if the Btu's per standard cubic foot of such gas exceed 1060.
- 9.2 If the gas tendered by Customer or Customer's Transporter to FGS for liquefaction shall fail at any time to meet the quality specifications under Section 9.1, or might otherwise interfere with or adversely affect FGS's liquefaction, storage or vaporization processes, then upon notification by FGS to Customer, FGS shall refuse to accept such gas pending correction by Customer or Customer's Transporter.
- 9.3 Unless waived by FGS, if, as of the date 18 months after the date that Customer tendered a quantity of gas at the Point(s) of Receipt to FGS for liquefaction and storage, Customer has not received redelivery of any such gas from FGS at the Point(s) of Delivery, Customer shall be required to accept redelivery of a quantity of gas that is equal to at least 50% of the quantity of gas that Customer tendered for liquefaction and storage to FGS.
- 9.4 The gas delivered by FGS to or for the account of Customer shall meet the quality specifications of Transporter at the Point of Delivery provided that the gas delivered by all Customers in the aggregate during the period from Customer's first delivery of the gas being withdrawn to such withdrawal from Customer's has met the quality specifications under Section 9.1.
- 9.5 If the gas tendered by FGS for delivery to Customer or Customer's Transporter shall fail at any time to meet the quality specifications under Section 9.4, then upon notification by Customer to FGS, Customer may accept delivery and make such changes as are necessary to bring such gas into conformity. Customer may deduct any reasonable expense incurred in effecting such changes from future payments to FGS only to the extent that any such failure to meet the quality specifications is due to the failure of FGS to act as Reasonable and Prudent Operator.

10. WARRANTY OF TITLE

Customer warrants that it shall at the time of delivery of gas to FGS have good and marketable title to all gas tendered or the right to have the gas transported and stored. The title or the right to the gas received by FGS for Customer's account shall remain with Customer during storage of the gas by FGS. Customer warrants that the gas it tenders will be free and clear of all liens, encumbrances and claims except those that would not prevent Customer from tendering the gas to FGS for storage or receiving delivery of the gas from FGS. Customer shall indemnify FGS and save it harmless from all suits, actions, debts, accounts damages, costs, losses and expenses arising out of adverse claims of any and all persons with respect to the title or the right to gas tendered to FGS.

11. POSSESSION OF GAS AND INSURANCE

11.1 After Customer delivers to FGS at the Point of Receipt, FGS shall be deemed to be in control and possession of the gas until it is redelivered to Customer at the Point of Delivery, after which Customer shall be deemed to be in control and possession of such gas. Except as provided in Section 11.2, Customer shall have no responsibility with respect to any gas after delivery to FGS and before redelivery to Customer or on account of anything which may be done, happen or arise with respect to such gas after such delivery and before such redelivery. FGS shall have no responsibility with respect to such gas before Customer delivers it to FGS or after FGS redelivers such gas to Customer, or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

11.2 FGS shall carry property insurance on the Facility. Customer shall carry proper property insurance on the gas it tenders to FGS for liquefaction, storage, vaporization and redelivery and Customer shall provide FGS with a certificate of insurance, satisfactory to FGS, prior to the delivery of gas to FGS.

12. MAINTENANCE

FGS shall schedule routine maintenance that would cause disruption of service outside of normal periods of peak demand. FGS, acting as a Reasonable and Prudent Operator, shall schedule all other maintenance so as to minimize disruptions of service to Customers and shall provide Customer notice of same.

13. FORCE MAJEURE AND OPERATING CONDITIONS

13.1 The term Force Majeure means (i) physical events such as acts of God, epidemics, landslides, lightning, earthquakes, fires, floods, washouts, explosions, freezing of or damage to receipt or delivery facilities, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting the entire geographic region, such as low

temperatures which cause freezing or failure of lines of pipe or storms or storm warnings, such as hurricanes, which result in evacuation of facilities; (iii) acts of others such as strikes, lockouts or other industrial disturbances, arrests, civil disturbances, riots, terrorist attacks, sabotage, blockades, insurrections or wars; (iv) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction; (v) inability to obtain or unavoidable delay in obtaining material or equipment; and, (vi) any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the one of FGS or Customer claiming suspension and which by the exercise of due diligence FGS or Customer is unable to prevent or overcome.

13.2 The term Operating Conditions means the necessity to make modifications, tests, or repairs to FGS's Facility, but does not mean routine maintenance during normal periods of peak demand and, for Section 13.3 only, does not mean maintenance required due to FGS's failure to act as a Reasonable and Prudent Operator.

13.3 In the event either FGS or Customer is unable due to Force Majeure or Operating Conditions to carry out its obligations (except to pay Storage Charges or amounts accrued and due as of the event), such obligations shall be suspended to the extent affected by, and for the period of, such event, and neither shall be liable to the other for damages occasioned thereby, provided that such party gives prompt and full notice of such event to the other party and provided such party acts with due diligence to remedy, and avoid the adverse impacts of, such event with all reasonable dispatch in order to resume performance, provided that the resolution of strikes, lockouts or other labor disputes shall be within the sole discretion of the party involved therein.

#### 14. PRIORITY, INTERRUPTION OF SERVICE AND OPERATIONAL FLOW ORDERS

14.1 If, due to Force Majeure or Operating Conditions, FGS is unable to receive, liquefy, vaporize or redeliver gas tendered by Customers for storage service, then FGS shall order reduction of service as follows:

- (a) first, FGS shall order interruption or allocation of service under the ISS Rate Schedule based on Customers' capacity entitlements for liquefaction, storage and/or vaporization on a pro rata basis based on interruptible contract entitlements.
- (b) second and last, FGS shall order interruption or allocation of service under the FSS Rate Schedule based on Customers' capacity entitlements for liquefaction, storage and/or vaporization on a pro rata basis based on firm contract entitlements.

14.2 FGS shall provide notice of any reduction in service due to a capacity constraint as soon as possible under all circumstances but, for a capacity constraint that is anticipated (for example, due to required maintenance), FGS shall provide such notice no later than 48 hours, and at least one Business Day, in advance of the constraint period.

14.3 In the event of Force Majeure or Operating Conditions that threaten the integrity or the safe and prudent operation of FGS's Facility or any component thereof, it may be necessary for FGS to issue Operational Flow Orders (OFOs) to effectuate vaporization and delivery of gas stored at such facilities. Before issuing an OFO, FGS shall attempt to remedy those Operating Conditions through requests for voluntary action provided, however, exigent circumstances may exist which require immediate issuance of an OFO. Upon issuance of an OFO by FGS to Customer, Customer shall adjust its gas receipts from FGS as directed in the OFO; if Customer fails to so adjust receipts, FGS shall have the right to take and retain title to such portion of Customer's Storage Inventory at no cost to FGS. Notice of any OFO issued shall be given by FGS directly to the affected Customer at least 24 hours in advance, unless exigent circumstances dictate shorter notice. Each OFO shall contain the following information:

- (a) time and date of issuance;
- (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
- (c) duration of the OFO (if none is specified, the OFO shall be effective until further notice);
- (d) a description of the event leading to the issuance of the OFO;
- (e) the amount of gas required to be taken by Customer; and
- (f) any other terms FGS may reasonably require to ensure effectiveness of the OFO.

FGS shall post notice of all OFOs, including the foregoing information, on the FGS Web Site and, at Customer's choice, provide notice either by e-mail or directly to Customer's Internet URL address, as expeditiously as possible. Upon termination of an OFO, FGS shall post on the FGS Web Site relevant information specific to the individual situation regarding the issuance and lifting of that particular OFO as soon as it is available.

## 15. CAPACITY RELEASE

15.1 A Customer ("Releasing Customer") party to an effective Service Agreement with FGS under the FSS Rate Schedule may, in accordance with the provisions of this Capacity Release Section, release its firm capacity entitlements to a third party ("Replacement Customer"). A Replacement Customer may rerelease all or part of the acquired firm capacity entitlements under the FSS Rate Schedule to one or more other Replacement Customers.

15.2 The following defined terms are applicable to this Capacity Release Section:

- (a) "Releasable Firm Capacity Entitlements" mean firm storage capacity entitlements, and the liquefaction and vaporization capacity entitlements associated therewith, as described in a Releasing Customer's Service Agreement.
- (b) "Prearranged Release" means an arrangement by a Releasing Customer for a specific Replacement Customer to obtain the Releasing Customer's released capacity.

- (c) “Recall Rights” mean conditions under which the right to the released capacity reverts from the last Replacement Customer to a Releasing Customer, provided that Releasing Customer specifies such conditions in a manner that is objective, non-discriminatory and applicable to all potential Replacement Customers.
- (d) “Best Bid” means the bid selected by FGS from among the bids submitted by potential Replacement Customers who qualify for bidding pursuant to Section 15.4(b), based on the Releasing Customer’s objective criteria and tie-breaking methodology, or in the absence thereof, FGS’s objective criteria and tie-breaking methodology as set forth in Section 15.8. Such Best Bid shall be selected within 1 hour after the close of the bidding period and immediately reported to the Releasing Customer; the terms of such Best Bid shall be posted on the FGS Web Site, including: (i) identity of Releasing Customer; (ii) identity of Replacement Customer; (iii) term of the release; (iv) specific quantity of capacity released; (v) daily storage charge per Dt of firm storage capacity entitlement applicable to the capacity; and, (vi) all conditions of release objectively stated including, but not limited to, any recall conditions.
- (e) “Contingent Bid” means a bid qualified by the bidder (if permitted by a Releasing Customer) to make its acceptance of awarded capacity contingent upon such bidder obtaining other released capacity at FGS’s Facility or on a third party pipeline; if any capacity awarded pursuant to a contingent bid is declined by the contingent bidder, the next Best Bid shall be selected, and so on, until all contingent bids related to such capacity have been exhausted.
- (f) “Reput Rights” mean rights of the Releasing Customer, after a recall, to reput capacity to Replacement Customer, provided that Releasing Customer specified such rights at the time of the capacity release.

15.3 A Releasing Customer may release its Releasable Firm Capacity Entitlements in whole or in part, on a full or partial term basis, with or without Recall Rights or Reput Rights or any combination thereof. Notice shall be posted in accordance with the posting periods set forth in Section 15.6 as follows:

- (a) **Prearranged Releases Not Subject to Prior Notice:** for each capacity release for any period of 31 days or less, a Releasing Customer may release capacity to a qualified Replacement Customer by providing notice to FGS of such release and FGS shall post notice of such release on the FGS Web Site. Both such notices shall include the following information:
  - 1) identity of Releasing Customer.
  - 2) identity of Replacement Customer.
  - 3) term of the release.
  - 4) specific quantity of capacity to be released.
  - 5) daily storage charge per Dt of storage capacity released.

- 6) all conditions of release objectively stated including, but not limited to, any conditions related to Recall Rights or Reput Rights.
- (b) Prearranged Releases Subject to Prior Notice: for each prearranged capacity release for any period of more than 31 days, or at Releasing Customer's option for any period of less than 31 days, Releasing Customer shall provide to FGS notice of such release and FGS shall post the notice of the prearranged offer for release on the FGS Web Site. Such notice shall include the following information:
- 1) identity of Releasing Customer unless Releasing Customer elects otherwise.
  - 2) term of the release.
  - 3) all conditions of release objectively stated including, but not limited to, any conditions related to Recall Rights or Reput Rights.
  - 4) specific quantity of capacity to be released.
  - 5) prearranged daily storage charge per Dt of storage capacity released.
  - 6) start and end dates for posting period for competitive bids.
  - 7) objective criteria for selecting the Best Bid.
  - 8) tie-breaking methodology.
  - 9) date and time of the offer posting.
  - 10) period for prearranged Replacement Customer to match Best Bid.
  - 11) if contingent bids are permitted, period for contingent bidder to accept or decline capacity without condition.
- (c) Releases that are Not Prearranged but are Subject to Prior Notice and Competitive Bidding: for any release that is not prearranged, Releasing Customer shall provide to FGS notice of such release and FGS shall post the notice of the release on the FGS Web Site. Such notice shall include the following information:
- 1) identity of Releasing Customer unless Releasing Customer elects otherwise.
  - 2) term of the release.
  - 3) all conditions of release objectively stated, including, but not limited to, any conditions related to Recall Rights or Reput Rights and, at the option of Releasing Customer, any minimum term, rate, or volume conditions.
  - 4) specific quantity of capacity to be released.
  - 5) start and end dates for posting period for competitive bids.
  - 6) objective criteria for selecting the Best Bid.
  - 7) tie-breaking methodology.
  - 8) date and time of the offer posting.
  - 9) if contingent bids are permitted, period for contingent bidder to accept or decline capacity without condition.

15.4 The following procedures are applicable to offers for capacity to be released and bids for released capacity:

- (a) Offers for capacity to be released and bids for released capacity shall be submitted to FGS via the FGS Web Site. Offers are binding until electronic notice of withdrawal is received by FGS. All objectively stated and nondiscriminatory approved offers for release capacity received by FGS from Releasing Customers shall be made available on the FGS Web Site in accordance with Section 15.6. Where unanticipated circumstances

justify, such offers may be withdrawn unless a minimum bid has been submitted for such capacity.

- (b) A potential Replacement Customer cannot submit a bid for firm capacity posted by a Releasing Customer unless such potential Replacement Customer has satisfied FGS's requirements for creditworthiness under Section 4 prior to submitting a bid.
- (c) Bids shall be stated as a daily storage charge per Dt of storage capacity entitlement.
- (d) Releasing and Replacement Customers shall hold FGS harmless with regard to any claim which may be raised by any party regarding the selection of a Best Bid, except to the extent that such party successfully establishes that FGS has incorrectly selected the Best Bid as the result of the negligent action or willful misconduct of FGS.
- (e) Potential Customers bidding for capacity shall have access to other potential Customers' bids, but not other potential Customers' identities, during the bidding process.
- (f) Releasing Customer may not extend the bid period, or the prearranged deal match period, without posting a new release.
- (g) The term of the release shall be for a fixed period that may not be extended.
- (h) For prearranged capacity releases, the Releasing Customer must submit both the offer and the bid.
- (i) For prearranged capacity releases, if the Best Bid is superior to the prearranged offer, FGS shall give the prearranged Replacement Customer the opportunity to be awarded such capacity by matching the terms and conditions of the Best Bid during the specified period, which period must be at least one half hour after evaluation period ends in accordance with Section 15.6.
- (j) For all releases subject to bid, FGS shall post on the FGS Web Site notice of the winning bid for the release, including the terms outlined in Section 15.3(a).

15.5 Once released capacity has been awarded, the terms of the award, which shall be based on the Releasing Customer's offer to release the capacity and the Replacement Customer's bid for the capacity, and the provisions of FGS's Form of Service Agreement in this Tariff shall together establish and constitute the contractual relationship between FGS and the Replacement Customer governing the released capacity, with the terms of the award supplying the necessary information to complete the Form of Service Agreement. Such contracting process shall be accomplished through the FGS Web Site.

15.6 The following Capacity Release Timelines, all of which refer to a Business Day and Central Clock Time, are applicable to all parties involved in the Capacity Release process provided that all information provided by the parties to the transaction is valid. However, if a Customer proposes special terms or conditions of the release or a bid evaluation methodology other than those specified in Section 15.8, one additional Business Day shall be added to the evaluation period and all subsequent deadlines shall be delayed by such additional Business Day. The maximum posting

period shall be 30 Business Days for a release period of less than one year and 90 Business Days for a release period of one year or longer.

- (a) The times for posting of pre-arranged offers for capacity releases for 31 days or less not subject to bid are:

10:30 a.m.	Timely Nomination Cycle
4:00 p.m.	Evening Nomination Cycle
9:00 a.m.	Intraday AM Nomination Cycle
4:00 p.m.	Intraday PM Nomination Cycle

In all cases FGS shall tender a contract to the Replacement Customer within one hour of the posting and Replacement Customer may nominate at the earliest available nomination cycle for the effective date of the contract.

- (b) The timeline for releases of less than one year subject to bid is:

12:00 noon	Releasing Customers submit offers to release firm capacity and, if applicable, Pre-Arranged Replacement Customer's bid terms, for FGS's approval.
1:00 p.m.	Bidding period closes and evaluation period begins, during which contingency bids are eliminated, Best Bid is determined, and ties are broken.
2:00 p.m.	Evaluation period ends. FGS identifies the Best Bid; or notifies Pre-Arranged Customer of right to match the Best Bid pursuant to Section 15.4(i).
2:30 p.m.	Pre-Arranged Replacement Customer's right to match Best Bid expires.
3:00 p.m.	FGS posts awarded release to Replacement Customer.
4:00 p.m.	FGS shall tender a contract and Replacement Customer may nominate at the earliest available nomination cycle for effective date of contract.

- (c) The timeline for releases of one year or longer is the same as for releases of less than one year except that the Releasing Customer shall post the offer via the FGS Web Site by 12:00 noon at least 4 Business Days before the bidding period ends at 1:00 p.m. on the Business Day before nominations are due.

15.7 Any effective Recall Rights or Reput Rights may be exercised subject to the following:

- (a) The Releasing Customer specifying the recall conditions shall be the only party that may exercise and administer such Recall Rights and recall conditions may not be expanded or in any way modified by subsequent Releasing Customers. In the event of any conflict, the instructions and communications of the Releasing Customer specifying the recall conditions shall govern.
- (b) FGS shall have no liability to any party in relying on the recall instructions and conditions specified by the Releasing Customer, except to the extent that such party establishes that FGS has incorrectly applied such instructions as a result of the failure of FGS to act as a Reasonable and Prudent Operator.
- (c) Releasing Customers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination Cycle and

the Evening Nomination Cycle, and recall up to two-thirds of the released capacity at the Intraday AM Nomination Cycle and up to one-half of the released capacity at the Intraday PM Nomination Cycle by providing notice to FGS and the first Replacement Customer by 8:00 a.m. for the Timely Nomination Cycle, 5:00 p.m. for the Evening Nomination Cycle, 7:00 a.m. for the Intraday AM Nomination Cycle and 2:30 p.m. for the Intraday PM Cycle. For recall notification provided to FGS prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., FGS shall provide notification to all affected Replacement Customers no later than one hour after receipt of such recall notification. For recall notification provided to FGS after 5:00 p.m. and prior to 7:00 a.m., FGS shall provide notification to all affected Replacement Customers no later than 8:00 a.m. after receipt of such recall notification. The party recalling the capacity shall be subject to FGS's nomination deadlines in Section 5.2. In no event shall FGS be obligated to deliver volumes in excess of the total daily contract quantity of the release as a result of recalls.

- (d) When capacity is recalled, it may not be reput for the same day. The deadline for notifying FGS of a reput is 8:00 a.m. to allow for timely nominations to flow on the next day.
- (e) At the end of the recall period, capacity shall revert back to the Replacement Customer, provided that Reput Rights were specified at the time of the capacity release, subject to FGS's nomination deadlines in Section 5.2.

- 15.8 FGS's standard for selecting the Best Bid shall be the same standard utilized in its open seasons as set forth in Section 3.1. In case of ties, unless otherwise specified by the Releasing Customer, the winning bid shall be the first bid in time.
- 15.9 The Replacement Customer shall be billed by FGS and shall make payments to FGS in accordance with the terms of the FSS Rate Schedule, and the Service Agreement, and FGS shall simultaneously credit (on a contingent basis) all Storage Charges billed to the Replacement Customer to the Releasing Customer's bill in that month. If the Replacement Customer fails to pay the Storage Charges by the due date, FGS shall reverse the credit and bill the Releasing Customer in the following month for said Storage Charges, plus interest, and the rights to the capacity, at the election of the Releasing Customer, shall revert to the Releasing Customer for the remaining term of the release.
- 15.10 FGS shall have the right to negotiate a mutually agreeable marketing fee with a Releasing Customer for any marketing services which are provided by FGS.
- 15.11 A Customer which has a currently effective executed Service Agreement with FGS under the FSS Rate Schedule may release to a Replacement Customer capacity awarded under the provisions of this Capacity Release Section for the remaining term of its Service Agreement, and be relieved of

all liability under its Service Agreement prospective from the effective date of such release, provided that the following conditions are satisfied:

- (a) Customer's capacity was not acquired under temporary capacity release pursuant to this Capacity Release Section;
- (b) the Replacement Customer executes a new Service Agreement under the FSS Rate Schedule, pursuant to Part 284 of the FERC Regulations that is subject to pre-granted abandonment;
- (c) the Replacement Customer accepts all prospective obligations of the Releasing Customer; and
- (d) the Replacement Customer satisfies the credit requirements set forth in Section 4.

15.12 The release of storage capacity (or recall or termination thereof) requires the Releasing or Replacement Customer, as applicable, to have withdrawn or transferred any portion of such Customer's Storage Inventory related to such released storage capacity by the effective date of such release, recall or termination. A transfer of any such portion of a Storage Inventory may be concurrent with a release of storage capacity (or recall or termination thereof). If the Releasing or Replacement Customer, as applicable, fails to withdraw or transfer such portion of Customer's Storage Inventory related to released storage capacity, FGS shall have the right to take and retain title to such portion of Customer's Storage Inventory at no cost to FGS.

## 16. TITLE TRANSFERS OF GAS IN STORAGE

16.1 A Customer ("Transferring Customer") that has executed a Service Agreement may transfer all or a portion of its Storage Inventory to another Customer ("Receiving Customer") that has executed a Service Agreement under the same Rate Schedule provided that the transfer does not cause:

- (a) the Receiving Customer to exceed its Maximum Storage Capacity unless, before the transfer occurs, the Receiving Customer enters into a capacity release arrangement providing for the additional storage capacity entitlement under the applicable Rate Schedule in accordance with Section 15; or
- (b) the Transferring Customer's Storage Inventory to be less than zero.

16.2 Transferring Customer must provide FGS with notice and Receiving Customer must provide confirmation prior to the nomination deadline for the day that the Storage Inventory is to be transferred. After Transferring Customer's notice and Receiving Customer's confirmation are received, FGS shall recognize the transfer for purposes of computing available Storage Inventory and the transfer may not be revoked.

## 17. BILLINGS AND PAYMENTS

17.1 By the 10th day of each month, or if such day is not a Business Day the first Business Day thereafter, FGS shall invoice Customer (or Replacement Customer pursuant to Section 15.9) for all applicable charges for service in the immediately preceding month, providing supporting

documentation acceptable in industry practice to support the amount charged. If necessary the invoice may be based upon the best available estimated quantities, in which event the invoiced amount shall then be adjusted to reflect actual quantities on the next month's invoice or as soon thereafter as actual quantities are available.

- 17.2 By the later of the 20th day of each month or the 10th day after the date of FGS's invoice, or if such day is not a Business Day the first Business Day thereafter, Customer shall pay FGS the full amount reflected on the invoice in immediately available funds by wire transfer (Fedwire, CHIPS, or Bank Book Entry) or Automated Clearing House (ACH) or any other recognized electronic or automated payment mechanism that is agreed upon by FGS and Customer.
- 17.3 If Customer in good faith disputes the amount of any invoice, Customer shall pay such amount as it concedes to be correct and shall provide to FGS supporting documentation acceptable in industry practice to support withholding payment of the disputed amount. FGS and Customer shall cooperate in good faith to resolve any such dispute as expeditiously as possible, and the portion, if any, of such disputed amount eventually determined to be due shall bear Interest from the original due date until the date actually paid.
- 17.4 In the event Customer fails to pay to FGS the entire undisputed amount when due, the unpaid portion shall bear Interest from the original due date until the date actually paid. If Customer's failure to pay the undisputed portion of any invoice continues for 30 days after the original due date, then FGS, in addition to any other remedy available to it, shall have the right upon 5 days advance notice to suspend service until such default shall have been cured. If Customer's failure to pay the undisputed portion of any invoice continues for 60 days after the original due date, then FGS, in addition to any other remedy available to it, shall have the right upon notice to terminate service and to take and retain title to Customer's Storage Inventory.
- 17.5 FGS and Customer shall each have the right, at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other, but only to the extent reasonably necessary to verify the accuracy of any invoice, charge, payment or computation. Customer shall also make available to FGS for audit purposes any relevant records of the Transporters to which Customer has access. FGS and Customer shall be required for a period of 2 years after the date of each invoice to maintain relevant books, records and telephone recordings. At the end of such two-year period, the invoice and respective payment shall be conclusively presumed final and accurate and all associated claims for under or over payments shall be deemed waived unless such invoices or payments have been objected to in writing, with adequate supporting documentation. All retroactive adjustments shall be paid in full with Interest by the party owing payment within 30 days of notice and substantiation of such inaccuracy.

18. TAXES

If at any time FGS is required to remit any taxes assessed on gas under Customer's Service Agreement, then FGS shall have the right to collect from Customer such taxes, including any penalties and interest. Customer agrees to reimburse FGS for any such taxes assessed on the gas and paid by FGS, including any penalties and interest, within 15 days of the date of invoice from FGS. Customer shall furnish FGS information pertaining to taxation on the gas, satisfactory to FGS, to enable FGS to comply with any reports required by state or federal government and agencies or to file federal and state tax returns.

19. OFF-SYSTEM CAPACITY

FGS may, from time to time, acquire transportation and/or storage capacity on a third party pipeline system. FGS shall only provide transportation and storage services for others using such capacity pursuant to the relevant open access FERC Gas Tariff subject to the rates approved by FERC and the "shipper must hold title" policy is waived to permit such use.

20. NOTICES

General communications shall be posted on the FGS Web Site as provided in Section 22. Except as otherwise provided in this Tariff or in the executed Service Agreement, any notice, request, demand, statement or bill provided for in Customer's Service Agreement or this Tariff shall be (a) given in writing, (b) transmitted by personal delivery, by United States mail or courier service, or via email or facsimile to FGS or Customer at the addresses shown in the executed Service Agreement or such other address as either may designate in writing, and (c) if transmitted and confirmed by email or facsimile before 5:00 p.m. CCT on a Business Day, be deemed to have been given or made on the Business Day on which so transmitted, or if not before such deadline, on the next Business Day, and, if sent by overnight courier and delivery is confirmed, or, if mailed by registered or certified mail, return receipt requested, be deemed to have been given or made on the day on which delivered.

21. FGS WEB SITE

21.1 FGS shall maintain the FGS Web Site accessible via the Internet's World Wide Web to provide information regarding services available at its Facility. The FGS Web Site shall have informational postings regarding the following:

- (a) operationally available or unsubscribed capacity, including capacity available through capacity release;
- (b) index of customers;
- (c) FGS's FERC Gas Tariff;
- (d) notices, including notices of planned service outages and of interruptions due to Force Majeure and Operating Conditions;
- (e) information which FGS is required to post by provisions of this Tariff;

- (f) information which FGS is required to post pursuant to FERC Regulations, 18 CFR §284.13;
- (g) information FGS chooses to post in furtherance of the operation of its Facility; and
- (h) names and telephone numbers of on-call FGS employees to contact in an emergency.

All information that is submitted for posting on the FGS Web Site shall be submitted to the attention of the FGS representative identified on Sheet No. 1 of this Tariff.

- 21.2 FGS shall post information on a daily basis on the FGS Web Site, which information shall be displayed in reverse chronological order. Information concerning completed capacity release transactions shall remain on the FGS Web Site for at least ninety (90) days after completion of the transaction and shall be archived after such transactions are no longer actively maintained on the system. Archived information shall be made available by FGS within a reasonable period of time after a Customer's request for such information, and FGS may charge a reasonable fee for providing such archived information. FGS shall maintain and retain back-up records of the information displayed on the FGS Web Site for no less than 3 years.

## 22. COMPLAINT PROCEDURES

- 22.1 Customers and potential Customers are encouraged to work with FGS to resolve problems on an informal basis prior to filing a formal complaint.

- 22.2 In the event of an unresolved problem, Customer should submit a written description of the complaint, identifying the request for service or Service Agreement as applicable, to FGS at the following address:

Floridian Natural Gas Storage Company, LLC

Attention: Director, Customer Services

*Address*

*Telephone*

*Facsimile*

*Email*

- 22.3 FGS shall initially respond orally to the complaint within 48 hours of receipt thereof, and respond in writing within 30 days of receipt thereof setting forth the conclusions reached by FGS and the actions, if any, that will be undertaken.
- 22.4 Participation in the foregoing procedures shall not be construed as a waiver of any legal or administrative rights otherwise available to FGS, Customers and potential Customers.

## 23. WAIVER

FGS may waive any of its rights or any obligations of Customer under this Tariff or Customer's executed Service Agreement on a basis that is not unduly discriminatory; provided that no waiver by either Customer or FGS of any one or more defaults by the other in the performance of any provision of the executed

Service Agreement between FGS and Customer shall operate or be construed as a waiver of any future default, whether of a like or a different character.

24. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB)

In addition to those NAESB standards referenced in this Tariff, pursuant to FERC Regulations, 18 C.F.R. §284.12(a), the following standards are incorporated by reference in these General Terms and Conditions.

*to be completed*

25. POLICY WITH RESPECT TO FEES AND CONSTRUCTION OR MODIFICATION OF FACILITIES

25.1 Customer shall reimburse FGS for any and all filing and approval fees required in connection with Customer's Service Agreement that FGS is obligated to pay to the FERC or any other governmental authority having jurisdiction.

25.2 In the event that any modification of the Facility is required under the rules and regulations of any duly constituted authority having jurisdiction, each Customer shall reimburse FGS for its pro rata share of the cost of any such modification based upon each such Customer's Maximum Storage Quantity.

25.3 Customer shall reimburse FGS for the costs of any facilities installed by FGS with Customer's consent to receive, measure, store or deliver gas for Customer's account unless FGS and Customer enter into another mutually agreeable arrangement to recover the costs of such facilities.

25.4 Any such reimbursement due FGS by Customer shall be due and payable to FGS on the 10th day following receipt by Customer of FGS's bill for same, or if such day is not a Business Day, the first Business Day thereafter, provided that FGS and Customer may agree that any such reimbursement, plus Interest, may be amortized over a mutually agreeable period not to extend beyond the primary term of the Service Agreement between FGS and Customer.

26. GOVERNMENTAL REGULATION

The Rate Schedules, these General Terms and Conditions and the respective rights and obligations of FGS and Customer under, and the terms of, the Service Agreements are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

27. SUCCESSORS IN INTEREST

Any company which shall succeed by purchase, merger, consolidation or otherwise to the properties substantially as an entirety, of FGS or of Customer, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under a Service Agreement. In accordance with the capacity release procedures set forth in Section 15, Customer may, without relieving itself of its obligations under such Service Agreement, assign any of its rights and obligations thereunder to another qualified Customer, but otherwise no assignment of such Service Agreement, or of any of the rights or obligations thereunder shall

be made unless there first shall have been obtained the consent thereto of FGS, in the event of any assignment by Customer, or the consent thereto of Customer, in the event of an assignment by FGS. These restrictions on assignment shall not in any way prevent any party to a Service Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

28. **MODIFICATION**

No modification to the terms and provisions of any executed Service Agreement or any exhibit thereto shall become effective except by an amendment executed by both FGS and Customer.

29. **INCORPORATION IN RATE SCHEDULES AND SERVICE AGREEMENTS**

These General Terms and Conditions are incorporated in and are a part of FGS's Rate Schedules contained in this Tariff and executed Service Agreements under those Rate Schedules.

30. **DESCRIPTIVE HEADINGS**

The descriptive headings of the provisions of this Tariff and the Service Agreements are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provisions.

FORM OF SERVICE AGREEMENT  
(For Use Under the FSS Rate Schedule)

THIS AGREEMENT entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Floridian Natural Gas Storage Company, LLC, a Delaware limited liability company herein referred to as "FGS", and \_\_\_\_\_, a \_\_\_\_\_ company, herein referred to as "Customer," pursuant to the following recitals and representations:

WHEREAS, FGS will own and operate a natural gas storage facility in Martin County, Florida (the "Facility");

WHEREAS, Customer desires that FGS provide Customer storage service at FGS's Facility;

NOW, THEREFORE, FGS and Customer agree as follows:

ARTICLE I  
SERVICE UNDER FSS RATE SCHEDULE

1. Subject to the terms and provisions of this Agreement, and of FGS's FSS Rate Schedule and the applicable provisions of the General Terms and Conditions of FGS's FERC Gas Tariff, as any of the foregoing may be amended or superseded from time to time, FGS agrees that it shall, on a firm basis, receive and liquefy natural gas; store such gas in liquefied form; and vaporize and redeliver such gas to Customer or for Customer's account, as follows:

FGS shall receive and liquefy natural gas for Customer up to a maximum quantity on any day of \_\_\_\_\_ Dt, which shall be Customer's Maximum Daily Liquefaction Quantity and up to a maximum quantity in any hour of \_\_\_\_\_ Dt, which shall be Customer's Maximum Hourly Liquefaction Quantity.

FGS shall store the gas in its liquefied state for Customer's account up to a total quantity of \_\_\_\_\_ Dt, which quantity shall be Customer's Maximum Storage Quantity.

FGS shall withdraw from storage, vaporize and redeliver the gas for Customer's account up to a maximum quantity on any day of \_\_\_\_\_ Dt, which quantity shall be Customer's Maximum Daily Vaporization Quantity and up to a maximum quantity in any hour of \_\_\_\_\_ Dt, which shall be Customer's Maximum Hourly Vaporization Quantity.

2. The date for the commencement of service hereunder shall be the later of May 1, 2011 or the date 5 days after the date of FGS's notice to Customer that all FGS's conditions precedent have been either satisfied or waived, such notice and conditions under the Precedent Agreement between FGS and Customer dated \_\_\_\_\_, 2007.

3. Customer shall tender to FGS its Heel Commitment of \_\_\_\_\_ Dt on the date of the commencement of service under the foregoing Section 2 and prior to tendering gas for liquefaction and storage hereunder.

ARTICLE II  
POINT OF RECEIPT AND DELIVERY

1. The Point of Receipt for all gas tendered to FGS for liquefaction hereunder shall be at the following point(s): \_\_\_\_\_.

2. The Point of Delivery for all gas delivered by FGS to Customer or for Customer's account shall be at the following point(s): \_\_\_\_\_.

ARTICLE III  
PRICE

1. Customer agrees to pay FGS the following charges as billed monthly for all service provided to Customer under this Agreement.

Storage Charge:	_____ \$/Dt/day
Fuel Reimbursement:	_____ TBD _____ %
Electric Reimbursement Charge:	_____ TBD _____ \$/Dt
Authorized Excess Quantity Charges:	
Hourly Liquefaction	_____ \$/Dt
Hourly Vaporization	_____ \$/Dt
Gas Title Transfer Charge:	_____ \$/Dt
Truck Delivery Charge:	_____ \$/Dt

2. Customer further agrees to reimburse FGS all applicable taxes assessed FGS on gas under this Agreement as provided in Section 19 of the General Terms and Conditions of FGS's FERC Gas Tariff, all fees and charges as required by the Federal Energy Regulatory Commission or any other regulatory body related to service under this Agreement as provided in Section 26 of the General Terms and Conditions of FGS's FERC Gas Tariff, and all other applicable surcharges, including but not limited to, the Annual Charge Adjustment (ACA), if applicable.

ARTICLE IV  
TERM OF AGREEMENT

This Agreement shall be effective as of the date hereof and shall remain in force and effect for a primary term continuing until the date 60 consecutive months after the date of commencement of service pursuant to Article I, Section 2.

ARTICLE V  
INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms of FGS's FSS Rate Schedule together with the applicable provisions of the General Terms and Conditions of FGS's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, including any amendments to such Rate Schedule or General Terms and Conditions as may from time to time be filed and made effective by FGS.

ARTICLE VI  
NOTICES

Notices to either party shall be in writing and shall be considered as duly delivered as provided in the General Terms and Conditions when transmitted to the following addressees, which addresses may be changed from time to time by transmittal of appropriate notice thereof to the other party:

If to FGS: Floridian Natural Gas Storage Company, LLC  
*Address*  
*Telephone*  
*Facsimile*  
*Email*

Beth L. Webb  
Dickstein Shapiro LLP  
1825 Eye Street NW  
Washington, DC 20006  
202-420-4782  
202 420 2201  
[webbb@dicksteinshapiro.com](mailto:webbb@dicksteinshapiro.com)

If to Customer:  
  
*Address*  
*Telephone*  
*Facsimile*  
*Email*

ARTICLE VII  
OTHER CONDITIONS

See Exhibit A hereto for any other terms and conditions as specified by a Releasing Customer.

ARTICLE VIII  
MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto: \_\_\_\_\_.

2. This Agreement shall be governed by the laws of the State of New York.

Floridian Natural Gas Storage Company, LLC

Customer \_\_\_\_\_

By \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Title \_\_\_\_\_

EXHIBIT A

FORM OF SERVICE AGREEMENT  
(For Use Under the ISS Rate Schedule)

THIS AGREEMENT entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Floridian Natural Gas Storage Company, LLC, a Delaware limited liability company herein referred to as "FGS", and \_\_\_\_\_, a \_\_\_\_\_ company, herein referred to as "Customer," pursuant to the following recitals and representations:

WHEREAS, FGS will own and operate a natural gas storage facility in Martin County, Florida (the "Facility");

WHEREAS, Customer desires that FGS provide Customer storage service at FGS's Facility;

NOW, THEREFORE, FGS and Customer agree as follows:

ARTICLE I  
SERVICE UNDER ISS RATE SCHEDULE

1. Subject to the terms and provisions of this Agreement, and of FGS's ISS Rate Schedule and the applicable provisions of the General Terms and Conditions of FGS's FERC Gas Tariff, as any of the foregoing may be amended or superseded from time to time, FGS agrees that it shall, on an interruptible basis, receive and liquefy natural gas; store such gas in liquefied form; and vaporize and redeliver such gas to Customer or for Customer's account, as follows:

FGS shall receive and liquefy natural gas for Customer up to a maximum quantity on any day of \_\_\_\_\_ Dt, which shall be Customer's Maximum Daily Liquefaction Quantity and up to a maximum quantity in any hour of \_\_\_\_\_ Dt, which shall be Customer's Maximum Hourly Liquefaction Quantity.

FGS shall store the gas in its liquefied state for Customer's account up to a total quantity of \_\_\_\_\_ Dt, which quantity shall be Customer's Maximum Storage Quantity.

FGS shall withdraw from storage, vaporize and redeliver the gas for Customer's account up to a maximum quantity on any day of \_\_\_\_\_ Dt, which quantity shall be Customer's Maximum Daily Vaporization Quantity and up to a maximum quantity in any hour of \_\_\_\_\_ Dt, which shall be Customer's Maximum Hourly Vaporization Quantity.

2. The date for the commencement of service hereunder shall be the later of May 1, 2011 or the date 5 days after the date of FGS's notice to Customer that all FGS's conditions precedent have been either satisfied or waived, such notice and conditions under the Precedent Agreement between FGS and Customer dated \_\_\_\_\_, 2007.

3. Customer shall tender to FGS its Heel Commitment of \_\_\_\_\_ Dt on the date of the commencement of service under the foregoing Section 2 and prior to tendering gas for liquefaction and storage hereunder.

ARTICLE II  
POINT OF RECEIPT AND DELIVERY

1. The Point of Receipt for all gas tendered to FGS for liquefaction hereunder shall be at the following point(s): \_\_\_\_\_.

2. The Point of Delivery for all gas delivered by FGS to Customer or for Customer's account shall be at the following point(s): \_\_\_\_\_.

ARTICLE III  
PRICE

1. Customer agrees to pay FGS the following charges for all service provided to Customer under this Agreement.

Storage Charge: \_\_\_\_\_ \$/Dt/day

Fuel Reimbursement: \_\_\_\_\_ TBD \_\_\_\_\_ %

Electric Reimbursement Charge: \_\_\_\_\_ TBD \_\_\_\_\_ \$/Dt

Authorized Excess Quantity Charge:

    Hourly Liquefaction \_\_\_\_\_ \$/Dt

    Hourly Vaporization \_\_\_\_\_ \$/Dt

Gas Title Transfer Charge: \_\_\_\_\_ \$/Dt

Truck Delivery Charge: \_\_\_\_\_ \$/Dt

2. Customer further agrees to reimburse FGS all applicable taxes assessed FGS on gas under this Agreement as provided in Section 19 of the General Terms and Conditions of FGS's FERC Gas Tariff, all fees and charges as required by the Federal Energy Regulatory Commission or any other regulatory body related to service under this Agreement as provided in Section 26 of the General Terms and Conditions of FGS's FERC Gas Tariff, and all other applicable surcharges, including but not limited to, the Annual Charge Adjustment (ACA), if applicable.

ARTICLE IV  
TERM OF AGREEMENT

This Agreement shall be effective as of the date hereof and shall remain in force and effect for a primary term continuing until the date 60 consecutive months after the date of commencement of service pursuant to Article I, Section 2.

ARTICLE V  
INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms of FGS's ISS Rate Schedule together with the applicable provisions of the General Terms and Conditions of FGS's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, including any amendments to such Rate Schedule or General Terms and Conditions as may from time to time be filed and made effective by FGS.

ARTICLE VI  
NOTICES

Notices to either party shall be in writing and shall be considered as duly delivered as provided in the General Terms and Conditions when transmitted to the following addressees, which addresses may be changed from time to time by transmittal of appropriate notice thereof to the other party:

If to FGS:

Floridian Natural Gas Storage Company, LLC

*Address*

*Telephone*

*Facsimile*

*Email*

Beth L. Webb

Dickstein Shapiro LLP

1825 Eye Street NW

Washington, DC 20006

202-420-4782

202 420 2201

[webbb@dicksteinshapiro.com](mailto:webbb@dicksteinshapiro.com)

If to Customer:

*Address*

*Telephone*

*Facsimile*

*Email*

ARTICLE VII  
OTHER CONDITIONS

See Exhibit A hereto for any other terms and conditions as specified by a Releasing Customer.

ARTICLE VIII  
MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto: \_\_\_\_\_.

2. This Agreement shall be governed by the laws of the State of New York.

Floridian Natural Gas Storage Company, LLC

Customer \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

EXHIBIT A

## **INDEX OF CUSTOMERS**