

FORM OF SERVICE AGREEMENT  
INTERRUPTIBLE STORAGE SERVICES AGREEMENT  
(For Use Under Rate Schedule ISS)

This Agreement is made as of the \_\_\_\_day of \_\_\_\_\_, \_\_\_\_\_, by and between PERRYVILLE GAS STORAGE LLC, a Delaware limited liability company, herein called "PERRYVILLE STORAGE," and \_\_\_\_\_ a \_\_\_\_\_, herein called "Customer," pursuant to the following recitals and representations:

NOW, THEREFORE, PERRYVILLE STORAGE and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of PERRYVILLE STORAGE's Rate Schedule ISS and of this Agreement, PERRYVILLE STORAGE shall provide Interruptible service for Customer and shall receive, inject, store, withdraw, and/or deliver, as the case may be, quantities of Gas up to the Customer's MDIQ, MDWQ, and MSQ, as applicable, as set forth on Exhibit A hereto.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to PERRYVILLE STORAGE under this Agreement (Customer's Point(s) of Receipt) and the point(s) at which the Gas is to be tendered by PERRYVILLE STORAGE to Customer under this Agreement (Customer's Point(s) of Delivery) shall be the point(s) designated on Exhibit "A" hereto.

ARTICLE III - PRICE

1. Customer agrees to pay PERRYVILLE STORAGE the charges for the Gas services requested by Customer as set forth on Exhibit A hereto.
2. Where applicable, Customer agrees to pay in kind or dollars the Fuel Reimbursement amount as set forth on Exhibit A hereto.
3. Customer further agrees to pay PERRYVILLE STORAGE all other applicable fees and charges as set forth in the General Terms and Conditions of this FERC Gas Tariff and in Rate Schedule ISS, as applicable.

ARTICLE IV - INCORPORATION OF RATE SCHEDULES AND TARIFF PROVISIONS

The terms and conditions specified in PERRYVILLE STORAGE's Rate Schedule ISS and the provisions of PERRYVILLE STORAGE's FERC Gas Tariff as filed with the FERC, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedules, Tariff or General Terms and Conditions as may from time to time be filed and made effective by PERRYVILLE STORAGE) are hereby incorporated into this Agreement and made applicable to each term, condition, and obligation hereof.

ARTICLE V - TERM OF AGREEMENT

This Agreement shall become effective on \_\_\_\_\_, \_\_\_\_\_, and shall remain in force and effect on a Month to Month basis unless terminated by either party upon at least thirty (30) Days' prior written notice to the other party.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

PERRYVILLE STORAGE NOTICES: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

CUSTOMER NOTICES: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

BILLINGS: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

or to such other address as either party shall designate by formal written notice to the other.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company that succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of PERRYVILLE STORAGE or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise no assignment of the Agreement or any of the rights or obligations hereunder shall be made by Customer, except pursuant to the General Terms and Conditions of PERRYVILLE STORAGE's FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either party to the Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO DOCTRINES GOVERNING CHOICE OF LAW.

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

PERRYVILLE STORAGE and Customer agree that this Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the parties hereto:

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ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT PERRYVILLE STORAGE SHALL BE ENTITLED TO, AND PERRYVILLE STORAGE HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY PERRYVILLE STORAGE FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY PERRYVILLE STORAGE, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT PERRYVILLE STORAGE SHALL BE ENTITLED TO, AND PERRYVILLE STORAGE HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, CUSTOMER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY PERRYVILLE STORAGE TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN PERRYVILLE STORAGE'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, AND THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 6.14.1 OF THE GENERAL TERMS AND CONDITIONS);

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED;

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT; AND

(v) THE SIGNATURE OF PERRYVILLE STORAGE ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed in several counterparts by their proper officers thereunto duly authorized as of the date first hereinabove written.

PERRYVILLE GAS STORAGE LLC

By \_\_\_\_\_

Title \_\_\_\_\_

Customer \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

EXHIBIT A

to the Agreement between PERRYVILLE STORAGE and \_\_\_\_\_  
(Customer)

Point(s) of Receipt and Point(s) of Delivery:

(Pipeline \_\_\_\_\_):

Maximum Daily Injection Quantity (MDIQ) \_\_\_\_\_

Maximum Daily Withdrawal Quantity (MDWQ) \_\_\_\_\_

(Pipeline \_\_\_\_\_):

Maximum Daily Injection Quantity (MDIQ) \_\_\_\_\_

Maximum Daily Injection Quantity (MDWQ) \_\_\_\_\_

EXHIBIT A (Continued)

1. Maximum Contract Quantities (Dth):

\_\_\_\_\_ Maximum Storage Quantity (MSQ)  
\_\_\_\_\_ Maximum Daily Injection Quantity (MDIQ)  
\_\_\_\_\_ Maximum Daily Withdrawal Quantity (MDWQ)

2. Rates and Charges:

Customer agrees to pay PERRYVILLE STORAGE the following charges for the Interruptible service furnished by PERRYVILLE STORAGE to Customer hereunder:

\_\_\_\_\_ Interruptible Capacity Charge (\$/Dth)  
\_\_\_\_\_ Interruptible Injection Charge (\$/Dth)  
\_\_\_\_\_ Interruptible Withdrawal Charge (\$/Dth)  
\_\_\_\_\_ Fuel reimbursement (\$/Dth) or (in kind)