

FERC GAS TARIFF

ORIGINAL VOLUME NO. 1

of

PERRYVILLE GAS STORAGE LLC

Filed with The
Federal Energy Regulatory Commission

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PRELIMINARY STATEMENT

PERRYVILLE GAS STORAGE LLC, a Delaware limited liability company, ("PERRYVILLE STORAGE") owns and operates a natural gas storage facility in Franklin and Richland Parishes, Louisiana ("PERRYVILLE STORAGE FACILITY"). PERRYVILLE STORAGE utilizes the PERRYVILLE STORAGE FACILITY to receive, inject, store, withdraw, and deliver natural gas transported in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC" or "Commission"). The PERRYVILLE STORAGE FACILITY is connected to the facilities of two interstate pipelines.

This FERC Gas Tariff, Original Volume No. 1 of PERRYVILLE STORAGE contains the Rates and Charges, Rate Schedules, General Terms and Conditions, and the Forms of Service Agreements applicable to open-access storage services and other services performed by PERRYVILLE STORAGE.

MAP OF SYSTEM

A system map of Perryville Gas Storage LLC can be found here:

<http://www.gasnom.com/ip/perryville/map/>

STATEMENT OF CURRENTLY EFFECTIVE RATES

STATEMENT OF CURRENTLY EFFECTIVE RATES

RATE SCHEDULE FSS CHARGES - FIRM STORAGE SERVICE

	RATE	UNITS
Storage Reservation Charge	Market Based/Negotiable	\$/Dth/Month
Storage Injection Charge	Market Based/Negotiable	\$/Dth
Storage Withdrawal Charge	Market Based/Negotiable	\$/Dth
Excess Injection Charge	Market Based/Negotiable	\$/Dth
Excess Withdrawal Charge	Market Based/Negotiable	\$/Dth
Fuel Reimbursement	Market Based/Negotiable	\$/Dth or in kind

Payment shall be equal to the Storage Reservation Charge, plus the Storage Injection Charge, plus the Storage Withdrawal Charge, plus the Excess Injection Charge, plus the Excess Withdrawal Charge, plus any Fuel Reimbursement, as applicable and specified in corresponding Exhibit A of Customer's Firm Storage Service ("FSS") Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or Exhibit A of the FSS Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

STATEMENT OF CURRENTLY EFFECTIVE RATES

RATE SCHEDULE ISS CHARGES - INTERRUPTIBLE STORAGE SERVICE

	RATE	UNITS
Interruptible Capacity Charge	Market Based/Negotiable	\$/Dth/time period
Interruptible Injection Charge	Market Based/Negotiable	\$/Dth
Interruptible Withdrawal Charge	Market Based/Negotiable	\$/Dth
Fuel Reimbursement	Market Based/Negotiable	\$/Dth or in kind

Payment shall be equal to the Interruptible Capacity Charge, plus the Interruptible Injection Charge, plus the Interruptible Withdrawal Charge, plus any Fuel Reimbursement, as applicable and specified in corresponding Exhibit A of the Customer's Interruptible Storage Service ("ISS") Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or Exhibit A of the ISS Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

STATEMENT OF CURRENTLY EFFECTIVE RATES

RATE SCHEDULE IPS CHARGES - INTERRUPTIBLE PARKING SERVICE

	RATE	UNITS
Interruptible Parking Charge	Market Based/Negotiable	\$/Dth/time period
Interruptible Parking Injection Charge	Market Based/Negotiable	\$/Dth
Interruptible Parking Withdrawal Charge	Market Based/Negotiable	\$/Dth
Fuel Reimbursement	Market Based/Negotiable	\$/Dth or in kind

Payment shall be equal to the Interruptible Parking Charge plus the Interruptible Parking Injection Charge, plus the Interruptible Parking Withdrawal Charge, plus any Fuel Reimbursement, as applicable and specified in corresponding Exhibit A of the Customer's Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or Exhibit A of the Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

STATEMENT OF CURRENTLY EFFECTIVE RATES

RATE SCHEDULE ILS CHARGES - INTERRUPTIBLE LOAN SERVICE

	RATE	UNITS
Interruptible Loan Charge	Market Based/Negotiable	\$/Dth/time period
Interruptible Loan Injection Charge	Market Based/Negotiable	\$/Dth
Interruptible Loan Withdrawal Charge	Market Based/Negotiable	\$/Dth
Fuel Reimbursement	Market Based/Negotiable	\$/Dth or in kind

Payment shall be equal to the Interruptible Loan Charge, plus the Interruptible Loan Injection Charge, plus the Interruptible Loan Withdrawal Charge, plus any Fuel Reimbursement, as applicable and specified in corresponding Exhibit A of the Customer's Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or Exhibit A of the Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

STATEMENT OF CURRENTLY EFFECTIVE RATES

RATE SCHEDULE IWS CHARGES - INTERRUPTIBLE WHEELING SERVICE

	RATE	UNITS
Interruptible Wheeling Charge	Market Based/Negotiable	\$/Dth
Fuel Reimbursement	Market Based/Negotiable	\$/Dth or in kind

Payment shall be equal to the Interruptible Wheeling Charge multiplied by the Dth quantity PERRYVILLE STORAGE shall have wheeled for Customer, plus any Fuel Reimbursement, as specified in the corresponding Exhibit A of the Customer's Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or Exhibit A of the Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

STATEMENT OF CURRENTLY EFFECTIVE RATES

RATE SCHEDULE IBTS CHARGES - INTERRUPTIBLE IMBALANCE TRADING SERVICE

	RATE	UNITS
Interruptible Imbalance Trading Charge	Market Based/Negotiable	\$/Dth

Payment shall be equal to the Interruptible Imbalance Trading Charge specified in corresponding Exhibit A of Customer's Hub Services Agreement multiplied by the quantity of Customer's imbalance quantity that shall have been traded.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or Exhibit A of the Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

STATEMENT OF CURRENTLY EFFECTIVE RATES

RATE SCHEDULE IBS CHARGES - INTERRUPTIBLE BALANCING SERVICE

	RATE	UNITS
Interruptible Balancing Charge	Market Based/Negotiable	\$/Dth
Interruptible Balancing Injection Charge	Market Based/Negotiable	\$/Dth
Interruptible Balancing Withdrawal Charge	Market Based/Negotiable	\$/Dth
Fuel Reimbursement	Market Based/Negotiable	\$/Dth or in kind

Payment shall be equal to the Interruptible Balancing Charge multiplied by Customer's Storage Quantity, plus the Interruptible Balancing Injection Charge multiplied by the quantity PERRYVILLE STORAGE shall have injected for Customer's account, plus the Interruptible Balancing Withdrawal Charge multiplied by the quantity PERRYVILLE STORAGE shall have withdrawn for Customer's account, plus any Fuel Reimbursement, as applicable and specified in corresponding Exhibit A of the Customer's Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or Exhibit A of the Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

RATE SCHEDULES

RATE SCHEDULE FSS
FIRM STORAGE SERVICE

5.1.1 AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Firm Storage Service ("FSS") from PERRYVILLE STORAGE, provided that:

- (a) PERRYVILLE STORAGE has determined that it has sufficient available and uncommitted firm storage capacity and injection and withdrawal capacity to perform the service Customer has requested;
- (b) Customer and PERRYVILLE STORAGE have executed a FSS Agreement under this Rate Schedule; and
- (c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule.
- (d) Availability of service under this Rate Schedule shall be subject to a determination by PERRYVILLE STORAGE that its performance of the service requested hereunder shall not cause a reduction in PERRYVILLE STORAGE's ability to provide other firm services under then effective FSS Agreements.
- (e) Service under this Rate Schedule may not be available to the extent that PERRYVILLE STORAGE would be required to construct, modify, expand, or acquire any facilities to enable PERRYVILLE STORAGE to perform the requested services.

5.1.2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all FSS rendered by PERRYVILLE STORAGE to Customer through use of the PERRYVILLE STORAGE FACILITY pursuant to an executed FSS Agreement.

5.1.2.1 Firm storage service rendered to Customer under this Rate Schedule shall consist of:

- (a) The receipt on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Injection Quantity ("MDIQ") as stated in the executed FSS Agreement, plus Fuel Reimbursement at the Point(s) of Receipt located on PERRYVILLE STORAGE's system provided that Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;
- (b) The storage of Gas in amounts up to Customer's Maximum Storage Quantity ("MSQ");

- (c) The withdrawal from storage on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") and as stated in the executed FSS Agreement, the delivery of such Gas to the Point(s) of Delivery located on PERRYVILLE STORAGE's system, provided that Customer has a quantity of Gas in Customer's firm Storage Inventory not less than the quantity Customer nominated for withdrawal on such Day.

5.1.2.2 Enhanced Authorized Overrun Service

- (a) Any FSS Customer may request Enhanced Authorized Overrun Service ("EAOS"). Under this option, a Customer may request that PERRYVILLE STORAGE inject and withdraw quantities of gas in addition to the MDIQ and MDWQ quantities stated in the Customer's FSS Agreement. These additional EAOS quantities will be stated in the Customer's applicable FSS Agreement as Enhanced Authorized Overrun Injection Quantities and Enhanced Authorized Overrun Withdrawal Quantities. Any Enhanced Authorized Overrun Injection and Withdrawal Quantities nominated by a Customer will have the same priority as other Interruptible Services, and will only be received and delivered by PERRYVILLE STORAGE if the EAOS can be accomplished by PERRYVILLE STORAGE without detriment to PERRYVILLE STORAGE's facilities and/or PERRYVILLE STORAGE's ability to meet its firm obligations to other Customers.
- (b) If Enhanced Authorized Overrun Injection Quantities are stated in an executed FSS Agreement between Customer and PERRYVILLE STORAGE, and provided that the receipt of Gas from Customer and the injection of such Enhanced Authorized Overrun Injection Quantities into storage can be accomplished by PERRYVILLE STORAGE without detriment to PERRYVILLE STORAGE's facilities and/or PERRYVILLE STORAGE's ability to meet its firm obligations to other Customers, PERRYVILLE STORAGE will, upon Customer's request and after confirmation by Customer's Transporter, schedule and inject Enhanced Authorized Overrun Injection Quantities, provided that Customer's firm Storage Inventory has not exceeded Customer's Maximum Storage Quantity specified in the applicable FSS Agreement.
- (c) If Enhanced Authorized Overrun Withdrawal Quantities are stated in an executed FSS Agreement between Customer and PERRYVILLE STORAGE, and provided that the withdrawal of Gas and delivery to Customer of such Enhanced Authorized Overrun Withdrawal Quantities can be accomplished by PERRYVILLE STORAGE without detriment to PERRYVILLE STORAGE's facilities and/or PERRYVILLE STORAGE's ability to meet its firm obligations to other Customers, PERRYVILLE STORAGE will, upon Customer's request and after confirmation by Customer's Transporter, schedule and withdraw Enhanced Authorized Overrun Withdrawal Quantities, provided that Customer has a quantity of Gas in Customer's firm

Storage Inventory not less than the quantities Customer nominated for withdrawal on such Day.

5.1.2.3 Provided that the receipt of Gas from Customer and the injection of such Gas into storage can be accomplished by PERRYVILLE STORAGE without detriment to PERRYVILLE STORAGE's facilities and/or PERRYVILLE STORAGE's ability to meet its firm obligations to other Customers, PERRYVILLE STORAGE may, upon Customer's request and after confirmation by Customer's Transporter, schedule and inject, on an Interruptible basis, quantities of Gas ("Excess Injection Quantities") in excess of Customer's MDIQ, including any EAOS Injection Quantities, provided that Customer's firm Storage Inventory has not exceeded Customer's Maximum Storage Quantity. Excess Injection Quantities would not include any EAOS Injection Quantities stated in an applicable FSS Agreement.

5.1.2.4 Provided that such withdrawal of Gas from storage and delivery of such Gas to Customer can be accomplished by PERRYVILLE STORAGE without detriment to PERRYVILLE STORAGE's facilities and/or PERRYVILLE STORAGE's ability to meet its firm obligations to other Customers, PERRYVILLE STORAGE may, upon Customer's request and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas ("Excess Withdrawal Quantities") in excess of Customer's MDWQ, including any EAOS Withdrawal Quantities, provided that Customer has a quantity of Gas in Customer's firm Storage Inventory not less than the quantities Customer nominated for withdrawal on such Day. Excess Withdrawal Quantities would not include any EAOS Withdrawal Quantities stated in an applicable FSS Agreement.

5.1.3. RATES AND CHARGES

Customer shall pay rates and charges for firm storage service under this Rate Schedule including the applicable storage rate components set forth in the FSS Rate Statement and as described below:

- (a) Storage Reservation Charge. Customer shall pay to PERRYVILLE STORAGE the Storage Reservation Charge set forth in the applicable FSS Agreement for each Month during which service is provided by PERRYVILLE STORAGE under this Rate Schedule.
- (b) Storage Injection Charge. Customer shall pay to PERRYVILLE STORAGE the Storage Injection Charge set forth in the applicable FSS Agreement for each Dth of Customer's Gas delivered to PERRYVILLE STORAGE for injection into PERRYVILLE STORAGE's facilities pursuant to Section 5.1.2.1(a) of this Rate Schedule.

- (c) Storage Withdrawal Charge. Customer shall pay to PERRYVILLE STORAGE the Storage Withdrawal Charge set forth in the applicable FSS Agreement for each Dth of Customer's Gas withdrawn from PERRYVILLE STORAGE's facilities pursuant to Section 5.1.2.1(c) of this Rate Schedule.
- (d) Enhanced Authorized Overrun Injection Charge. Customer shall pay to PERRYVILLE STORAGE the Enhanced Authorized Overrun Injection Charge set forth in the applicable FSS Agreement for each Dth of Customer's Gas delivered to PERRYVILLE STORAGE for injection into PERRYVILLE STORAGE's facilities pursuant to Section 5.1.2.2(b) of this Rate Schedule.
- (e) Enhanced Authorized Overrun Withdrawal Charge. Customer shall pay to PERRYVILLE STORAGE the Enhanced Authorized Overrun Withdrawal Charge set forth in the applicable FSS Agreement for each Dth of Customer's Gas withdrawn from PERRYVILLE STORAGE's facilities pursuant to Section 5.1.2.2(c) of this Rate Schedule.
- (f) Excess Injection Charge. Customer shall pay to PERRYVILLE STORAGE the Excess Injection Charge set forth in the applicable FSS Agreement for each Dth of Customer's Gas delivered to PERRYVILLE STORAGE for injection into PERRYVILLE STORAGE's facilities pursuant to Section 5.1.2.3 of this Rate Schedule.
- (g) Excess Withdrawal Charge. Customer shall pay to PERRYVILLE STORAGE the Excess Withdrawal Charge set forth in the applicable FSS Agreement for each Dth of Customer's Gas withdrawn from PERRYVILLE STORAGE's facilities pursuant to Section 5.1.2.4 of this Rate Schedule.
- (h) Fuel Reimbursement. Customer shall pay to PERRYVILLE STORAGE the amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's FSS Agreement.
- (i) Regulatory Fees and Charges. Customer shall reimburse PERRYVILLE STORAGE for all fees and charges, as required by the FERC or any other regulatory body, which are related to service provided under this Rate Schedule.
- (j) Taxes. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed upon PERRYVILLE STORAGE as a result of service provided under this Rate Schedule.

5.1.4. INVOICES

Each invoice for firm storage service shall reflect the applicable charges set forth under Section 5.1.3 of this Rate Schedule.

5.1.5. TERM

The term for service under this Rate Schedule shall be as set forth in the executed FSS Agreement.

5.1.6. AUTHORIZATION, RATES, TERMS, AND CHANGES

5.1.6.1 The FSS Agreement and the respective obligations of the parties thereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for PERRYVILLE STORAGE to provide the storage service contemplated hereby and to construct and operate the facilities necessary to provide such service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the service provided for herein.

5.1.6.2 PERRYVILLE STORAGE shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the FSS Agreement executed by the parties shall be deemed to include any changes that are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided however, that any market-based rates negotiated between PERRYVILLE STORAGE and its Customer(s) shall remain in effect during the term(s) of the FSS Agreement(s) specifying such rates.

5.1.7. CURTAILMENT

If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, PERRYVILLE STORAGE's capability to receive or deliver quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver the quantities provided for in its FSS Agreements with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

5.1.8 RIGHT OF FIRST REFUSAL

5.1.8.1 Perryville Gas Storage possesses pregranted abandonment authority and may discontinue service to Customer at the end of the primary term of any Service Agreement applicable to this Rate Schedule, or any roll-over of such Service Agreement, unless Perryville Gas Storage and Customer mutually agree to include a right of first refusal ("ROFR") in the Service Agreement applicable to this Rate Schedule and Customer exercises its ROFR for the storage capacity covered by that agreement by matching the best bid offered to Perryville Gas Storage during an open season, conducted pursuant to Section 6.3.1 of the General Terms and Conditions of this FERC Gas Tariff, by any Potential Customer. Perryville Gas Storage will negotiate with Customer such ROFR provisions in any Service Agreement on a not unduly discriminatory basis. A Customer is "qualified," within the meaning of this Section, if that Customer meets the

creditworthiness criteria set forth in Section 6.32 of the General Terms and Conditions of this FERC Gas Tariff.

- 5.1.8.2 Not less than twelve (12) Months prior to the expiration of a Service Agreement applicable to this Rate Schedule that includes a ROFR, Customer must provide written notice to Perryville Gas Storage of its intent to exercise any ROFR provisions applicable under such Service Agreement. Failure by Customer to give Perryville Gas Storage the notice specified in this section will result in the automatic abandonment of the service and the Customer's right to storage capacity will cease at the end of the primary term.
- 5.1.8.3 In the event Customer notifies Perryville Gas Storage in accordance with the terms of this Rate Schedule, not less than six (6) Months prior to the termination or expiration of an Service Agreement applicable to this Rate Schedule that contains a ROFR, an open season will be held for the capacity under the expiring Service Agreement. This open season will be conducted pursuant to the terms and conditions set forth in Section 6.3.1 of the General Terms and Conditions of this FERC Gas Tariff.
- 5.1.8.4 Bids from qualified Potential Customers who desire, in whole or in part, the capacity to be made available upon the expiration or termination of a Service Agreement applicable to this Rate Schedule that includes a ROFR must be received by Perryville Gas Storage within the timeframe set forth in the open season notice. Upon expiration of the open season, Perryville Gas Storage will select the best bid received from a qualified Potential Customer and communicate the terms of that bid to the Customer, who may elect, within ten (10) Days, or such greater time as Perryville Gas Storage may specify, to execute a renewed Service Agreement upon the same terms. In determining which bid for the capacity is the best, Perryville Gas Storage will use an objective, not unduly discriminatory methodology as set forth in Section 6.3.1 of the General Terms and Conditions of this FERC Gas Tariff.
- 5.1.8.5 If a Customer does not elect to match the terms of the best bid, its Service Agreement applicable to this Rate Schedule will expire at the conclusion of its term and Perryville Gas Storage will be deemed to have all necessary abandonment authorization with respect to such Service. Perryville Gas Storage may enter into a new Service Agreement with the qualified Potential Customer who submitted the best bid.
- 5.1.8.6 Regardless of any bids received, Perryville Gas Storage shall retain the right to require a minimum rate or term of Service, which shall be market-based, for bids during any such open season.

5.1.8.7 If during the open season, Perryville Gas Storage receives no bids or rejects all bids, Customer and Perryville Gas Storage may negotiate for continuation of service under mutually satisfactory rates, terms, and conditions. In no event, however, will such continued service be provided at a rate lower than the best bid by a qualified Potential Customer during the open season.

5.1.9. EXPIRATION OF TERM

At least sixty (60) Days prior to the end of the primary term or any renewed term of Customer's FSS Agreement, PERRYVILLE STORAGE shall notify Customer, under the provisions of Section 6.18 of the General Terms and Conditions of this Tariff, to withdraw all of the firm Storage Inventory held in storage by PERRYVILLE STORAGE for the account of Customer. PERRYVILLE STORAGE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to Customer under the provisions of Section 6.18 of the General Terms and Conditions of this Tariff. Before the end of the term of the applicable FSS Agreement, Customer must either physically withdraw the Gas, enter into a Gas Title Transfer under the provisions of Section 6.20 of the General Terms and Conditions of this FERC Gas Tariff, or indicate to PERRYVILLE STORAGE in writing that it desires to have PERRYVILLE STORAGE cash out the Gas on mutually agreeable terms.

In the event PERRYVILLE STORAGE is unable to withdraw Customer's properly nominated volumes, up to the Customer's MDWQ, on any Day during the last 30 days prior to the expiration of the applicable FSS Agreement, then the term of the Agreement shall be extended by the number of Days PERRYVILLE STORAGE is unable to tender quantities of Gas for redelivery to Customer.

In the event that Customer has not renewed its FSS Agreement for the next Contract Year and fails to either withdraw all of its Storage Inventory by the end of the term of the applicable FSS Agreement, enter into a Gas Title Transfer, or cash out the Gas, then, at PERRYVILLE STORAGE's option, and upon forty-eight (48) hours notice, PERRYVILLE STORAGE will store such Storage Inventory under the provisions of Rate Schedule ISS or PERRYVILLE STORAGE may retain such quantities of Storage Inventory free and clear of any adverse claims. In the event that PERRYVILLE STORAGE retains and takes title to any of Customer's Storage Inventory pursuant to this Section 5.1.8, PERRYVILLE STORAGE shall dispose of such Storage Inventory by auction and shall credit net proceeds received from such auction in accordance with the provisions of Section 6.33 (Disposition of Retained Quantities) of the General Terms and Conditions of this FERC Gas Tariff.

5.1.10. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are

hereby incorporated by reference and made a part of this Rate Schedule FSS, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule FSS shall control.

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE

5.2.1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible Storage Service ("ISS") from PERRYVILLE STORAGE, provided that:

- (a) PERRYVILLE STORAGE has determined that it has sufficient operationally available storage capacity and injection or withdrawal capacity to perform the service Customer has requested under this Rate Schedule;
- (b) PERRYVILLE STORAGE has determined that the service Customer has requested under this Rate Schedule will not interfere with efficient operation of its system or with Higher Priority Service;
- (c) Customer and PERRYVILLE STORAGE have executed an ISS Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that PERRYVILLE STORAGE would be required to construct, modify, expand, or acquire any facilities to enable PERRYVILLE STORAGE to perform the requested service.

5.2.2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible service rendered by PERRYVILLE STORAGE to Customer through use of the PERRYVILLE STORAGE FACILITY pursuant to an executed ISS Agreement.

ISS rendered to Customer under this Rate Schedule shall consist of:

- (a) The receipt into storage of Customer's Gas, less Fuel Reimbursement, per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ") stated in the applicable ISS Agreement; and/or
- (b) The storage of Gas in amounts not to exceed Customer's Maximum Storage Quantity ("MSQ") set forth in the applicable ISS Agreement; and/or
- (c) The delivery from storage on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") set forth in the applicable ISS Agreement.

To the extent storage capacity that is utilized by an Interruptible Customer hereunder is needed by PERRYVILLE STORAGE in order to satisfy PERRYVILLE STORAGE's obligations to Higher Priority Service, PERRYVILLE STORAGE shall require Customer to withdraw all, or any portion of, Customer's Interruptible Storage Inventory within ten (10) Days of PERRYVILLE STORAGE's notice, or such longer period as may be otherwise allowed by PERRYVILLE STORAGE at PERRYVILLE STORAGE's sole discretion. Unless PERRYVILLE STORAGE otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw its Interruptible Storage Inventory as noticed by PERRYVILLE STORAGE, then

PERRYVILLE STORAGE may take, free and clear of any adverse claims, title to such Interruptible Storage Inventory as Customer was instructed to withdraw. PERRYVILLE STORAGE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to Customer.

5.2.3. RATES AND CHARGES

Customer shall pay rates and charges for Interruptible service under this Rate Schedule including the applicable rate components set forth in the ISS Rate Statement and as described below:

- (a) Interruptible Capacity Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Capacity Charge set forth in the ISS Agreement for each Dth of Customer's Gas held in PERRYVILLE STORAGE's facilities pursuant to Section 5.2.2 (b) of this Rate Schedule, up to Customer's Maximum Storage Quantity specified in the applicable ISS Agreement.
- (b) Interruptible Injection Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Injection Charge set forth in the ISS Agreement for each Dth of Customer's Gas delivered to PERRYVILLE STORAGE for injection into PERRYVILLE STORAGE's facilities pursuant to Section 5.2.2 (a) of this Rate Schedule.
- (c) Interruptible Withdrawal Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Withdrawal Charge set forth in the ISS Agreement for each Dth of Customer's Gas withdrawn from PERRYVILLE STORAGE's facilities pursuant to Section 5.2.2 (c) of this Rate Schedule.
- (d) Fuel Reimbursement. Customer shall pay to PERRYVILLE STORAGE the amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in the applicable ISS Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse PERRYVILLE STORAGE for all fees and charges, as required by the FERC or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in the applicable ISS Agreement.
- (f) Taxes. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed upon PERRYVILLE STORAGE as a result of service provided under this Rate Schedule.

5.2.4. INVOICES

Each invoice for Interruptible service shall reflect the applicable charges set forth under Section 5.2.3 of this Rate Schedule at rates and terms set forth in Customer's ISS Agreement.

5.2.5. TERM

The term for service under this Rate Schedule shall be as set forth in the executed ISS Agreement.

5.2.6. AUTHORIZATION, RATES, TERMS, AND CHANGES

- (a) The ISS Agreement and the respective obligations of the parties thereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for PERRYVILLE STORAGE to provide the service contemplated hereby and to construct and operate the Gas storage facilities necessary to provide such service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the service provided for herein.
- (b) PERRYVILLE STORAGE shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the ISS Agreement executed by the parties shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to a Customer's right to protest the same; provided, however, that any market-based rates negotiated between PERRYVILLE STORAGE and its Customer(s) shall remain in effect during the term of the ISS Agreement(s) specifying such rates.

5.2.7. CURTAILMENT

If, due to any cause whatsoever, PERRYVILLE STORAGE's capability to receive deliver, or store quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver the quantities provided for in its ISS Agreement with Customer, then receipts, injections, capacity, withdrawals, and/or deliveries will be allocated according to the priority of service as set forth in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

5.2.8. EXPIRATION OF TERM

No less than fifteen (15) Days prior to the end of the term as specified in Customer's ISS Agreement, PERRYVILLE STORAGE shall notify Customer, under the provisions of Section 6.18 of the General Terms and Conditions of this Tariff, to withdraw all of the quantities in Customer's Interruptible Storage Inventory; provided, however, any term in Customer's ISS Agreement of fifteen (15) Days or less shall not require such foregoing notice, but shall be deemed to have been given upon the first Day of the primary term or the renewed term of such ISS Agreement. PERRYVILLE STORAGE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer under the provisions of Section 6.18 of the General Terms and Conditions of this Tariff. Before the end of the term set forth in Customer's ISS Agreement, Customer must either physically withdraw Gas, enter into a Gas Title Transfer under the provisions of Section 6.20 of the General Terms and Conditions of this FERC Gas Tariff, or indicate to PERRYVILLE STORAGE in writing that it desires to have PERRYVILLE STORAGE cash out the Gas on mutually agreeable terms. If, by midnight on the last Day of the term set forth in Customer's ISS Agreement,

Customer neither has withdrawn the Gas, transferred the Gas, nor indicated in writing to PERRYVILLE STORAGE that it desires to exercise the cash out option, then PERRYVILLE STORAGE may take, free and clear of any adverse claims, title to such remaining Interruptible Storage Inventory that Customer was required to withdraw or cash out; provided, however, that if Customer was unable to withdraw its Interruptible Storage Inventory due to an interruption of Customer's withdrawal service during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term set forth in Customer's ISS Agreement, but the rates and charges under this Rate Schedule shall continue in effect until all of Customer's Interruptible Storage Inventory has been withdrawn. In the event that PERRYVILLE STORAGE retains and takes title to any of Customer's Storage Inventory pursuant to this Section 5.2.8, PERRYVILLE STORAGE shall dispose of such Storage Inventory by auction and shall credit net proceeds received from such auction in accordance with the provisions of Section 6.33 (Disposition of Retained Quantities) of the General Terms and Conditions of this FERC Gas Tariff.

5.2.9. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule shall control.

RATE SCHEDULE IPS
INTERRUPTIBLE PARKING SERVICE

5.3.1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible Parking Service ("IPS") from PERRYVILLE STORAGE, provided that:

- (a) PERRYVILLE STORAGE has determined that it has sufficient operationally available storage capacity, injection or withdrawal capacity to perform the parking service Customer has requested;
- (b) PERRYVILLE STORAGE has determined that the parking service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (c) Customer and PERRYVILLE STORAGE have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the parking service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that PERRYVILLE STORAGE would be required to construct, modify, expand or acquire any facilities to enable PERRYVILLE STORAGE to perform the requested services.

5.3.2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all IPS rendered by PERRYVILLE STORAGE to Customer through use of the PERRYVILLE STORAGE FACILITY pursuant to an executed Hub Services Agreement.

IPS rendered by PERRYVILLE STORAGE to Customer under this Rate Schedule shall consist of the receipt, injection, storage, and withdrawal and delivery of Customer's Gas, on an Interruptible basis, by PERRYVILLE STORAGE. Service under this Rate Schedule includes:

- (a) The receipt on any Day and injection into storage of Customer's Gas per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ") stated in the corresponding Exhibit A of Customer's Hub Services Agreement, provided that all Higher Priority Service nominations for injection have been satisfied, Customer's Park Balance is less than the Maximum Storage Quantity set forth in Exhibit A of the Hub Services Agreement, Customer delivers the nominated quantity plus Fuel Reimbursement to the Point(s) of Receipt located on PERRYVILLE STORAGE's system, and Customer's Park Balance has not exceeded Customer's Maximum Storage Quantity;

- (b) The withdrawal from storage on any Day and delivery of Customer's Gas per Customer's nomination to the Point(s) of Delivery located on PERRYVILLE STORAGE's system up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") stated in the corresponding Exhibit A of Customer's Hub Services Agreement, provided that all Higher Priority Service nominations or withdrawals have been satisfied, and that Customer has a quantity of Gas stored in Customer's Park Balance not less than the quantity the Customer shall have nominated for withdrawal on such Day.

To the extent storage capacity which is being utilized by an Interruptible Customer hereunder is needed by PERRYVILLE STORAGE in order to satisfy PERRYVILLE STORAGE's obligations to Higher Priority Services, PERRYVILLE STORAGE shall require Customer to withdraw all, or any portion of, the IPS Gas quantities held in storage by PERRYVILLE STORAGE for the account of Customer as specified by PERRYVILLE STORAGE. Unless PERRYVILLE STORAGE otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw such IPS Park Balance, then PERRYVILLE STORAGE may take, free and clear of any adverse claims, title to such IPS Park Balance as Customer was instructed to withdraw. PERRYVILLE STORAGE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer.

5.3.3. RATES AND CHARGES

Customer shall pay rates and charges for IPS under this Rate Schedule including the applicable parking rate components set forth in the IPS Rate Statement and as described below:

- (a) Interruptible Parking Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Parking Charge set forth in the corresponding Exhibit A of Customer's Hub Services Agreement for each Dth of Customer's Gas held in PERRYVILLE STORAGE's facilities pursuant to Section 5.3.2(a) of this Rate Schedule, up to Customer's Maximum Storage Quantity specified in the applicable Exhibit A of the Hub Services Agreement.
- (b) Interruptible Parking Injection Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Parking Injection Charge set forth in the corresponding Exhibit A of Customer's Hub Services Agreement for each Dth of Customer's Gas delivered to PERRYVILLE STORAGE for injection into PERRYVILLE STORAGE's facilities pursuant to Section 5.3.2(a) of this Rate Schedule.
- (c) Interruptible Parking Withdrawal Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Parking Withdrawal Charge set forth in the corresponding Exhibit A of Customer's Hub Services Agreement for each Dth of Customer's Gas withdrawn from PERRYVILLE STORAGE's facilities pursuant to Section 5.3.2(b) of this Rate Schedule.
- (d) Fuel Reimbursement. Customer shall pay to PERRYVILLE STORAGE the amount of Gas or equivalent charge for fuel and losses determined

in accordance with Section 6.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in the applicable Exhibit A of Customer's Hub Services Agreement.

- (e) Regulatory Fees and Charges. Customer shall reimburse PERRYVILLE STORAGE for all fees and charges, as required by FERC or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in the applicable Exhibit A of Customer's Hub Services Agreement.
- (f) Taxes. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed PERRYVILLE STORAGE as a result of service provided under this Rate Schedule.

5.3.4. INVOICE

Each invoice for IPS shall reflect the applicable charges set forth under Section 5.3.3 of this Rate Schedule at rates and terms set forth in Exhibit A of Customer's Hub Services Agreement.

5.3.5. TERM

The term for service under this Rate Schedule shall be as set forth in Exhibit A of Customer's Hub Services Agreement.

5.3.6. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) The Hub Services Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for PERRYVILLE STORAGE to provide the parking service contemplated hereby and to construct and operate the Gas storage facilities necessary to provide such parking service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the parking service provided for herein.
- (b) PERRYVILLE STORAGE shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the Hub Services Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided, however, that any market-based rates negotiated between PERRYVILLE STORAGE and its Customer(s) shall remain in effect during the term of Exhibit A of the Hub Services Agreement(s) specifying such rates.

5.3.7. CURTAILMENT

If, due to any cause whatsoever, PERRYVILLE STORAGE's capability to receive or deliver quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver the quantities provided for in Exhibit A of its Hub Services Agreement with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

5.3.8. EXPIRATION OF TERM

At least fifteen (15) Business Days prior to the end of the term as specified in Exhibit A of Customer's Hub Services Agreement, PERRYVILLE STORAGE shall notify Customer to withdraw all of the IPS Gas quantities held in storage by PERRYVILLE STORAGE for the account of Customer; provided, however, any Exhibit A of Customer's Hub Services Agreement that has a term of fifteen (15) Business Days or less shall not require such foregoing notice but shall be deemed to have been given upon the first Day of the primary term or the renewed term of such Hub Services Agreement. PERRYVILLE STORAGE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer. Before the end of the term of Exhibit A of Customer's Hub Services Agreement, the Customer must either physically withdraw Gas or indicate to PERRYVILLE STORAGE in writing that it desires to have PERRYVILLE STORAGE cash out the Gas on mutually agreeable terms. If, by midnight on the last Day of the term of Exhibit A of Customer's Hub Services Agreement, the Customer neither has withdrawn the Gas nor indicated in writing to PERRYVILLE STORAGE that it desires to exercise the cash out option, then PERRYVILLE STORAGE may take, free and clear of any adverse claims, title to such IPS Park Balance as Customer was required to withdraw or cash out; provided, however, that if Customer was unable to withdraw its IPS Park Balance due to an interruption of Customer's withdrawal service during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term. In the event that PERRYVILLE STORAGE retains and takes title to any of Customer's Storage Inventory pursuant to this Section 5.3.8, PERRYVILLE STORAGE shall dispose of such Storage Inventory by auction and shall credit net proceeds received from such auction in accordance with the provisions of Section 6.33 (Disposition of Retained Quantities) of the General Terms and Conditions of this FERC Gas Tariff.

5.3.9. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this IPS Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this IPS Rate Schedule shall control.

RATE SCHEDULE ILS
INTERRUPTIBLE LOAN SERVICE

5.4.1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible Loan Service ("ILS") from PERRYVILLE STORAGE, provided that:

- (a) PERRYVILLE STORAGE has determined that it has sufficient operationally available storage capacity, injection or withdrawal capacity to perform service Customer has requested;
- (b) PERRYVILLE STORAGE has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (c) Customer and PERRYVILLE STORAGE have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the loan service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that PERRYVILLE STORAGE would be required to construct, modify, expand or acquire any facilities to enable PERRYVILLE STORAGE to perform the requested services.

5.4.2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all ILS rendered by PERRYVILLE STORAGE to Customer through use of the PERRYVILLE STORAGE FACILITY pursuant to an executed Hub Services Agreement.

ILS rendered by PERRYVILLE STORAGE to Customer under this Rate Schedule shall consist of the loan to Customer, upon nomination and subsequent confirmation, of daily quantities of Gas up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") as stated in the corresponding Exhibit A of the Hub Services Agreement with Customer, provided that all Higher Priority Service nominations for withdrawal have been satisfied and system needs allow. Customer agrees to replace the borrowed quantities of Gas to PERRYVILLE STORAGE at a time to be agreed upon as set forth in Exhibit A of the Hub Services Agreement. If Customer fails to replace or replenish Gas loaned by PERRYVILLE STORAGE to Customer under this Rate Schedule at the agreed upon time, PERRYVILLE STORAGE may purchase replacement Gas and Customer shall pay PERRYVILLE STORAGE the cost of the replacement Gas, which shall include the actual cost of replacement supplies and any costs or penalties incurred by PERRYVILLE STORAGE or its Customers as a result of Customer's failure to deliver replacement Gas, plus all other costs incurred by PERRYVILLE STORAGE to secure such replacement Gas, including, but not limited to, third-party marketing fees, fuel, transportation by third-party pipeline companies, and all other costs for securing replacement Gas.

To the extent PERRYVILLE STORAGE gas which is advanced to an Interruptible Customer hereunder is needed by PERRYVILLE STORAGE in order to satisfy PERRYVILLE STORAGE's obligations to Higher Priority

Services or to meet system needs, PERRYVILLE STORAGE may at its sole discretion and upon giving notice to Customer, interrupt the continuation of any and all services hereunder and require Customer to replace or replenish all, or any portion, of the ILS Gas quantities borrowed by Customer at a time to be agreed upon. Unless PERRYVILLE STORAGE otherwise agrees, Customer shall be required to make ratable injections. If Customer fails to replace or replenish borrowed Gas to PERRYVILLE STORAGE at the agreed upon time, PERRYVILLE STORAGE may purchase replacement Gas and Customer shall pay PERRYVILLE STORAGE the cost of the replacement Gas, which shall include the actual cost of replacement supplies and any costs or penalties incurred by PERRYVILLE STORAGE or its Customers as a result of Customer's failure to deliver replacement Gas, plus all other costs incurred by PERRYVILLE STORAGE to secure such replacement Gas, including, but not limited to, third-party marketing fees, fuel, transportation by third-party pipeline companies, and all other costs for securing replacement Gas.

5.4.3. RATES AND CHARGES

Customer shall pay rates and charges paid for ILS under this Rate Schedule including the applicable loan rate components set forth in the ILS Rate Statement and as described below:

- (a) Interruptible Loan Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Loan Charge set forth in the Hub Services Agreement for each Dth of Gas available for loan by PERRYVILLE STORAGE pursuant to Section 5.4.2 of this Rate Schedule, up to Customer's Maximum Loan Quantity specified in the applicable Exhibit A of the Hub Services Agreement.
- (b) Interruptible Loan Injection Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Loan Injection Charge set forth in the Hub Services Agreement for each Dth of Gas delivered to PERRYVILLE STORAGE for injection into PERRYVILLE STORAGE's facilities pursuant to Section 5.4.2 of this Rate Schedule.
- (c) Interruptible Loan Withdrawal Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Loan Withdrawal Charge set forth in the Hub Services Agreement for each Dth of Gas withdrawn from PERRYVILLE STORAGE's facilities pursuant to Section 5.4.2 of this Rate Schedule.
- (d) Fuel Reimbursement. Customer shall pay to PERRYVILLE STORAGE the amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in the applicable Exhibit A of Customer's Hub Services Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse PERRYVILLE STORAGE for all fees and charges, as required by FERC or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in the applicable Hub Services Agreement.
- (f) Taxes. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed PERRYVILLE STORAGE as a result of service provided under this Rate Schedule.

5.4.4. INVOICE

Each invoice for ILS shall reflect the applicable charges set forth under Section 5.4.3 of this Rate Schedule at rates and terms set forth in Exhibit A of Customer's Hub Services Agreement.

5.4.5. TERM

The term for service under this Rate Schedule shall be as set forth in Exhibit A of the Customer's Hub Services Agreement.

5.4.6. AUTHORIZATION, RATES, TERMS AND CHANGES

(a) The Hub Services Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for PERRYVILLE STORAGE to provide the loan service contemplated hereby and to construct and operate the Gas storage facilities necessary to provide such loan service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the loan service provided for herein.

(b) PERRYVILLE STORAGE shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the Hub Services Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided, however, that any market-based rates negotiated between PERRYVILLE STORAGE and its Customer(s) shall remain in effect during the term of Exhibit A of the Hub Services Agreement(s) specifying such rates.

5.4.7. CURTAILMENT

If, due to any cause whatsoever, PERRYVILLE STORAGE's capability to receive or deliver quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver the quantities provided for in its Exhibit A of the Hub Services Agreement(s) with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

5.4.8. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this ILS Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this ILS Rate Schedule shall control.

RATE SCHEDULE IWS
INTERRUPTIBLE WHEELING SERVICE

5.5.1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible Wheeling Service ("IWS") from PERRYVILLE STORAGE, provided that:

- (a) PERRYVILLE STORAGE has determined that it has sufficient operationally available Interruptible wheeling, receipt and delivery capacity to perform service Customer has requested;
- (b) PERRYVILLE STORAGE has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (c) Customer and PERRYVILLE STORAGE have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any upstream and/or downstream transportation service required for utilization of the wheeling service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that PERRYVILLE STORAGE would be required to construct, modify, expand or acquire any facilities to enable PERRYVILLE STORAGE to perform the requested services.

5.5.2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all IWS rendered by PERRYVILLE STORAGE to Customer through use of the PERRYVILLE STORAGE FACILITY pursuant to an executed Hub Services Agreement.

IWS rendered by PERRYVILLE STORAGE to Customer under this Rate Schedule shall consist of the receipt and re-delivery of Gas, on an Interruptible basis, by PERRYVILLE STORAGE for Customer on PERRYVILLE STORAGE's system between agreed upon Point(s) of Receipt and Point(s) of Delivery.

PERRYVILLE STORAGE shall, on an Interruptible basis, receive for Customer at Point(s) of Receipt located on PERRYVILLE STORAGE's system and shall deliver a like quantity at the Point(s) of Delivery located on PERRYVILLE STORAGE's system daily quantities of Gas up to Customer's Interruptible Maximum Daily Wheeling Quantity; provided, however, PERRYVILLE STORAGE shall not be obligated to receive or re-deliver quantities of Gas on any Day in excess of the quantity nominated and scheduled for that Day.

The receipt and re-delivery of Gas in amounts up to the Customer's Maximum Daily Wheeling Quantity, as specified in Exhibit A of the Customer's Hub Services Agreement, shall be available only in the event that all Higher Priority Service needs have been satisfied.

5.5.3. RATES AND CHARGES

Customer shall pay the rates and charges for IWS under this Rate Schedule including the applicable wheeling rate components set forth in the IWS Rate Statement and as described below:

- (a) Interruptible Wheeling Charge. A charge for each Dth wheeled by PERRYVILLE STORAGE
- (b) Fuel Reimbursement. Customer shall pay to PERRYVILLE STORAGE the amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.19 of the General Terms and Conditions of this FERC Gas Tariff and as set forth in the applicable Exhibit A of Customer's Hub Services Agreement.
- (c) Regulatory Fees and Charges. Customer shall reimburse PERRYVILLE STORAGE for all fees and charges, as required by FERC or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in the Hub Services Agreement.
- (d) Taxes. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed upon PERRYVILLE STORAGE as a result of service provided under this Rate Schedule.

5.5.4. INVOICE

Each invoice for IWS shall reflect the applicable charges set forth under Section 5.5.3 of this Rate Schedule at rates and terms set forth in Exhibit A of Customer's Hub Services Agreement.

5.5.5. TERM

The term for service under this Rate Schedule shall be as set forth in Exhibit A of Customer's Hub Services Agreement.

5.5.6. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) The Hub Services Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for PERRYVILLE STORAGE to provide the wheeling service contemplated hereby and to construct and operate the Gas wheeling facilities necessary to provide such wheeling service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the wheeling service provided for herein.
- (b) PERRYVILLE STORAGE shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the Hub Services Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided, however, that any market-based rates negotiated between

PERRYVILLE STORAGE and its Customer(s) shall remain in effect during the term of Exhibit A of the Hub Services Agreement(s) specifying such rates.

5.5.7. CURTAILMENT

If, due to any cause whatsoever, PERRYVILLE STORAGE's capability to receive or deliver quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver the quantities provided for in its Exhibit A of the Hub Services Agreement(s) with Customers, then wheeling capacity will be allocated according to the priority of service as set forth in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

5.5.8. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this IWS Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this IWS Rate Schedule shall control.

RATE SCHEDULE IBTS
INTERRUPTIBLE IMBALANCE TRADING SERVICE

5.6.1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible Imbalance Trading Service ("IBTS") from PERRYVILLE STORAGE, provided that:

- (a) PERRYVILLE STORAGE has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (b) Customer and PERRYVILLE STORAGE have executed a Hub Services Agreement under this Rate Schedule;
- (c) Customer accepts responsibility for arranging any transportation service required for utilization of the imbalance trading service provided under this Rate Schedule; and
- (d) Service under this Rate Schedule may not be available to the extent that PERRYVILLE STORAGE would be required to construct, modify, expand or acquire any facilities to enable PERRYVILLE STORAGE to perform the requested services.

5.6.2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all IBTS rendered by PERRYVILLE STORAGE to Customer through use of the PERRYVILLE STORAGE FACILITY pursuant to an executed Hub Services Agreement.

IBTS rendered by PERRYVILLE STORAGE to Customer under this Rate Schedule shall consist of the trading of imbalance quantities by PERRYVILLE STORAGE for Customer at agreed upon Point(s) of Receipt and delivery on PERRYVILLE STORAGE's system upon nomination by Customer, and shall also permit the trading of imbalance quantities among Customers. PERRYVILLE STORAGE shall, on an Interruptible basis, accept nomination from Customer for Point(s) of Receipt and Point(s) of Delivery located on PERRYVILLE STORAGE's system for quantities of Gas up to the quantities set forth in Exhibit A of Customer's Hub Services Agreement, in order to permit Customer to trade imbalances created under Rate Schedules set forth in this FERC Gas Tariff. Further, PERRYVILLE STORAGE, on an Interruptible basis, shall permit Customer with imbalance quantities, upon prior notification to PERRYVILLE STORAGE, to trade such imbalance quantities with another Customer, up to the quantities set forth in Exhibit A of Customer's Hub Services Agreement.

5.6.3. RATES AND CHARGES

Customer shall pay rates and charges for Interruptible imbalance trading service under this Rate Schedule including the applicable imbalance trading rate components set forth in the IBT Rate Statement and as described below:

- (a) Interruptible Imbalance Trading Charge. A charge for each Dth scheduled and confirmed with PERRYVILLE STORAGE as an imbalance trade, including imbalance quantities traded between Customers.
- (b) Fuel Reimbursement. No fuel is required to perform PERRYVILLE STORAGE's imbalance trading service.
- (c) Regulatory Fees and Charges. Customer shall reimburse PERRYVILLE STORAGE for all fees and charges, as required by FERC or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Hub Services Agreement.
- (d) Taxes. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed PERRYVILLE STORAGE as a result of service provided under this Rate Schedule.

5.6.4. INVOICE

Each invoice for IBTS shall reflect the applicable charges set forth under Section 5.6.3 of this Rate Schedule at rates and terms set forth in Exhibit A of Customer's Hub Services Agreement.

5.6.5. TERM

The term for service under this Rate Schedule shall be as set forth in Exhibit A of the Customer's executed Hub Services Agreement.

5.6.6. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) The Hub Services Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for PERRYVILLE STORAGE to provide the imbalance trading service contemplated hereby and to construct and operate the Gas storage facilities necessary to provide such imbalance trading service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the imbalance trading service provided for herein.
- (b) PERRYVILLE STORAGE shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the Hub Services Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided, however, that any market-based rates negotiated between PERRYVILLE STORAGE and its Customer(s) shall remain in effect

during the term of Exhibit A of the Hub Services Agreement(s) specifying such rates.

5.6.7. CURTAILMENT

If, due to any cause whatsoever, PERRYVILLE STORAGE's capability to receive or deliver quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver the quantities provided for in its Exhibit A of the Hub Services Agreement(s) with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

5.6.8. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this IBTS Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this IBTS Rate Schedule shall control.

RATE SCHEDULE IBS
INTERRUPTIBLE BALANCING SERVICE

5.7.1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible Balancing Service ("IBS") from PERRYVILLE STORAGE, provided that:

- (a) PERRYVILLE STORAGE has determined that it has sufficient operationally available Gas or storage capacity, injection or withdrawal capacity to perform service Customer has requested;
- (b) PERRYVILLE STORAGE has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Service;
- (c) Customer and PERRYVILLE STORAGE have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the balancing service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that PERRYVILLE STORAGE would be required to construct, modify, expand or acquire any facilities to enable PERRYVILLE STORAGE to perform the requested services.

5.7.2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all IBS rendered by PERRYVILLE STORAGE to Customer through use of the PERRYVILLE STORAGE FACILITY pursuant to an executed Hub Services Agreement.

IBS rendered by PERRYVILLE STORAGE to Customer under this Rate Schedule shall consist of the receipt, injection, storage, and withdrawal and delivery of quantities of Gas in order to manage imbalances created by Customer under Rate Schedules set forth in this FERC Gas Tariff. Service under this Rate Schedule includes:

- (a) The receipt on any Day and injection into storage of Customer's Gas per Customer's nomination which is in excess of the quantity of Gas delivered to any Point(s) of Delivery per Customer's nomination under Interruptible Rate Schedules set forth in this FERC Gas Tariff, provided that all Higher Priority Service nominations for injection have been satisfied, that Customer has sufficient capacity available as part of its Interruptible Maximum Storage Quantity to accommodate the nominated injection quantity and Customer delivers the nominated quantity, plus Fuel Reimbursement, to the Point(s) of Receipt located on PERRYVILLE STORAGE's system;

- (b) The storage of Gas in amounts up to Customer's Interruptible Maximum Storage Quantity, provided that all Higher Priority Service storage and system needs have been satisfied; or
- (c) The withdrawal from storage on any Day and delivery of PERRYVILLE STORAGE's or Customer's Gas per Customer's nomination to the Point(s) of Delivery located on PERRYVILLE STORAGE's system which is in excess of the quantity of Gas received by PERRYVILLE STORAGE at any Point(s) of Receipt per Customer's nomination under Interruptible Rate Schedules set forth in this FERC Gas Tariff, provided that all Higher Priority Service nominations for withdrawal and system needs have been satisfied, and that Customer or PERRYVILLE STORAGE has a quantity of Gas stored in Interruptible Storage Inventory not less than the quantity the Customer shall have nominated for withdrawal on such Day.

To the extent Interruptible storage capacity or Gas which is being utilized by an Interruptible Customer hereunder is needed by PERRYVILLE STORAGE in order to satisfy PERRYVILLE STORAGE's obligations to FSS Customers, PERRYVILLE STORAGE shall require Customer to withdraw or repay all, or any portion of, the IBS Gas quantities held or loaned by PERRYVILLE STORAGE for the account of Customer as specified by PERRYVILLE STORAGE. Unless PERRYVILLE STORAGE otherwise agrees, Customer shall be required to make ratable injections or withdrawals. If Customer fails to inject or withdraw such IBS storage Gas, then PERRYVILLE STORAGE may take, free and clear of any adverse claims, title to such IBS Storage Inventory as Customer was instructed to withdraw. If Customer fails to inject such IBS storage Gas, then PERRYVILLE STORAGE may purchase replacement Gas and Customer shall pay PERRYVILLE STORAGE the cost of the replacement Gas, which includes the actual cost of replacement supplies and any costs or penalties incurred by PERRYVILLE STORAGE or its Customers as a result of Customer's failure to deliver replacement Gas, plus all other costs incurred by PERRYVILLE STORAGE to secure such replacement Gas, including, but not limited to, third-party marketing fees, transportation by third-party pipeline companies, and all other costs for securing replacement Gas. PERRYVILLE STORAGE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer.

5.7.3. RATES AND CHARGES

Customer shall pay rates and charges for IBS under this Rate Schedule including the applicable Interruptible balancing rate components set forth in the IBS Rate Statement and as described below:

- (a) Interruptible Balancing Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Balancing Charge set forth in the Hub Services Agreement for each Dth of Gas made available for balancing by PERRYVILLE STORAGE pursuant to Section 5.7.2 of this Rate Schedule, up to Customer's Interruptible Maximum Storage Quantity specified in the applicable Exhibit A of the Hub Services Agreement.
- (b) Interruptible Balancing Injection Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Balancing Injection Charge set forth in the Hub Services Agreement for each Dth of Gas delivered to PERRYVILLE STORAGE for

injection into PERRYVILLE STORAGE's facilities pursuant to Section 5.7.2 of this Rate Schedule.

- (c) Interruptible Balancing Withdrawal Charge. If applicable, Customer shall pay to PERRYVILLE STORAGE the Interruptible Balancing Withdrawal Charge set forth in the Hub Services Agreement for each Dth of Gas withdrawn from PERRYVILLE STORAGE's facilities pursuant to Section 5.7.2 of this Rate Schedule.
- (d) Fuel Reimbursement. Customer shall pay to PERRYVILLE STORAGE the amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in the applicable Exhibit A of Customer's Hub Services Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse PERRYVILLE STORAGE for all fees and charges, as required by FERC or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in the applicable Hub Services Agreement.
- (f) Taxes. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed PERRYVILLE STORAGE as a result of service provided under this Rate Schedule.

5.7.4. INVOICE

Each invoice for IBS shall reflect the applicable charges set forth under Section 5.7.3 of this Rate Schedule at rates and terms set forth in Exhibit A of Customer's Hub Services Agreement.

5.7.5. TERM

The term for service under this Rate Schedule shall be as set forth in Exhibit A of the Hub Services Agreement.

5.7.6. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) The Hub Services Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for PERRYVILLE STORAGE to provide the balancing service contemplated hereby and to construct and operate the Gas storage facilities necessary to provide such balancing service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the balancing service provided for herein.
- (b) PERRYVILLE STORAGE shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the Hub Services Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided, however, that any market-based rates negotiated between

PERRYVILLE STORAGE and its Customer(s) shall remain in effect during the term of Exhibit A of the Hub Services Agreement(s) specifying such rates.

5.7.7. CURTAILMENT

If, due to any cause whatsoever, PERRYVILLE STORAGE's capability to receive or deliver quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver the quantities provided for in Exhibit A of the Hub Services Agreement with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

5.7.8. EXPIRATION OF TERM

At least fifteen (15) Business Days prior to the end of the term as specified in Exhibit A of Customer's Hub Services Agreement, PERRYVILLE STORAGE shall notify Customer to withdraw all of the IBS Gas quantities held in storage by PERRYVILLE STORAGE for the account of Customer; provided, however, any Exhibit A of Customer's Hub Services Agreement that has a term of fifteen (15) Business Days or less shall not require such foregoing notice but shall be deemed to have been given upon the first Day of the primary term or the renewed term of such Hub Services Agreement. PERRYVILLE STORAGE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer. Before the end of the term of Exhibit A of Customer's Hub Services Agreement, the Customer must either physically withdraw the Gas or indicate to PERRYVILLE STORAGE in writing that it desires to have PERRYVILLE STORAGE cash out the Gas on mutually agreeable terms. If, by midnight on the last Day of the term of Exhibit A of Customer's Hub Services Agreement, the Customer neither has withdrawn the Gas nor indicated in writing to PERRYVILLE STORAGE that it desires to exercise the cash out option, then PERRYVILLE STORAGE may take, free and clear of any adverse claims, title to such IBS balance quantity as Customer was required to withdraw or cash out; provided, however, that if Customer was unable to withdraw its IBS balance quantity due to an interruption of Customer's withdrawal service during the last ten (10) Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term. In the event that PERRYVILLE STORAGE retains and takes title to any of Customer's Storage Inventory pursuant to this Section 5.7.8, PERRYVILLE STORAGE shall dispose of such Storage Inventory by auction and shall credit net proceeds received from such auction in accordance with the provisions of Section 6.33 (Disposition of Retained Quantities) of the General Terms and Conditions of this FERC Gas Tariff.

5.7.9. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this IBS Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this IBS Rate Schedule shall control.

GENERAL TERMS AND CONDITIONS

GENERAL TERMS AND CONDITIONS

6.1. INTRODUCTORY STATEMENT

Except where expressly stated otherwise, the General Terms and Conditions of PERRYVILLE STORAGE's currently effective FERC Gas Tariff shall apply to all Gas services rendered by PERRYVILLE STORAGE under any Service Agreement, including, but not limited to, service under Rate Schedules FSS, ISS, IPS, ILS, IWS, IBTS and IBS.

6.2. DEFINITIONS

- 6.2.1 "Agreement" or "Service Agreement" means the applicable FSS Agreement, ISS Agreement, or Hub Services Agreement executed by Customer and PERRYVILLE STORAGE and any exhibits, attachments, and/or amendments thereto.
- 6.2.2 "Operational Alert" shall have the meaning set forth in Section 6.5.5(f) of these General Terms and Condition.
- 6.2.3 "Bcf" means one billion (1,000,000,000) cubic feet.
- 6.2.4 "Btu" means one British Thermal Unit, and shall be the quantity of heat required to raise the temperature of one (1) pound of water from fifty-eight and five-tenths degrees (58.5 degrees) to fifty-nine and five-tenths degrees (59.5 degrees) Fahrenheit. The reporting basis for Btu is 14.73 dry psia and 60 degrees Fahrenheit (101.325 kPa and 15 degrees C, and dry).
- 6.2.5 "Business Day" means Monday through Friday, excluding federal banking holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico.
- 6.2.6 "Contract Year" means the twelve (12)-month period beginning on the date service under which Service Agreement commences and each subsequent twelve-month period thereafter during the term of the applicable Storage Service Agreement.
- 6.2.7 "Critical Notices" means information pertaining to PERRYVILLE STORAGE conditions that affect scheduling or adversely affect scheduled Gas flow.
- 6.2.8 "A cubic foot of Gas" equals the volume of Gas that occupies one cubic foot at a temperature of 60 degrees Fahrenheit, a pressure of 14.73 psia, and dry.
- 6.2.9 "Customer" means the party who executes a Service Agreement with PERRYVILLE STORAGE.
- 6.2.10 "Day" means a period beginning at 9:00:00 a.m. (Central Clock Time ("CCT")) and ending at 8:59:59 on the following day.
- 6.2.11 "Dekatherm" ("Dth") means the quantity of heat energy equivalent to 1,000,000 Btu. One "Dekatherm" of Gas means the quantity of Gas that contains one Dekatherm of heat energy.
- 6.2.12 "Elapsed-Prorated-Scheduled Quantity" means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.
- 6.2.13 "Excess Injection Charge" means the amount a Customer shall pay to PERRYVILLE STORAGE for each Dth of Gas delivered to PERRYVILLE STORAGE for injection into storage in accordance with Section 5.1.3(f) of Rate Schedule FSS pursuant to an executed FSS Agreement.
- 6.2.14 "Excess Withdrawal Charge" means the amount a Customer shall pay to PERRYVILLE STORAGE for each Dth of Customer's Gas

withdrawn from PERRYVILLE STORAGE's facilities in accordance with Section 5.1.3(g) of Rate Schedule FSS pursuant to an executed FSS Agreement.

- 6.2.15 "FERC" or "Commission" means the Federal Energy Regulatory Commission or any successor agency.
- 6.2.16 "Fuel Reimbursement" shall have the meaning set forth in Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff.
- 6.2.17 "Gas" means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells and residue gas resulting from processing both casinghead gas, gas well gas and natural gas received from the regasification facilities of a liquefied natural gas terminal.
- 6.2.18 "Higher Priority Service" means any firm service.
- 6.2.19 "Hub Service" means service under any of the following Rate Schedules: IPS, ILS, IWS, IBTS and IBS.
- 6.2.20 "Internet Web Site" means PERRYVILLE STORAGE's HTML web site accessible via the Internet's World Wide Web and located at <http://www.perryvillegasstorage.com> or such other third party site as PERRYVILLE STORAGE may designate.
- 6.2.21 "Interruptible" means that the interruptible storage, parking, wheeling, loaning, imbalance trading, or balancing services are subject to interruption at any time by PERRYVILLE STORAGE. A Customer may be required to withdraw Gas held in storage pursuant to an ISS Agreement, or Hub Services Agreement, or provide Gas to PERRYVILLE STORAGE, should such capacity or quantities be required by a Higher Priority Service.
- 6.2.22 "Intraday Nomination" means a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Day and runs through the end of that Day.
- 6.2.23 "Loan Balance" means the quantity of Gas, expressed in Dth, that PERRYVILLE STORAGE has loaned to Customer, provided that the Loan Balance shall never exceed Customer's Maximum Loan Quantity specified in Exhibit A of Customer's Hub Services Agreement.
- 6.2.24 "Maximum Daily Injection Quantity" or "MDIQ" means the maximum quantity of Gas, expressed in Dth, specified in Exhibit A of Customer's Storage Service Agreement, or Exhibit A of a Hub Services Agreement that Customer may nominate and that PERRYVILLE STORAGE shall receive at all Point(s) of Receipt located on its header system for injection into storage each Day at constant hourly rates of flow over the course of such Day (excluding Fuel Reimbursement). As determined by PERRYVILLE STORAGE in its sole and reasonable judgment, the maximum quantity may be injected at rates of flow which deviate from constant hourly rates over the course of such Day.
- 6.2.25 "Maximum Daily Wheeling Quantity" or "MDTQ" means the maximum quantity of Gas, expressed in Dth, specified in Exhibit A of Customer's Hub Services Agreement that Customer may nominate

and that PERRYVILLE STORAGE shall receive from a Point of Receipt and re-deliver to a Point of Delivery located on PERRYVILLE STORAGE's system each day at constant hourly rates of flow over the course of each day (excluding Fuel Reimbursement). As determined by PERRYVILLE STORAGE in its sole and measurable judgment, the maximum quantity may be wheeled at rates of flow which deviate from constant hourly rates over the course of such Day.

- 6.2.26 "Maximum Daily Withdrawal Quantity" or "MDWQ" means the maximum aggregate quantity of Gas, expressed in Dth, that Customer may nominate and that PERRYVILLE STORAGE shall withdraw from storage and tender to Customer at all Point(s) of Delivery located on PERRYVILLE STORAGE's system each Day at constant hourly rates of flow over the course of such Day. As determined by PERRYVILLE STORAGE in its sole and reasonable judgment, the maximum quantity may be withdrawn at rates of flow which deviate from constant hourly rates over the course of such Day.
- 6.2.27 "Maximum Loan Quantity" means the maximum quantity of Gas, expressed in Dth, that PERRYVILLE STORAGE is obligated to loan to Customer at the PERRYVILLE STORAGE FACILITY, at any given time as specified in Exhibit A of Customer's Hub Services Agreement.
- 6.2.28 "Maximum Storage Quantity" or "MSQ" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in the PERRYVILLE STORAGE FACILITY at any given time, including any Park Balance and any balance held by PERRYVILLE STORAGE for a Customer under Rate Schedule IBS, as specified in the applicable Service Agreement.
- 6.2.29 "Month" means the period beginning at 9:00:00 a.m. Central Clock Time on the first Day of a calendar month and ending at 8:59:59 a.m. Central Clock Time on the last Day of such month.
- 6.2.30 "Operational Flow Order" or "OFO" means an order issued to alleviate conditions that threaten or could threaten the safe operations or system integrity of PERRYVILLE STORAGE's system or to maintain operations required to provide efficient and reliable firm service. Whenever PERRYVILLE STORAGE experiences these conditions, any pertinent order will be referred to as an Operational Flow Order.
- 6.2.31 "Park Balance" means quantity of Gas, expressed in Dth, that Customer has in PERRYVILLE STORAGE's storage facilities for Customer's account, provided that the Park Balance shall never exceed Customer's Maximum Storage Quantity specified in Exhibit A of Customer's Hub Services Agreement.
- 6.2.32 "Point(s) of Delivery" means the point or points located on PERRYVILLE STORAGE's system specified in Customer's Service Agreement at which PERRYVILLE STORAGE shall tender Gas to Customer pursuant to the applicable Service Agreement.
- 6.2.33 "Point(s) of Receipt" means the point or points located on PERRYVILLE STORAGE's system specified in Customer's Service

Agreement at which PERRYVILLE STORAGE shall receive Gas from Customer pursuant to the applicable Service Agreement.

- 6.2.34 "Psig" means pounds per square inch, gauge.
- 6.2.35 "Releasing Customer" means a Customer who has agreed to release some or all of its rights under its FSS Agreement.
- 6.2.36 "Replacement Customer" means a Customer who has assumed any released rights to capacity of a Releasing Customer.
- 6.2.37 "Storage Injection Charge" means the amount a Customer shall pay to PERRYVILLE STORAGE for each Dth of Gas delivered to PERRYVILLE STORAGE for injection into storage in accordance with Section 5.1.3(b) of Rate Schedule FSS pursuant to an executed FSS Agreement.
- 6.2.38 "Storage Inventory" means the quantity of Working Gas, expressed in Dths, which a Customer has in place in the PERRYVILLE STORAGE FACILITY for Customer's account pursuant to a Service Agreement, provided that the Storage Inventory shall never exceed Customer's Maximum Storage Quantity as specified in the applicable Service Agreement.
- 6.2.39 "Storage Reservation Charge" means the amount a Customer shall pay to PERRYVILLE STORAGE each month as a result of PERRYVILLE STORAGE reserving storage capacity for such Customer pursuant to an executed Firm Storage Service Agreement.
- 6.2.40 "Storage Service Agreement" means a Firm Storage Service Agreement or an Interruptible Storage Service Agreement, or a Hub Services Agreement.
- 6.2.41 "Storage Withdrawal Charge" means the amount a Customer shall pay to PERRYVILLE STORAGE for each Dth of Customer's Gas withdrawn from PERRYVILLE STORAGE's facilities in accordance with Section 5.1.3(c) of Rate Schedule FSS pursuant to an executed Firm Storage Service Agreement.
- 6.2.42 "Transporter" means the Customer's transporter designated to deliver Gas to the Point(s) of Receipt or Customer's transporter designated to receive Gas from the Point(s) of Delivery.
- 6.2.43 "Working Gas" means the storage capacity of PERRYVILLE STORAGE, minus the required cushion volume to maintain operational integrity.

6.3. REQUEST FOR SERVICE

This Section provides the process by which requests for service shall be made when unsubscribed storage capacity becomes available. PERRYVILLE STORAGE will provide not unduly discriminatory access to storage capacity to all Customers including, without limitation, local distribution companies, end-users, producers, liquefied natural gas re-gasifiers, brokers, marketers, and other potential Customers who desire such service. PERRYVILLE STORAGE's obligation to provide firm service shall be subject to the availability of existing firm capacity to provide the requested service.

6.3.1 Firm Storage Service Procedures

To obtain FSS, Customers must bid for firm capacity under the procedures set forth under this Section 6.3.1 (or submit a request for FSS if service is sought outside a binding open season), execute a Service Agreement under Rate Schedule FSS and comply with the nomination procedures set forth under Section 6.8 (Nominations and Scheduling) of these General Terms and Conditions.

Firm Storage Binding Open Season.

- (a) Notice of binding open season. Prior to the proposed commencement of new firm service, or at the expiration of any long-term (primary term of one (1) year or more) FSS Agreement with a Customer, PERRYVILLE STORAGE shall post notice of the open season on its Internet Web Site, at least ten (10) days prior to commencement of an open season. Such notice shall specify when the open season begins and ends, where interested parties may submit requests for FSS, the minimum rates, if any, PERRYVILLE STORAGE will accept for the available capacity, and how interested parties may obtain forms for requesting service and additional details about the open season.
- (b) Duration. The open season shall commence at the time and day specified and for the term indicated in the notice of open season. During this time, PERRYVILLE STORAGE will accept requests for the FSS to be available in its facilities.

- (c) During the allocation process conducted as part of an open season, should requests for Firm storage service exceed available capacity, capacity will first be allocated to the highest net present value bid, as determined by PERRYVILLE STORAGE in its sole discretion, received for FSS. When remaining unallocated capacity is not sufficient to meet the next highest net present value bidder's capacity requirements for FSS, that next highest bidder may decline the remaining capacity. PERRYVILLE STORAGE will then offer the remaining capacity to the next highest bidder, until all the remaining capacity is allocated.
- (d) Should two or more bidders submit bids with identical present values, as determined by PERRYVILLE STORAGE in its sole discretion, and there is insufficient remaining capacity available to serve such prospective Customers, then capacity will be allocated to such prospective Customers on a pro rata basis.
- (e) Execution of Agreements. A prospective Customer allocated service in an open season shall be required to execute one or more Storage Service Agreements no later than 30 days following the close of the open season or forfeit the service that has been allocated to it.
- (f) PERRYVILLE STORAGE will accept requests for FSS for any capacity remaining available after an open season. The remaining capacity shall be allocated on a first come, first served basis. That is, the first creditworthy prospective Customer offering to pay a rate for service that PERRYVILLE STORAGE finds acceptable shall be allocated capacity.

6.3.2 Interruptible Storage and Hub Service Procedures

- (a) To obtain ISS or Hub Service, Customer must submit a request for service to PERRYVILLE STORAGE, Customer and PERRYVILLE STORAGE must have executed a Service Agreement under Rate Schedule ISS, or a Hub Service Agreement after Customer has provided all information reasonably requested by PERRYVILLE STORAGE and PERRYVILLE STORAGE has found Customer to be creditworthy, and Customer must comply with the nomination procedures set forth under Section 6.8 (Nominations and Scheduling) of these General Terms and Conditions.
- (b) Procedures to Obtain Interruptible Storage or Hub Service Capacity
 - (1) General

If and when ISS or Hub Service capacity on PERRYVILLE STORAGE's existing facilities becomes available,

Customers or potential Customers shall contract for such storage capacity pursuant to the procedures set forth under this Section 6.3.

PERRYVILLE STORAGE will satisfy all requests for ISS or Hub Service capacity, which are feasible given existing facilities and which can be fulfilled without impairment of existing contractual obligations and without affecting the integrity of the PERRYVILLE STORAGE FACILITY.

(2) Internet Web Site Posting Procedure

PERRYVILLE STORAGE shall maintain information on its website that sets forth the capacity available under Rate Schedule ISS and Hub service at applicable Point(s) of Receipt and Points(s) of Delivery.

6.3.3 Requests for Service

- (a) General. Any prospective Customer wishing to obtain service from PERRYVILLE STORAGE under this FERC Gas Tariff (other than FSS provided as a result of a binding open season) shall submit in writing to PERRYVILLE STORAGE a request for service in substantially the same format as that shown in Section 6.23. Such request may be delivered in person or submitted by United States mail, overnight courier service, facsimile transmission, or e-mail. PERRYVILLE STORAGE shall evaluate and respond to prospective Customer's request within five (5) Business Days of its receipt.

Requests for service may be sent to:

PERRYVILLE GAS STORAGE LLC
Attn: Contract Administrator
Three Riverway, Suite 1250
Houston, Texas 77056
Telephone: 713-350-2500
Facsimile: 713-350-2550
E-mail: CardinalContractAdmin@cardinalgs.com

- (b) Creditworthiness. A prospective Customer shall be deemed creditworthy if the prospective Customer has an Acceptable Credit Rating, as defined in Section 6.32 of these General Terms and Conditions.

6.3.4 Additional Information.

- (a) Customer or prospective Customer shall promptly provide such information as may be reasonably required by PERRYVILLE STORAGE, at any time during the term of service under a Storage Service Agreement, to enable PERRYVILLE STORAGE to determine Customer's or prospective Customer's creditworthiness.

- (b) After receipt of a request for service, PERRYVILLE STORAGE may require that prospective Customer furnish additional information as a prerequisite to PERRYVILLE STORAGE offering to execute a Storage Service Agreement with such prospective Customer. Such information may include proof of prospective Customer's lawful right and/or title to cause the Gas to be delivered to PERRYVILLE STORAGE for service under this FERC Gas Tariff and of prospective Customer's contractual or physical ability to cause such Gas to be delivered to and received from such prospective Customer's designated Point(s) of Delivery and/or Receipt.
- (c) Should a Customer or a prospective Customer desire PERRYVILLE STORAGE to provide service pursuant to Section 311 of the Natural Gas Policy Act, it shall provide to PERRYVILLE STORAGE a statement warranting that it complies with all requirements for receiving service pursuant to Section 311 and the FERC's regulations thereunder, including, but not limited to, compliance with the "on-behalf-of" requirement then in effect.

6.3.5 Request Validity. If PERRYVILLE STORAGE has tendered a Storage Service Agreement for execution to a prospective Customer and such prospective Customer fails to execute the agreement as tendered within 30 Days from the date it receives the agreement, then PERRYVILLE STORAGE may consider prospective Customer's service request void. For service under Rate Schedule FSS, PERRYVILLE STORAGE will not be required to tender a Storage Service Agreement to a prospective Customer for execution that relates to requests for service for which PERRYVILLE STORAGE does not have sufficient available firm capacity.

6.3.6 Complaints. In the event that a Customer or prospective Customer has a complaint relative to service under this FERC Gas Tariff, the Customer or prospective Customer shall provide a description of the complaint, including the identification of the service request (if applicable), and communicate it to:

PERRYVILLE GAS STORAGE LLC
Attn: Contract Administrator
Three Riverway, Suite 1250
Houston, Texas 77056
Telephone: 713-350-2500
Facsimile: 713-350-2550
E-mail: CardinalContractAdmin@cardinalgs.com

PERRYVILLE STORAGE will respond initially within forty-eight (48) hours and in writing within 30 Days of receipt of the complaint advising Customer or a prospective Customer of the disposition of the complaint. In the event the required date of PERRYVILLE STORAGE's response falls on a Saturday, Sunday, or a holiday that affects PERRYVILLE STORAGE, PERRYVILLE STORAGE shall respond by the next Business Day.

6.3.7 General Information.

- (a) Any person may request information on pricing, terms of service, or capacity availability by contacting PERRYVILLE STORAGE at the following:

PERRYVILLE GAS STORAGE LLC
Attn: Contract Administrator
Three Riverway, Suite 1250
Houston, Texas 77056
Telephone: 713-350-2500
Facsimile: 713-350-2550
E-mail: CardinalContractAdmin@cardinalgs.com

- (b) Each Customer will be provided with a list of phone numbers for PERRYVILLE STORAGE's Gas dispatch and control personnel, who are on-call 24-hours a day. Such information will also be posted on PERRYVILLE STORAGE's Internet Web Site on a 24-hour basis.

6.3.8 Construction of Facilities. PERRYVILLE STORAGE shall not be required to provide any requested service under any Rate Schedule, which would require construction or acquisition by PERRYVILLE STORAGE of new facilities, or expansion of existing facilities.

6.4. CAPACITY RELEASE

Any Customer under Rate Schedule FSS may seek to release for assignment to others any or all of its firm storage service entitlements on:

- (a) a full Day or an intraday basis,
- (b) a permanent or a temporary basis, and
- (c) a firm or recallable basis, subject to the following terms and conditions:

6.4.1 Notice of Offer. A Customer offering to release FSS entitlements shall notify PERRYVILLE STORAGE via its Internet Web Site of the terms of its offer by the posting deadline as determined pursuant to Section 6.4.3 of these General Terms and Conditions. This information will be posted on PERRYVILLE STORAGE's Internet Web Site. Customer may propose a pre-arranged designated Replacement Customer to which the capacity would be released. Offers shall be binding unless written or electronic notice of withdrawal is received by PERRYVILLE STORAGE prior to the close of the applicable bid period; provided, however, such withdrawal shall only be valid if such Customer has an unanticipated requirement for such capacity and no minimum bid has been made. The notice must contain the reason for withdrawal, which PERRYVILLE STORAGE shall post on its Internet Web Site. The offer shall contain the following minimum information:

- (a) Customer's legal name and the name/title of individual who has authorized the offer to release;
- (b) PERRYVILLE STORAGE's Storage Service Agreement number;
- (c) A description of the capacity to be released, including the MSQ, the MDIQ, and the MDWQ, and the associated Point(s) of Receipt and Point(s) of Delivery (Replacement Customer may request changes to such Point(s) of Receipt and Point(s) of Delivery subject to the proposed release and subject to the daily quantity limitations described in Section 6.4.2 of these General Terms and Conditions);
- (d) The proposed effective date and term of the release;
- (e) The identity of any pre-arranged designated Replacement Customer and the full terms of such pre-arranged release;
- (f) The method to be applied in evaluating bids, allocating capacity and breaking ties, as described below;
- (g) Whether, to what extent, and the conditions pursuant to which capacity will be subject to recall for a full Day or a partial Day; if recallable, whether the Releasing Customer's recall notification must be provided exclusively on a Business Day, and any reput methods and rights associated with returning the previously released capacity to the Replacement Customer;
- (h) Whether bids on a volumetric rate basis may be submitted, and, if so, the method for evaluating any such bids, including how to rank bids if bids are also to be accepted on a reservation charge basis, and any other special conditions;

- (i) Whether contingent bids that extend beyond the bid period may be submitted, how to evaluate and prioritize such bids against non-contingent bids, and the terms and conditions under which, and/or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder withdraw its bid;
- (j) Any extensions of the minimum posting/bid periods;
- (k) Whether Releasing Customer desires to utilize the first-come, first-served option for short-term releases described in Section 6.4.6 below and any minimum terms applicable thereto;
- (l) Other special terms and conditions Releasing Customer imposes on the release of its capacity, including, but not limited to, minimum rates, term, and quantity;
- (m) Whether to specify dollars and cents or percents of rates in the denomination of bids;
- (n) For purposes of bidding and awarding, any minimum rates specified by the Releasing Customer shall include the tariff reservation rate and all reservation surcharges, as a total number or as stated separately;
- (o) Whether the release is on a permanent or a temporary basis;
- (p) An e-mail address for the Releasing Customer contact person. It is Customer's responsibility to update e-mail address information provided to PERRYVILLE STORAGE, as necessary; and
- (q) The recall notification period(s), as identified in Section 6.4.13(e) below, that will be available for use by the parties.
- (r) Whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations, or to a marketer participating in a state-mandated retail access program as defined in Section 284(h)(4) of the Commission's regulations, and if the proposed release is part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect.

6.4.2 Intraday Release Quantity. The daily contractual entitlement that can be released by a Releasing Customer for an intraday release is limited to the lesser of:

- (a) the quantity contained in the offer submitted by the Releasing Customer; or
- (b) a quantity equal to 1/24th of the Releasing Customer's MDIQ and MDWQ for the contract to be released multiplied by the number of hours between the effective time of the release and the end of the Day.

This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable, for overrun calculations. The MSQ that can be released by a Releasing

Customer for an intraday release is limited to a quantity not in excess of the Releasing Customer's MSQ less the Releasing Customer's Storage Inventory.

6.4.3 Posting and Bidding Timeline. For the Capacity Release business process timing model, only the following methodologies shall be supported by PERRYVILLE STORAGE and provided to Releasing Customers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are:

- (a) highest rate
- (b) net revenue
- (c) present value

Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) can be accorded similar timeline evaluation treatment at PERRYVILLE STORAGE's discretion; however, PERRYVILLE STORAGE is not required to offer other choices or similar timeline treatment for other choices.

Further, PERRYVILLE STORAGE shall not be held to the timeline specified in Sections 6.4.3(a) and 6.4.3(b) below should the Releasing Customer elect another method of evaluation. Should the Releasing Customer elect another method of evaluation, the timeline specified in Section 6.4.3(c) below shall apply. The proposed duration of Customer's release determines the minimum bid period for Customer's offer pursuant to this Section 6.4. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if (i) all information provided by the parties to the transaction is valid and the Replacement Customer has been determined to be creditworthy before the capacity release bid is tendered and (ii) there are no special terms or conditions of the release.

The Capacity Release timeline is as follows:

- (a) For standard releases of less than one year:
 - (i) Offers shall be tendered by 9:00 a.m. CCT on a Business Day;
 - (ii) The bid period shall end at 10:00 a.m. CCT on the same Business Day or at 10:00 a.m. CCT on any subsequent Business Day as specified in Releasing Customer's offer, whichever is elected by Releasing Customer;
 - (iii) Evaluation period begins at 10:00 a.m. CCT on the Day the bid period ends, during which contingency is eliminated, determination of best bid is made, and ties are broken;
 - (iv) Evaluation period ends and award is posted if no match is required at 11:00 a.m. CCT the same Day;
 - (v) If the Prearranged Customer's bid is not the best bid, then PERRYVILLE STORAGE shall allow such Prearranged Customer a period of thirty (30) minutes

from 11:00 a.m. until 11:30 a.m. CCT on the Day the Bid Period ends, or such later time as specified in the Releasing Customer's offer, to determine whether to match the best bid and to notify PERRYVILLE STORAGE of its decision.

- (vi) If a match is required, the award will be posted by 12:00 p.m. CCT.

PERRYVILLE STORAGE will issue a contract within one hour of the award posting (with a new contract number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 6.7 (Nominations and Scheduling) of these General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

- (b) For standard releases of one year or longer:

- (i) Offers shall be tendered by 9:00 a.m. CCT four (4) Business Days before the award;
- (ii) The bid period shall end at 10:00 a.m. CCT on the Day before timely nominations are due (open season is three Business Days) or at 10:00 a.m. CCT on any subsequent Business Day as specified in Releasing Customer's offer, whichever is elected by Releasing Customer;
- (iii) Evaluation period begins at 10:00 a.m. CCT on the Day the bid period ends, during which contingency is eliminated, determination of best bid is made, and ties are broken;
- (iv) Evaluation period ends and award is posted if no match is required at 11:00 a.m. CCT the same Day;
- (v) If the Prearranged Customer's bid is not the best bid, PERRYVILLE STORAGE shall allow such Prearranged Customer a period of thirty (30) minutes from 11:00 a.m. CCT until 11:30 a.m. CCT on the Day the Bid Period ends, or such later time as specified in the Releasing Customer's offer, to determine whether to match the best bid and to notify PERRYVILLE STORAGE of its decision.
- (vi) If a match is required, the award will be posted by 12:00 p.m. CCT.

PERRYVILLE STORAGE will issue a contract within one hour of the award posting (with a new contract number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 6.8 (Nominations and Scheduling) of these General Terms and Conditions; however, in no

circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer. The nomination and scheduling timeline as follows:

- (1) Timely Cycle: Posting of prearranged deals not subject to bid are due by 12:00 p.m. CT.
 - (2) Evening Cycle: Posting of prearranged deals not subject to bid are due by 5:00 p.m. CT.
 - (3) Intraday 1 Cycle: Posting of prearranged deals not subject to bid are due by 9:00 a.m. CT.
 - (4) Intraday 2 Cycle: Posting of prearranged deals not subject to bid are due by 1:30 p.m. CT.
 - (5) Intraday 3 Cycle: Posting of prearranged deals not subject to bid are due by 6:00 p.m. CT.
- (c) Timeline for Non-standard Releases. If Releasing Customer specifies a bid evaluation methodology other than those stated in Section 6.4.7 of these General Terms and Conditions or any special terms or conditions, then the above timelines shall apply; provided, however, one additional Business Day will be added to the evaluation period. Subsequent deadlines will be delayed by such additional Business Day, causing Gas flow to occur at least one Day later than under the standard timelines set forth in Sections 6.4.3(a) and 6.4.3(b) of these General Terms and Conditions.
- (d) Releases Not Subject to Bidding. For proposed capacity releases of a duration of thirty-one (31) Days or less for which Releasing Customer has obtained a Prearranged Replacement Customer and Releasing Customer elects not to post such proposed capacity releases for bidding pursuant to Section 6.4.3 of these General Terms and Conditions, any release to an asset manager (as defined in Section 284.8(h)(3) of the Commission's regulations), or any release to a marketer participating in a state-mandated retail access program (as defined in Section 284.8(h)(4) of the Commission's regulations) shall not be subject to the competitive bidding requirements of Section 6.4.3, but shall be subject to all other provisions of this Section 6.4. With the exception of releases to an asset manager, or to a marketer participating in a state-mandated retail access program, any release with a term that is greater than thirty-one (31) days must be posted for bidding. Customer shall notify PERRYVILLE STORAGE of such non-biddable release by providing the information pursuant to Section 6.4.1 of these General Terms and Conditions, which information will be posted on PERRYVILLE STORAGE's Internet

Web Site as required by Section 6.4 of these General Terms and Conditions.

The Prearranged Customer must initiate confirmation of prearranged deals electronically. PERRYVILLE STORAGE will issue a contract within one hour of notification of the release (with a new contract number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 6.7 (Nominations and Scheduling) of these General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer. A Prearranged Customer may not consummate a release with any Customer that utilizes the same capacity or overlaps such capacity without such release being subject to the bidding requirement if such Customer has, within the prior twenty-eight (28) consecutive Days, released capacity to such Prearranged Customer, which prior release was not subject to the bidding requirements.

PERRYVILLE STORAGE shall post offers and bids, including pre-arranged deals, upon receipt, unless Releasing Customer requests otherwise. If Releasing Customer requests a posting time, PERRYVILLE STORAGE shall support such request insofar as it comports with the standard timeline. A Releasing Customer cannot specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.

- 6.4.4 Pre-arranged Releases. A Releasing Customer may designate an entity (a pre-arranged designated Replacement Customer) to which it has agreed to release the capacity upon specified terms and conditions. A Releasing Customer's offer to release under such a pre-arranged transaction shall be subject to the prior posting and bidding procedures described in Sections 6.4.5 and 6.4.6 of these General Terms and Conditions.
- 6.4.5 Posting. Following receipt of a notice of offer to release capacity which satisfies the requirements set forth in this Section, PERRYVILLE STORAGE will post such information on its Internet Web Site in accordance with the timeline set forth in Section 6.4.3 herein. PERRYVILLE STORAGE shall also post offers to purchase capacity from those who desire current Customers to release capacity upon receipt of the applicable information as set forth in this Section.
- 6.4.6 Bidding and Selection of Replacement Customer. All bids must contain the applicable information required in this Section. If Releasing Customer desires to solicit bids for releases of thirty-one (31) Days or less, it may direct PERRYVILLE STORAGE to post notice of the availability of such capacity and, in lieu of permitting bids during the otherwise applicable posting period, award the capacity to the bidder who submits first in time a valid bid meeting any minimum terms specified by the Releasing Customer. Any bid submitted by a Replacement Customer shall include an e-mail address for at least one contact person, and it

is the Customer's responsibility to update e-mail address information provided to PERRYVILLE STORAGE, as necessary. A bidder may not have more than one eligible bid for the same release offer at any time. Bids shall be binding unless written or electronic notice of withdrawal is received by PERRYVILLE STORAGE before the end of the bid period. Bids cannot be withdrawn after the bid period ends. If a bid is withdrawn prior to the end of the bid period, that bidder may only submit a new bid pursuant to that release offer if it is at a higher rate than the withdrawn bid.

PERRYVILLE STORAGE shall evaluate the bids in accordance with the provisions of this Section and determine the best bid in accordance with the timelines set forth in Section 6.4.3 of these General Terms and Conditions.

PERRYVILLE STORAGE shall notify Releasing Customer, the best bidder, and any pre-arranged designated Replacement Customer of such determination in accordance with the timelines set forth in Section 6.4.3 of these General Terms and conditions. If there is a pre-arranged designated Replacement Customer, it may exercise its right to match such best bid by providing written notice of such exercise to PERRYVILLE STORAGE and Releasing Customer in accordance with the timelines set forth in Section 6.4.3 herein.

After the Replacement Customer is selected, PERRYVILLE STORAGE and the Replacement Customer will enter into a FSS Agreement with respect to the release capacity. Following implementation of the release, PERRYVILLE STORAGE shall post notice of the winning bidder on its Internet Web Site.

6.4.7 Best Bid. When PERRYVILLE STORAGE makes awards of capacity for which there have been multiple bids meeting minimum conditions, PERRYVILLE STORAGE shall award the bids, best bid first, until all offered capacity is awarded. The capacity being awarded represents the MDIQ, MDWQ, or MSQ. These quantities are separate parts of the capacity and are awarded until one of the quantities is fully awarded, at which point all capacity is deemed to be fully awarded. PERRYVILLE STORAGE shall evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by the Releasing Customer as follows:

- (a) PERRYVILLE STORAGE shall apply the standard or criteria for such determination specified by the Releasing Customer, including the standard to be used for breaking ties. Any standard or criteria so specified must be objective, economic, not unduly discriminatory, not contrary to applicable provisions of this FERC Gas Tariff, applicable to all potential Replacement Customers and require PERRYVILLE STORAGE in applying such standard to exercise no more than a ministerial function. The Releasing Customer shall indemnify and hold PERRYVILLE STORAGE harmless from and against all demands, losses, claims, expenses, causes of action, and/or damages suffered or incurred by PERRYVILLE STORAGE arising out of or related to any determination of a best bid pursuant to a standard specified, supplied, approved, or provided by Releasing Customer.

- (b) If the Releasing Customer does not specify a bid evaluation standard, then PERRYVILLE STORAGE shall determine the bid or bids generating the highest net present value, using a 10% discount factor, based on the rate bid (reservation component), the applicable quantity(ies) and term or period bid upon. If the Releasing Customer does not specify a method to break ties, priority will be given first to the bid with the shortest term, and next to the bid submitted first in time.

6.4.8 Qualification of Prospective Replacement Customer. A prospective Replacement Customer must be on PERRYVILLE STORAGE's approved bidders list before bids may be posted on the Internet Web Site, must satisfy all Customer requirements of the applicable Rate Schedule and the General Terms and Conditions of this FERC Gas Tariff. To be on the approved bidders list, the prospective Replacement Customer must satisfy PERRYVILLE STORAGE's credit requirements as outlined in Section 6.3 (Request for Service) and Section 6.32 of these General Terms and Conditions. Such credit appraisal shall be reevaluated and updated every three (3) months. The prospective Replacement Customer shall remain on the approved bidders list until such prospective Replacement Customer (i) notifies PERRYVILLE STORAGE to the contrary, (ii) no longer meets the credit qualifications established in Section 6.3 (Request for Service) and Section 6.32 of these General Terms and Conditions, or (iii) is suspended from the approved bidders list in the event, and for such time as, such Replacement or Prearranged Customer fails to pay part or all of the amount of any bill for service in accordance with Section 6.14 (Billings and Payments) of these General Terms and Conditions. PERRYVILLE STORAGE will apply its creditworthiness criteria to assess the submission. PERRYVILLE STORAGE will waive the creditworthiness requirement on a non-discriminatory basis for Replacement Customers and permit them to submit bids, if the Releasing Customer provides PERRYVILLE STORAGE with a guarantee or other form of credit assurance in form and substance satisfactory to PERRYVILLE STORAGE of all financial obligations of the Replacement Customer with respect to the capacity being released by Releasing Customer prior to the commencement of service to the Replacement Customer.

6.4.9 Nominations. Following its selection, and prior to the flow of Gas, the Replacement Customer shall be permitted to submit nominations pursuant to the terms and conditions of the applicable Rate Schedule and the General Terms and Conditions of this FERC Gas Tariff.

6.4.10 Billing. The Replacement Customer shall be billed and make payments to PERRYVILLE STORAGE in accordance with the applicable Rate Schedule, other provisions of this FERC Gas Tariff, and of its Storage Service Agreement incorporating its bid terms. In accordance with the terms of the release, the Replacement Customer shall pay or be liable for the usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) applicable under the relevant Rate Schedule and Firm Storage Service Agreement attributable to its usage of the released capacity. PERRYVILLE STORAGE shall

continue to bill the Releasing Customer all applicable charges under its existing Storage Service Agreement, excluding usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to its usage of the released capacity. Invoices sent to the Releasing Customer shall reflect a credit equal to any reservation charges (plus all surcharges applicable thereto) being billed to the Replacement Customer for the released capacity rights, or as otherwise agreed. If the Replacement Customer fails to pay when due all or part of the amounts credited to the Releasing Customer, PERRYVILLE STORAGE shall pursue payment from the Replacement Customer by notifying such Customer by registered letter, return receipt requested, that it has five (5) days from receipt of such letter to pay the amount due including any applicable interest. If the Replacement Customer fails to pay such amount by the end of the fifth day, PERRYVILLE STORAGE shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest.

6.4.11 Rights and Obligations of the Parties.

- (a) The Storage Service Agreement between the Releasing Customer and PERRYVILLE STORAGE shall remain in full force and effect with the Releasing Customer to receive a credit to its invoice as described in Section 6.4.10 of these General Terms and Conditions. If the Replacement Customer fails to pay all or part of the amounts credited to the Releasing Customer after the five Day notification period specified in Section 6.4.10 of these General Terms and Conditions, then PERRYVILLE STORAGE shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. The Storage Service Agreement executed by the Replacement Customer shall be fully effective and enforceable by and against the Replacement Customer. The Replacement Customer may also release capacity pursuant to this Section, and in such event and for such purposes, shall be considered the Releasing Customer.
- (b) PERRYVILLE STORAGE shall accept nominations, schedule service, afford priority of service, and interrupt service based on instructions and communications from the Releasing Customer and the Replacement Customer, which are consistent with one another and with the terms and conditions of PERRYVILLE STORAGE's FERC Gas Tariff and their respective Storage Service Agreements. In the event that instructions or nominations from the Releasing Customer and Replacement Customer are, in PERRYVILLE STORAGE's opinion, inconsistent or conflicting, PERRYVILLE STORAGE shall comply with the instructions of the Releasing Customer; provided, however, that such instructions must not be inconsistent with PERRYVILLE STORAGE's FERC Gas Tariff or the terms of either the Releasing Customer's or Replacement Customer's Storage Service Agreement, in PERRYVILLE STORAGE's opinion. The Releasing Customer will indemnify PERRYVILLE STORAGE against any claim or suit by the Replacement Customer, its

successors or assigns, arising from any action taken by PERRYVILLE STORAGE in reliance upon the Releasing Customer's nominations and instructions and will hold PERRYVILLE STORAGE harmless for any action taken by PERRYVILLE STORAGE in reliance upon the nominations and scheduling instructions of the Replacement Customer; provided, however, that the Releasing Customer shall not be liable for the Replacement Customer's failure to pay the usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to its usage of the released capacity. The Replacement Customer will indemnify PERRYVILLE STORAGE against any claim or suit by the Releasing Customer, its successors or assigns, arising from any action taken by PERRYVILLE STORAGE in reliance upon the nominations and scheduling instructions of the Replacement Customer and will hold PERRYVILLE STORAGE harmless for any actions taken by PERRYVILLE STORAGE in reliance upon the instructions of the Releasing Customer.

6.4.12 Marketing Fee. If PERRYVILLE STORAGE and the Releasing Customer so agree, PERRYVILLE STORAGE may receive a negotiated fee for its marketing efforts.

6.4.13 Limitations.

- (a) Releases and assignments hereunder shall be for a period(s) of one or more Day(s) and the maximum term shall not extend beyond the expiration of this FERC Gas Tariff provision or beyond the expiration of the Releasing Customer's Storage Service Agreement.
- (b) PERRYVILLE STORAGE may invalidate any offer to release or any bid subsequent to its posting on the Internet Web Site, which does not conform to the requirements of this Section and the other provisions of this FERC Gas Tariff and such invalidated offer or bid shall be deemed null and void.
- (c) Any terms and conditions imposed on the offer to release by the Releasing Customer as provided for in this Section must be objectively stated, reasonable, capable of administration or implementation by PERRYVILLE STORAGE without any material increase in burden or expense, applicable to all potential bidders, not unduly discriminatory, and consistent with the terms and conditions of this FERC Gas Tariff and Releasing Customer's Storage Service Agreement.
- (d) A Releasing Customer may re-release to the same Replacement Customer, where such first release was not subject to posting and bidding pursuant to Sections 6.4.5 and 6.4.6 of these General Terms and Conditions, for a term of 31 Days or less, only if: 1) a period of 28 Days has elapsed after the first release for 31 Days or less has expired or 2) the Point(s) of Receipt and/or Point(s) of Delivery for the re-release is different from the Point(s) of Receipt and/or Point(s) of Delivery of the first release or 3) the Releasing Customer causes the posting of an offer to release capacity or of a pre-arranged transaction to be

made, and capacity is allocated on the basis of bids submitted or 4) the release is not subject to posting and bidding under the provisions applicable to asset managers and state-regulated retail access programs.

- (e) Recall Provisions. If the Releasing Customer retains recall rights, Releasing Customer's offer to release capacity shall clearly specify the conditions precedent to such recall and whether the recall right retained by Releasing Customer is on a full Day or partial Day basis. The Releasing Customer shall provide capacity recall notification to PERRYVILLE STORAGE via the Internet Web Site. The recall notification shall specify the recall notification period for the specified effective Day, as well as any other information needed to uniquely identify the capacity being recalled.

Operator shall support the following recall notification periods for all released capacity subject to recall rights:

(1) Timely Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Operator and the first Replacement Customer no later than 8:00 A.M. CT on the day that Timely Nominations are due;

(ii) Operator shall provide notification of such recall to all affected Replacement Customers no later than 9:00 A.M. CT on the day that Timely Nominations are due;

(2) Early Evening Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Operator and the first Replacement Customer no later than 3:00 P.M. CT on the day that Evening Nominations are due;

(ii) Operator shall provide notification of such recall to all affected Replacement Customers no later than 4:00 P.M. CT on the day that Evening Nominations are due;

(3) Evening Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Operator and the first Replacement Customer no later than 5:00 P.M. CT on the day that Evening Nominations are due;

(ii) Operator shall provide notification of

such recall to all affected Replacement Customers no later than 6:00 P.M. CT on the day that Evening Nominations are due;

(4) Intraday 1 Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Operator and the first Replacement Customer no later than 7:00 A.M. CT on the day that Intraday 1 Nominations are due;

(ii) Operator shall provide notification of such recall to all affected Replacement Customers no later than 8:00 A.M. CT on the day that Intraday 1 Nominations are due; and

(5) Intraday 2 Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Operator and the first Replacement Customer no later than 12:00 p.m. CT on the day that Intraday 2 Nominations are due;

(ii) Operator shall provide notification of such recall to all affected Replacement Customers no later than 1:00 p.m. CT on the day that Intraday 2 Nominations are due.

(6) Intraday 3 Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Operator and the first Replacement Customer no later than 4:00 p.m. CT on the day that Intraday 3 Nominations are due;

(ii) Operator shall provide notification of such recall to all affected Replacement Customers no later than 5:00 p.m. CT on the day that Intraday 3 Nominations are due.

For recall notification provided to Operator prior to the intraday 3 recall notification deadline specified above and received between 7:00 A.M. CT and 5:00 P.M. CT, Operator shall provide notification to all affected Replacement Customers no later than one hour after receipt of such recall notification. For intraday 3 recall notification provided to Operator after 5:00 P.M. CT and prior to 7:00 A.M. CT, Operator shall provide notification to all affected Replacement Customers no later than 8:00 A.M. CT after receipt of such recall notification.

PERRYVILLE STORAGE notices of recalled capacity to all affected Replacement Customers shall be provided via the Internet Web Site, along with written notice via e-mail communication to those Replacement Customer contact person(s) identified in the Replacement Customer's bid submitted pursuant to Section 6.4.6 of these General Terms and Conditions. Such notices shall contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from PERRYVILLE STORAGE, each affected Replacement Customer shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Customer will be solely responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall.

- (f) Partial Day Recall Quantity. The daily contractual entitlement that can be recalled by a Releasing Customer for a partial Day recall is a quantity equal to the lesser of:
- (1) The quantity specified in the Releasing Customer's notice to recall capacity; or
 - (2) The difference between the quantity released by the Releasing Customer and the Elapsed-prorated-scheduled Quantity.

In the recall notification provided to PERRYVILLE STORAGE by the Releasing Customer, the quantity to be recalled shall be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed-prorated-scheduled Quantity. In the event of an intraday capacity recall, PERRYVILLE STORAGE shall determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the Elapsed-prorated-scheduled Quantity.

The amount of capacity allocated to the Replacement Customer(s) shall equal the original released quantity less the recalled capacity. This allocated daily contractual quantity shall be used for purposes of nominations, billing, and, if applicable, for overrun calculations. As a result of the allocation of capacity described in this Section, PERRYVILLE STORAGE shall not be obligated to deliver a combined quantity to the Releasing Customer and the Replacement Customer(s) that is in excess of the total daily contract quantity of the release.

- (g) Reput Provisions. PERRYVILLE STORAGE shall support the function of reputing by the Releasing Customer. The Releasing Customer may reput previously recalled capacity to the Replacement Customer pursuant to the reput rights and methods identified in the Releasing Customer's notice to release capacity, as required by Section 6.4.1(g) of

these General Terms and Conditions. When capacity is recalled, such capacity may not be reup for the same Day. The deadline for the Releasing Customer to notify PERRYVILLE STORAGE of a reup of capacity is 8:00 A.M. CCT to allow the Replacement Customer to submit timely nominations for gas to flow on the next Day.

- (h) Following the awarding of capacity to a Replacement Customer in accordance with the procedures provided in this Section, the Releasing Customer's rights and PERRYVILLE STORAGE's obligations under the Releasing Customer's Storage Service Agreement shall be modified and subject to the capacity rights released and assigned to the Replacement Customer for the term of such release. Effecting a release pursuant to the provisions of this Section shall constitute Releasing Customer's consent and agreement to such amendment or modification of its existing Storage Service Agreement.

6.5. PRIORITY, INTERRUPTION OF SERVICE, AND OPERATIONAL FLOW ORDERS

6.5.1 Priority of Service. Any Customer executing a Storage Service Agreement with PERRYVILLE STORAGE shall be entitled to the storage services in the following order of declining priority:

- (a) Firm Storage Service (FSS).
- (b) Any Firm Storage Service involving Secondary Receipt and Delivery Points.
- (c) Enhanced Authorized Overrun Service (EAOS) under an FSS Agreement, Interruptible Storage Service (ISS), and Interruptible Hub Service including Excess Injection Gas and Excess Withdrawal Gas (pursuant to Sections 5.1.2.3 and 5.1.2.4 of Rate Schedule FSS) pursuant to Section 6.5.2 of these General Terms and Conditions.

If a capacity constraint is anticipated or planned (for example, due to system maintenance), then PERRYVILLE STORAGE shall post a notice of the anticipated constraint on its Internet Web Site at least 48 hours in advance of the start of the constraint period.

6.5.2 The order of priority relating to service requests for EAOS, ISS, Interruptible Hub Services, Excess Injection Gas and Excess Withdrawal Gas (pursuant to Sections 5.1.2.3 and 5.1.2.4 of Rate Schedule FSS) shall be based on the highest net revenue to PERRYVILLE STORAGE given highest priority. Should two or more interruptible Customers have the same priority, capacity will be allocated to each Customer on a pro rata basis.6.5.3 Interruption.

- (a) If on any Day PERRYVILLE STORAGE's capability to receive or deliver gas quantities is impaired so that PERRYVILLE STORAGE is unable to receive or deliver all the quantities which are scheduled, then interruption of service shall be generally implemented in the reverse order of priority set forth in Section 6.5.1 of these General Terms and Conditions. If firm storage service must be interrupted, then interruption of service to firm storage Customers shall be pro rata based on MDWQ, MDIQ, or MSQ, as applicable. Interruption of service to Secondary Receipt and Delivery Points will occur before any interruption of service to Firm Storage Service at Primary Receipt and Delivery Points, and shall be on a pro rata basis. Interruption of service to firm Customers utilizing EAOS pursuant to Section 5.1.2.2 of Rate Schedule FSS, Interruption of service to Interruptible Customers under Rate Schedules ISS, Hub Service, and to firm Customers utilizing Excess Injection Gas and/or Excess Withdrawal Gas (pursuant to Sections 5.1.2.3 and 5.1.2.4 of Rate Schedule FSS) shall be based on the charges paid by Customer, with the transaction with the lowest net revenue to PERRYVILLE STORAGE being interrupted first. Any ties shall be interrupted on a pro rata basis.
- (b) PERRYVILLE STORAGE shall provide Customer as much advance notice of any interruption as is practicable under the circumstances. Such notice shall be made by telephone,

fax, e-mail or via PERRYVILLE STORAGE's Internet Web Site, as appropriate, and shall state the reduced quantities of Gas that PERRYVILLE STORAGE estimates it will be able to provide, and the estimated duration of the interruption.

- (c) If interruption is required, PERRYVILLE STORAGE and Customer shall cooperate to the extent possible in making adjustments to receipts, deliveries, injections, or withdrawals to minimize injury to any property or facilities.

6.5.4 Interruption Liability. PERRYVILLE STORAGE shall not be liable for any loss or damage to any person or property caused, in whole or in part, by any interruption of service, except to the extent caused solely by PERRYVILLE STORAGE's gross negligence or willful misconduct.

6.5.5 Operational Alerts and Operational Flow Orders.

- (a) Circumstances Warranting Issuance: PERRYVILLE STORAGE shall have the right to issue Operational Alerts or Operational Flow Orders ("OFOs") that require actions by Customers in order (1) to alleviate conditions that threaten to impair reliable service, (2) to maintain operations at the pressures required to provide efficient and reliable services, (3) to have adequate Gas supplies in the system to deliver on demand, (4) to maintain service to all firm customers and for all firm services, and (5) to maintain the system in balance for the foregoing purposes. PERRYVILLE STORAGE shall lift any effective Operational Alert or OFO promptly upon the cessation of operating conditions that caused the relevant system problem.
- (b) Actions to be Taken to Avoid Issuance: PERRYVILLE STORAGE shall, to the extent reasonably practicable, take all reasonable actions necessary to avoid issuing an Operational Alert or OFO. Such actions shall include, in order of priority (1) working with point operators to temporarily adjust receipts and/or deliveries at relevant Point(s) of Receipt or Point(s) of Delivery, (2) working with Customers and point operators to adjust scheduled flows on the system, or (3) taking any other reasonable action designed to mitigate the system problem. After taking all such reasonable actions to avoid issuing an Operational Alert or OFO, PERRYVILLE STORAGE will have the right to issue Operational Alerts or OFOs, if necessary, in the circumstances described in Section 6.5.5(a) of these General Terms and Conditions.
- (c) Preliminary Notifications/Follow-up Reports: PERRYVILLE STORAGE shall provide, via posting on the Internet Web Site and to affected parties through the affected party's choice of electronic notice delivery mechanism(s), prior notice to all Customers and point operators of upcoming system events such as anticipated weather patterns and operational problems that may necessitate the issuance of an Operational Alert or OFO.

- (d) Applicability of Operational Alert or OFO: PERRYVILLE STORAGE shall make an Operational Alert or OFO as localized as is reasonably practicable based on PERRYVILLE STORAGE's good faith and reasonable judgment concerning the situations requiring remediation such that an Operational Alert or OFO will be directed first to Customers and point operators causing the problem necessitating the Operational Alert or OFO and second, if necessary, to all Customers and point operators. PERRYVILLE STORAGE will tailor the Operational Alert or OFO to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsections 6.5.5(f) and 6.5.5(g) of these General Terms and Conditions. The declaration to the affected parties of Operational Flow Orders, critical periods and/or Critical Notices shall describe the conditions and the specific responses required from the affected parties.
- (e) Notice: All Operational Alerts and OFOs will be issued via telephone to be followed by a facsimile to the affected Customer(s) or point operator(s), with subsequent posting on the Internet Web Site, and notification to the affected parties through the affected party's choice of electronic notice delivery mechanism(s). PERRYVILLE STORAGE shall also provide such notification via e-mail communication to those Customers and point operators that have provided e-mail address information for at least one contact person, and have requested via PERRYVILLE STORAGE's Internet Web Site, e-mail notification of Critical Notices issued by PERRYVILLE STORAGE. The Operational Alert or OFO will set forth (1) the time and date of issuance, (2) the actions Customer or point operator is required to take, (3) the time by which Customer or point operator must be in compliance with the Operational Alert or OFO, (4) the anticipated duration of the Operational Alert or OFO, and (5) any other terms that PERRYVILLE STORAGE may reasonably require to ensure the effectiveness of the Operational Alert or OFO. In addition to the other information contemplated by this Section 6.5.5(e), such notice shall also include information about the status of operational variables that determine when an Operational Alert or OFO will begin and end, and PERRYVILLE STORAGE shall post periodic updates of such information, promptly upon occurrence of any material change in the information. PERRYVILLE STORAGE will post a notice on the Internet Web Site informing the Customers and point operators when any Operational Alert or OFO in effect will be lifted and specifying the factors that caused the Operational Alert or OFO to be issued and then lifted, to the extent such factors are known.
- (f) Operational Alerts: In the event that PERRYVILLE STORAGE determines that due to (1) an ongoing or anticipated weather event, (2) a known equipment problem, or (3) the anticipated continuation of a current system operational problem, action is necessary to avoid a situation in which

the system integrity is jeopardized or PERRYVILLE STORAGE's ability to render firm service is threatened, PERRYVILLE STORAGE may issue an alert ("Operational Alert") as set out herein to forestall the development of the situation.

- (1) Issuance of Alerts: Operational Alerts will be noticed in accord with the procedures set forth in Section 6.5.5(e) herein and PERRYVILLE STORAGE will endeavor to provide a minimum of four hours notice.
- (2) Operational Alerts can be issued to affect any of the following:
 - (A) restriction of Interruptible Services;
 - (B) restriction of deliveries to specific Point(s) of Receipt or Point(s) of Delivery covered by an operational balancing agreement to the aggregate MDIQ or MDWQ under Firm Storage Service Agreement; and/or
 - (C) forced balancing such that point operators will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Operational Alert.
- (g) OFOs: In the event that, in PERRYVILLE STORAGE's judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain operations at the pressures required to provide efficient and reliable service, to have adequate Gas supplies in the system to deliver on demand, to maintain services to all firm Customers and for all firm services, and to maintain the system in balance for the foregoing purposes, PERRYVILLE STORAGE may forgo the action described in Section 6.5.5(f) of these General Terms and Conditions and immediately issue an OFO. In the event that (1) Customer or point operator does not respond to an Operational Alert, (2) the actions taken thereunder are insufficient to correct the system problem for which the Operational Alert was issued, or (3) there is insufficient time to carry out the procedures with respect to Operational Alerts, PERRYVILLE STORAGE may issue an OFO pursuant to this Section 6.5.5(g) or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of PERRYVILLE STORAGE's system. For purposes of this Section, the operational integrity of PERRYVILLE STORAGE's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas received into and/or delivered out of the system. PERRYVILLE STORAGE shall post a notice on its Internet Web Site specifying the factors that caused the Operational Alert or OFO to be

issued, to the extent such factors are known. PERRYVILLE STORAGE shall also provide such notification via e-mail communication to those Customers who have submitted a request and provided e-mail address information for at least one contact person, via PERRYVILLE STORAGE's Internet Web Site to receive e-mail notification of Critical Notices issued by PERRYVILLE STORAGE.

- (h) Termination of an Operational Alert or OFO: PERRYVILLE STORAGE shall lift any effective Operational Alert or OFO promptly upon the cessation of operating conditions that caused the relevant system problem. After PERRYVILLE STORAGE has lifted the Operational Alert or the OFO, PERRYVILLE STORAGE shall post a notice on its Internet Web Site specifying the factors that caused the Operational Alert or OFO to be issued and then lifted, to the extent such factors are known. PERRYVILLE STORAGE shall also provide such notification via e-mail communication to those Customers who have submitted a request, and provided e-mail address information for at least one contact person, via PERRYVILLE STORAGE's Internet Web Site to receive e-mail notification of Critical Notices issued by PERRYVILLE STORAGE.
- (i) Penalties: All quantities tendered to PERRYVILLE STORAGE and/or taken by Customer on a daily basis in violation of an Operational Alert or OFO shall constitute unauthorized receipts or deliveries for which the applicable Operational Alert or OFO penalty charge stated below shall be assessed.
 - (1) Operational Alert penalty charge for each Dekatherm of Gas by which Customer deviated from the requirements of the Operational Alert equal to an Operational Alert Index Price calculated as 110% of the applicable daily Gas Daily posting for the Columbia Gulf mainline, or other mutually agreeable point, for the Day on which the deviation occurred, multiplied by the quantity by which the Customer deviated from the requirements of the Operational Alert.
 - (2) OFO penalty charge for each Dekatherm of Gas by which Customer deviated from the requirements of the OFO equal to an OFO Index Price calculated as three (3) times the applicable daily Gas Daily posting for Columbia Gulf mainline, or other mutually agreeable point, for the Day on which the deviation occurred, multiplied by the quantity by which the Customer deviated from the requirements of the OFO.

Any penalty revenue collected by PERRYVILLE STORAGE pursuant to this Section 6.5.5(i) shall be credited to those Firm and Interruptible Customers that did not incur Operational Alert or OFO penalties pursuant to this Section 6.5.5(i) in the Month for which Operational Alert or OFO penalty revenues were received ("Non-Offending Customers"), based on the ratio of the total charges paid during that Month by the Non-Offending Customer to the sum of the total charges paid during that Month by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month following the date of the final Commission order approving PERRYVILLE STORAGE's penalty disbursement report; provided, however, that PERRYVILLE STORAGE will calculate and include such credits on Non-Offending Customer's invoices for a period shorter than twelve Months in the event and to the extent that the total accumulated amount of Operational Alert or OFO penalty revenue collected pursuant to this Section 6.5.5(i) by PERRYVILLE STORAGE as of the end of any Month exceeds \$1,000,000. PERRYVILLE STORAGE will file with the Commission a penalty disbursement report within sixty days of July 31 or sixty days after the end of the Month for which revenue collected exceeds \$1,000,000. Any penalty revenue credited to Non-Offending Customers pursuant to this Section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

- (j) Liability of PERRYVILLE STORAGE: PERRYVILLE STORAGE shall not be liable for any costs incurred by any Customer or point operator in complying with an Operational Alert or OFO. PERRYVILLE STORAGE shall not be responsible for any damages that result from any interruption in service that is a result of a Customer's or point operator's failure to comply promptly and fully with an Operational Alert or OFO, and the non-complying Customer or point operator shall indemnify PERRYVILLE STORAGE against any claims of responsibility. However, PERRYVILLE STORAGE shall use reasonable efforts to minimize any such costs or damages.

- (k) Unilateral Action: In the event that (1) Customer(s) or point operator(s) does not respond to an OFO, or (2) the actions taken thereunder are insufficient to correct the system problem for which the OFO was issued, or (3) there is insufficient time to carry out the procedures with respect to OFOs, PERRYVILLE STORAGE may take unilateral action, including the curtailment of firm service, to maintain the operational integrity of PERRYVILLE STORAGE's system. For purposes of this Section, the operational integrity of PERRYVILLE STORAGE's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance, the overall operating performance of the entire physical system, as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas received and/or delivered.

6.6. STORAGE OPERATIONS

- 6.6.1 Customer shall tender or cause to be tendered to PERRYVILLE STORAGE at the Point(s) of Receipt located on its system any Gas which Customer desires to have injected into storage, plus applicable Fuel Reimbursement volumes. Customer shall also receive or cause to be received Gas requested to be withdrawn from storage at the Point(s) of Delivery located on PERRYVILLE STORAGE's system.
- 6.6.2 Subject to the operating conditions then existing on the delivering or receiving pipelines, PERRYVILLE STORAGE shall receive Gas for injection from Customer at the Point(s) of Receipt located on its system and deliver Gas to Customer at the Point(s) of Delivery located on its system as scheduled by Customer from time to time; provided that PERRYVILLE STORAGE shall not be obligated to receive for injection any quantity of Gas if the injection of the same would cause the quantity of Gas stored for Customer's account to exceed Customer's MSQ; nor shall PERRYVILLE STORAGE be obligated at any time to deliver more Gas to Customer than Customer has stored in its Storage Inventory.
- 6.6.3 Due to certain limitations of PERRYVILLE STORAGE's Facilities, PERRYVILLE STORAGE shall not be obligated to receive, at any Point of Receipt for injection, or deliver, at any Point of Delivery, any quantity of gas when the quantity of gas tendered for delivery to PERRYVILLE STORAGE or requested by Customer to be delivered, together with all other quantities of gas tendered for delivery to PERRYVILLE STORAGE at any such Point of Receipt or requested for delivery at such Point of Delivery, results in a net metered flow which is less than or equal to what is deemed operationally practical by PERRYVILLE STORAGE.
- 6.6.4 In the event that batch flowing nominated volumes is deemed operationally impractical by Transporter or PERRYVILLE STORAGE, and should PERRYVILLE STORAGE receive nominations for the injection or withdrawal of gas, which after aggregation with other nominations commencing at the same time and same meter, results in a net metered volume deemed operationally impractical, PERRYVILLE STORAGE shall not be required to schedule such nominations and such nominated volumes may be curtailed on a pro rata basis such that the net metered volume will be zero. PERRYVILLE STORAGE will verbally notify the affected Customer(s) within four (4) hours of being notified of changes to nominations which would result in curtailment as provided herein.

6.7. WHEELING OPERATIONS

- 6.7.1 Customer shall tender or cause to be tendered to PERRYVILLE STORAGE at the Point(s) of Receipt located on its system any Gas which Customer desires to have wheeled plus applicable Fuel Reimbursement volumes. Customer shall also receive or cause to be received Gas requested to be wheeled at the Point(s) of Delivery located on PERRYVILLE STORAGE's system.
- 6.7.2 Due to certain limitations of PERRYVILLE STORAGE's Facilities, PERRYVILLE STORAGE shall not be obligated to receive, at any Point of Receipt for wheeling, or deliver, at any Point of Delivery, any quantity of gas when the quantity of gas tendered for delivery to PERRYVILLE STORAGE or requested by Customer to be delivered, together with all other quantities of gas tendered for delivery to PERRYVILLE STORAGE at any such Point of Receipt or requested for delivery at such Point of Delivery, results in a net metered flow which is less than or equal to what is deemed operationally practical by PERRYVILLE STORAGE.
- 6.7.3 In the event that batch flowing nominated volumes is deemed operationally impractical by Transporter or PERRYVILLE STORAGE, and should PERRYVILLE STORAGE receive nominations for the wheeling of gas, which after aggregation with other nominations commencing at the same time and same meter, results in a net metered volume deemed operationally impractical, PERRYVILLE STORAGE shall not be required to schedule such nominations and such nominated volumes may be curtailed on a pro rata basis such that the net metered volume will be zero. PERRYVILLE STORAGE will verbally notify the affected Customer(s) within four (4) hours of being notified of changes to nominations which would result in curtailment as provided herein.

6.8. NOMINATIONS AND SCHEDULING

6.8.1 During any Day when Customer desires PERRYVILLE STORAGE to receive and/or deliver Gas on PERRYVILLE STORAGE's system, Customer shall submit a nomination to PERRYVILLE STORAGE via fax or via the Internet Web Site that includes, but is not limited to, the following information: quantity, flow period, upstream transportation contract number(s), downstream transportation contract number(s), Point(s) of Receipt and Point(s) of Delivery, Customer name and Storage Service Agreement number, and the Customer's authorized employee name and telephone number. All nominations shall be based on a daily quantity.

All nominations shall include Customer defined begin dates and end dates. All nominations, excluding intraday nominations, have rollover options. Specifically, Customers have the ability to nominate for several Days, Months, or years, provided the nomination begin and end dates are within the term of Customer's Storage Service Agreement.

Overrun quantities must be approved by PERRYVILLE STORAGE.

6.8.2 PERRYVILLE STORAGE will accept nominations for service as follows:

(a) Next Day Service. The nomination timeline on the Day prior to the Day of Gas flow shall be the following:

- 1:00 p.m. Nomination leaves control of the Customer
- 1:15 p.m. Receipt of nomination by the Transporters (including from Title Transfer Tracking Service Providers ("TTTSPs"))
- 1:30 p.m. PERRYVILLE STORAGE provides quick response for validity of data elements
- 4:30 p.m. Completed confirmations from upstream and downstream connected parties provided to PERRYVILLE STORAGE
- 5:00 p.m. Receipt of scheduled quantities by Customer and point operator

The sending party shall adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request that has the right to waive the deadline.

- (b) Elapsed-Prorated-Scheduled Quantity. With respect to intraday nominations for reductions in previously scheduled quantities, PERRYVILLE STORAGE may accept any explicitly confirmed quantity, down to and including zero, for such intraday nomination; provided, however, if such intraday nomination requires confirmation from an upstream and/or downstream interconnected pipeline, then any intraday nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.
- (c) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 6.5 (Priority, Interruption of Service and Operational Flow Orders) of the General Terms and Conditions of this FERC Gas Tariff. Nominations received after the nomination deadline should be scheduled after the nominations received before the nomination deadline.
- (d) Notices provided under this Section 6.8.2 must be submitted in writing via fax or the Internet Web Site. Customer shall provide notice of any changes in deliveries to or receipt from PERRYVILLE STORAGE to all transporters and shall be responsible for, and shall hold PERRYVILLE STORAGE harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of PERRYVILLE STORAGE.
- (e) Minimum NAESB Nomination Standards. Nominations shall be submitted and processed in accordance with the minimum NAESB Standards set forth in this Section 6.8.2(e). PERRYVILLE STORAGE shall support the following standard nomination cycles:
 - (1) The Timely Nomination Cycle: 1:00 p.m. for nominations leaving control of the nominating party; 1:15 p.m. for receipt of nominations by PERRYVILLE STORAGE (including from Title Transfer Tracking Service Providers ("TTTSPs")); 1:30 p.m. to send Quick Response; 4:30 p.m. for receipt of completed confirmations by PERRYVILLE STORAGE from upstream and downstream connected parties; 5:00 p.m. for receipt of scheduled quantities by Customer and point operator (Central Clock Time on the Day prior to flow). Scheduled quantities resulting from a Timely Nomination should be effective at 9:00 a.m. on the Day.
 - (2) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by PERRYVILLE STORAGE (including from TTTSPs); 6:30 p.m. to send Quick Response; 8:30 p.m. for receipt of completed confirmations by PERRYVILLE STORAGE from upstream and downstream connected parties; 9:00 p.m. for

PERRYVILLE STORAGE to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties) (Central Clock Time on the Day prior to flow). Scheduled quantities resulting from an Evening Nomination should be effective at 9:00 a.m. on the Day.

- (3) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by PERRYVILLE STORAGE(including from TTTSPs); 10:30 a.m. to send Quick Response; 12:30 p.m. for receipt of completed confirmations by PERRYVILLE STORAGE from upstream and downstream connected parties; 1:00 p.m. for PERRYVILLE STORAGE to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties),(Central Clock Time on the Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the Day.
- (4) The Intraday 2 Nomination Cycle: 2:30 p.m. for nominations leaving control of the nominating party; 2:45 p.m. for receipt of nominations by PERRYVILLE STORAGE(including from TTTSPs); 3:00 p.m. to send Quick Response; 5:00 p.m. for receipt of completed confirmations by PERRYVILLE STORAGE from upstream and downstream connected parties; 5:30 p.m. for PERRYVILLE STORAGE to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties) (Central Clock Time on the Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the Day.
- (5) The Intraday 3 Nomination Cycle: 7:00 p.m. for nominations leaving control of the nominating party; 7:15 p.m. for receipt of nominations by PERRYVILLE STORAGE(including from TTTSPs); 7:30 p.m. to send Quick Response; 9:30 p.m. for receipt of completed confirmations by PERRYVILLE STORAGE from upstream and downstream connected parties; 10:00 p.m. for PERRYVILLE STORAGE to provide scheduled quantities to affected Customers and point operators (Central Clock Time on the Day). Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.
- (6) For purposes of NAESB WGQ Standard No. 1.3.2 (2), (3), (4), and (5), the word "provide" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

6.8.3 Customer shall make available and tender any Gas to be injected hereunder and receive and accept delivery upon tender by PERRYVILLE STORAGE any Gas requested by Customer to be withdrawn from storage. The quantity of Gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer shall not (unless otherwise agreed by PERRYVILLE STORAGE) receive or deliver Gas, nor shall PERRYVILLE STORAGE be obligated to receive Gas or deliver Gas on an hourly basis at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ. As determined by PERRYVILLE STORAGE in its sole and reasonable judgment, flow rates above 1/24 of Customer's MDIQ or MDWQ may be permitted.

6.9. POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

- 6.9.1 Point(s) of Receipt. Customer shall tender all Gas for injection into storage to PERRYVILLE STORAGE at the Point(s) of Receipt located on PERRYVILLE STORAGE's system as specified in Customer's Storage Service Agreement. The quantity of Gas tendered by Customer to PERRYVILLE STORAGE for injection into storage shall (i) not exceed at each Point of Receipt the MDIQ for such Point of Receipt in effect from time to time, or (ii) not exceed the MDIQ plus the applicable Fuel Reimbursement at all Point(s) of Receipt in effect from time to time, without the consent of PERRYVILLE STORAGE.
- 6.9.2 Point(s) of Delivery. PERRYVILLE STORAGE shall tender all Gas to be withdrawn from storage to Customer at the Point(s) of Delivery located on PERRYVILLE STORAGE's system as specified in Customer's Storage Service Agreement. The quantity of Gas delivered to Customer shall (i) not exceed at each Point of Delivery the MDWQ for such Point of Delivery in effect from time to time, or (ii) not exceed the MDWQ at all Point(s) of Delivery in effect from time to time, without the consent of PERRYVILLE STORAGE.
- 6.9.3 Interconnecting Transportation Guidelines. The interconnecting Transporter(s)' rules, guidelines, operational procedures and policies, as they may be changed from time to time, shall define and control the manner in which Gas is delivered and received at the Point(s) of Delivery and Receipt. PERRYVILLE STORAGE and Customer each agree to provide to the other, in as prompt a manner as reasonable, all information necessary to permit scheduling pursuant to such requirements. In addition, PERRYVILLE STORAGE will not be required to begin injections or withdrawals for a Customer's account unless and until the data required for nominations, provided for in Section 6.8 (Nominations and Scheduling) of these General Terms and Conditions, have been confirmed by the applicable Transporter to PERRYVILLE STORAGE's Gas dispatcher.
- 6.9.4 Transportation Imbalances. In the event that PERRYVILLE STORAGE or Customer delivers or causes to be delivered to Transporter at the Point(s) of Receipt or Delivery a quantity of Gas not equal to the quantity of Gas received or taken by Customer or PERRYVILLE STORAGE, a "Transportation Imbalance" may occur. Provided that PERRYVILLE STORAGE has taken or delivered the quantity of Gas nominated by Customer and scheduled by Transporter, Customer shall be liable for all imbalances under its transportation agreement with Transporter, and penalties. Upon notification by Customer or Transporter that a Transportation Imbalance exists because PERRYVILLE STORAGE failed to deliver or receive the quantity of Gas nominated by Customer and scheduled by Transporter, PERRYVILLE STORAGE will endeavor to correct the Transportation Imbalance subject to any restrictions imposed by Transporter, but PERRYVILLE STORAGE shall be solely responsible and liable for any charges, penalties, costs, and expenses incurred or payable by either party as a result of the Transportation Imbalance. Customer agrees to use its best efforts to prevent or diminish any occurrences of imbalances.

- 6.9.5 Measurement. Customer and PERRYVILLE STORAGE agree that the quantity of Gas delivered hereunder shall be measured by PERRYVILLE STORAGE in accordance with the Transporter's pipeline tariff, and, as such, may be allowed to fluctuate within the applicable measurement or flow tolerances on a daily and Monthly basis.
- 6.9.6 Costs and Penalties. Customer shall hold PERRYVILLE STORAGE harmless for all costs and penalties which may be assessed by Transporter under Customer's transportation agreement with Transporter, unless the costs and penalties are due to the negligence of PERRYVILLE STORAGE. Customer and PERRYVILLE STORAGE shall cooperate with each other and with the Transporter to verify delivery and receipt of the volumes of Gas delivered hereunder on a timely basis.
- 6.9.7 Downstream and Upstream Transportation. Customer shall be responsible for transportation from the Point(s) of Delivery located on PERRYVILLE STORAGE's system and payment of all transportation charges relating thereto. Customer shall be responsible for transportation to the Point(s) of Receipt located on PERRYVILLE STORAGE's system and payment of all transportation charges relating thereto.

6.10. QUALITY

6.10.1 Specifications. The Gas delivered by either party to the other hereunder shall meet the quality specifications of the Transporter then having the most stringent quality specifications, which receives or delivers such Gas at the Point(s) of Receipt or Delivery located on PERRYVILLE STORAGE's system, as applicable, and, unless such Transporter's quality specifications are more stringent, shall be of such quality that it shall meet at least the following specifications:

- (a) Be commercially free from objectionable odors, dirt, dust, iron particles, gums, gum-forming constituents, gasoline, PCBs, and other solid and/or liquid matter, including but not limited to water, Gas treating chemicals, and well completion fluids and debris, which may become separated from the Gas during the transportation thereof.
- (b) Contain not more than one fourth (1/4) of one grain of hydrogen sulfide per one hundred (100) cubic feet, as determined by the cadmium sulfate quantitative test, nor more than five (5) grains of total sulfur per one hundred (100) cubic feet.
- (c) The Gas delivered hereunder shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, shall not contain more than two percent (2%) by volume of carbon dioxide, shall not contain more than three percent (3%) by volume of nitrogen. (d) Have a heating value of not less than nine hundred and seventy-five (975) Btu's per cubic feet and not more than eleven hundred (1100) Btu's per cubic feet.
- (e) Have a temperature of not more than 120 degrees Fahrenheit (120 degrees F), or less than forty degrees Fahrenheit (40 degrees F).
- (f) Have been dehydrated by the tendering party, by any method other than the use of a calcium chloride as desiccant, for removal of entrained water in excess of seven (7) pounds of water per million (1,000,000) cubic feet of Gas as determined by dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon.
- (g) Shall not have a hydrocarbon dew point in excess of twenty degrees Fahrenheit at 800 psig. This dew point can usually be obtained when the pentanes and heavier content (C5+) of the gas is not in excess of two-tenths (0.2) gallons per Mcf as determined by a chromatographic analysis using standard equipment performed in accordance with standard industry practices and procedures.

6.10.2 Rejection of Gas. Either party shall be entitled to reject any Gas tendered to it by the other party which does not meet the minimum specifications of Section 6.10.1 of these General Terms and Conditions. Acceptance of such Gas does not

constitute any waiver of PERRYVILLE STORAGE's right to refuse to accept similarly nonconforming Gas. PERRYVILLE STORAGE may at its option, offer to bring non-conforming Gas into conformity with such specifications. If Customer accepts such offer, Customer shall reimburse PERRYVILLE STORAGE, on mutually agreed upon terms, for all expenses reasonably incurred by PERRYVILLE STORAGE in effecting such changes.

- 6.10.3 Commingling. PERRYVILLE STORAGE shall have the unqualified right to commingle Gas received for service hereunder with Gas from other sources. Accordingly, Gas received by PERRYVILLE STORAGE shall be subject to such changes as may result from commingling and PERRYVILLE STORAGE shall notwithstanding any other provisions herein, be under no obligation to deliver for Customer's account Gas identical to that received by PERRYVILLE STORAGE. Subject to other terms and provisions of this Tariff, PERRYVILLE STORAGE will receive, store and deliver for the account of Customer such thermally equivalent quantities of Gas, less Fuel Use as it receives for such Customer's account.

6.11. PRESSURE AND INJECTION/WITHDRAWAL RATES

6.11.1 Delivery Pressures. PERRYVILLE STORAGE shall deliver Gas to Customer at pressures sufficient to enter the pipeline facilities at the Point(s) of Delivery located on PERRYVILLE STORAGE's system against the operating pressures maintained by Transporter(s) from time to time. PERRYVILLE STORAGE shall not be required to deliver Gas at pressures in excess of those required by Transporter(s) or in excess of Transporter(s) maximum allowable operating pressure (MAOP), not to exceed 1,100 psig. Customer shall deliver or cause to be delivered to PERRYVILLE STORAGE all Gas for injection at the Point(s) of Receipt located on PERRYVILLE STORAGE's system at pressures not less than 800 psig and not in excess of the MAOP of PERRYVILLE STORAGE's facilities at the Point(s) of Receipt. PERRYVILLE STORAGE shall be responsible for maintaining facilities at such Point(s) of Receipt to permit Customer to deliver Gas to PERRYVILLE STORAGE at such allowed pressures.

6.11.2 Receipt and Delivery Rates. PERRYVILLE STORAGE has designed the facilities required to store, inject, and withdraw Gas based on "normal" operating pressures maintained by the Transporter(s) at the Point(s) of Receipt and Point(s) of Delivery located on PERRYVILLE STORAGE's system with allowances for reasonable fluctuations. In the event that conditions on the Transporter's system vary substantially from this "normal" design condition coincident with high levels of Customer receipt or delivery activity, PERRYVILLE STORAGE's capability to receive or deliver the quantities set forth in its Storage Service Agreements may be impaired, resulting in an interruption in service. If this happens, capacity will be allocated pursuant to Section 6.5 (Priority, Interruption of Service and Operational Flow Orders) of the General Terms and Conditions of this FERC Gas Tariff. Customer agrees to indemnify and hold PERRYVILLE STORAGE harmless for any loss caused by any such interruption in service.

6.12. TITLE AND RISK OF LOSS

- 6.12.1 Customer warrants for itself, its successors and assigns, that it will have at the time of delivery of Gas to PERRYVILLE STORAGE for injection hereunder either good title to or the right to have the Gas transported or stored. Customer warrants for itself, its successors and assigns, that the Gas it delivers hereunder shall be free and clear of all liens, encumbrances, or claims whatsoever; and that it will indemnify PERRYVILLE STORAGE and save it harmless from all claims, suits, actions, damages, costs and expenses arising directly or indirectly from or with respect to the title and/or right to Gas tendered to PERRYVILLE STORAGE hereunder.
- 6.12.2 As between Customer and PERRYVILLE STORAGE: Customer shall be deemed to be in control and possession of the Gas prior to delivery to PERRYVILLE STORAGE for storage at the Point(s) of Receipt located on PERRYVILLE STORAGE's system and after delivery by PERRYVILLE STORAGE to Customer at the Point(s) of Delivery located on PERRYVILLE STORAGE's system, and shall indemnify and hold PERRYVILLE STORAGE harmless from any damage or injury caused thereby. PERRYVILLE STORAGE shall be deemed to be in control and possession of the Gas after the receipt of the same at the Point(s) of Receipt and until redelivery by PERRYVILLE STORAGE to Customer at the Point(s) of Delivery, and shall indemnify and hold Customer harmless from any damage or injury caused thereby, except for damages and injuries caused by the sole negligence of Customer. The risk of loss for all Gas injected into, or stored in and withdrawn from storage shall remain with Customer, and PERRYVILLE STORAGE shall not be liable to Customer for any loss of Gas, except as may be occasioned due to the intentional or negligent acts or omissions by PERRYVILLE STORAGE. Any losses of Gas, unless due to the intentional or negligent act or omissions of PERRYVILLE STORAGE, shall be shared proportionally by all Customers, based on each Customer's Storage Inventory Balance.

6.13. MEASUREMENT

- 6.13.1 The unit of volume for the purpose of measurement and the determination of total heating value of all quantities of Gas stored by PERRYVILLE STORAGE or delivered to and received from storage hereunder shall be one (1) cubic foot of Gas at the base temperature of sixty degrees Fahrenheit (60 degrees F) and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch and dry. All fundamental constants, observations, records, and procedures involved in determining and/or verifying the quantity and other characteristics of Gas delivered hereunder shall, unless otherwise specified herein, be in accordance with the standards prescribed in Report No. 3 of the American Gas Association, as now in effect and from time to time amended or supplemented. All measurements of Gas shall be determined by calculation into terms of such unit. All quantities given herein, unless expressly stated otherwise, are terms of such unit. Notwithstanding the foregoing, it is agreed that, for all purposes, the Btu content of the Gas received and delivered by PERRYVILLE STORAGE hereunder shall be measured on a "dry" basis rather than a fully saturated or "wet" basis. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.
- 6.13.2 PERRYVILLE STORAGE shall install, maintain, and operate, or cause to be installed, maintained, and operated, the measurement facilities required hereunder. Said measurement facilities shall be so equipped with meters, recording gauges, chromatographs, or other types of related and/or similar equipment of standard make and design commonly acceptable in the industry, as to accomplish the accurate measurement of Gas delivered hereunder. The retrieval of data and calibrating and adjustment of meters shall be done by PERRYVILLE STORAGE or its agent.
- 6.13.3 The unit of gas received, injected, stored, withdrawn, and delivered shall be measured as one million Btu's (1,000,000 Btu), as defined in Section 6.2 (Definitions) of these General Terms and Conditions. The number of Btu's received, injected, stored, withdrawn, and delivered shall be determined by multiplying the number of cubic feet of Gas determined pursuant to Section 6.13.1 of these General Terms and Conditions by the total heating value of such gas, in BTUs per cubic foot, rounded to not less than 6 decimal places and by dividing the product by one million (1,000,000).

6.14. BILLINGS AND PAYMENTS

- 6.14.1 Invoice. Not later than the ninth (9th) Business Day of each month, PERRYVILLE STORAGE shall provide Customer (including a Replacement Customer) an invoice and any required backup data (which may be transmitted by fax) setting forth (i) the charges due for the current Month; (ii) the total quantity of Gas, stated in Dekatherms, received from and delivered to Customer hereunder during the preceding Month(s), with applicable Point(s) of Receipt and Point(s) of Delivery properly identified, and the amount due therefor; and if applicable, (iii) the amount of Customer's Storage Inventory as of the close of the preceding Month and information sufficient to explain and support any adjustments made by PERRYVILLE STORAGE in determining the amount billed. If actual quantities are not available by the ninth (9th) Business Day of the month, then PERRYVILLE STORAGE may invoice based on best available data subject to adjustment to actual at a later date. Quantities at points where operational balancing agreements exist shall be invoiced based on scheduled quantities.
- 6.14.2 Application of Payments for Released Capacity. Payments to PERRYVILLE STORAGE by a Replacement Customer for released capacity shall be applied as follows: (i) PERRYVILLE STORAGE shall retain amounts equal to the Replacement Customer's usage charges; (ii) PERRYVILLE STORAGE will credit the balance to reservation charges due from the Replacement Customer; and (iii) PERRYVILLE STORAGE shall remit the remaining balance, if any, or shall charge any balance due, to the Replacement Customer, in accordance with Section 6.4.10 of these General Terms and Conditions of this FERC Gas Tariff. If any balance due from the Replacement Customer remains unpaid, then the outstanding balance will then be billed to the Releasing Customer, provided that the Releasing Customer is only liable to the extent of the reservation charges specified in the applicable Storage Service Agreement and corresponding Rate Schedule.
- 6.14.3 Payment. Customer shall pay PERRYVILLE STORAGE by wire transfer the full amount reflected on the invoice within fifteen (15) days of the date of the invoice. If the fifteenth (15th) day shall fall upon a weekend or legal holiday, then such payment shall be made on the last regular Business Day prior to such fifteenth (15th) day. If payment differs from the invoiced amount, then remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date.
- 6.14.4 Billing Error. If an error is discovered in any billing, such error shall be adjusted within thirty (30) days of the determination thereof. If a dispute arises as to the amount payable in any invoice rendered hereunder, then Customer shall nevertheless pay when due the amount not in dispute under such

invoice. Such payment shall not be deemed to be a waiver of the right by Customer to recoup any overpayment, nor shall acceptance of any payment be deemed to be a waiver by PERRYVILLE STORAGE of any underpayment. In the event Customer fails to forward the entire undisputed amount due to PERRYVILLE STORAGE when the same is due, interest on the unpaid portion shall accrue at the same rate of interest and in the same manner as prescribed for pipeline refunds as set forth in Section 154.501(d) of the Commission's regulations under the Natural Gas Act from the date such payment is due until the same is paid. If Customer's failure to pay the undisputed portion of any invoice rendered hereunder continues beyond thirty (30) days after the due date of such invoice, then PERRYVILLE STORAGE, in addition to all other legal remedies available to it, shall have the right and option to suspend further deliveries of Gas until such default shall have been cured. If Customer's failure to pay the undisputed portion of any invoice rendered hereunder continues beyond sixty (60) days after the due date of such invoice, then PERRYVILLE STORAGE, in addition to all other legal remedies available to it, shall have the right and option to terminate service hereunder.

- 6.14.5 Billing Disputes. If Customer withholds payment of any disputed amount as authorized herein, then Customer shall within ten (10) days after the due date of the disputed invoice submit to PERRYVILLE STORAGE a written explanation of the dispute and any available supporting documentation. The parties shall then cooperate in good faith to resolve such dispute as expeditiously as possible, and the portion, if any, of such disputed amount eventually determined to be due shall bear interest at the rate stated in Section 6.14.4 of these General Terms and Conditions from the original due date until the date actually paid.
- 6.14.6 Right to Audit. Both PERRYVILLE STORAGE and Customer shall have the right at their own expense to examine and audit at any reasonable time the books, records (including measurement, billing and payment) and charts of the other to the extent necessary to verify the accuracy of any statements or charges made under or pursuant to any of the provisions of Customer's Storage Service Agreement. Upon request, Customer shall also make available to PERRYVILLE STORAGE for audit purposes any relevant records of the Transporters to which Customer has access. A formal audit of accounts shall not be made more often than once each Contract Year. Any inaccuracy will be promptly corrected when discovered; provided, however, that neither PERRYVILLE STORAGE nor Customer shall be required to maintain books, records, or charts for a period of more than two (2) Contract Years following the end of the Contract Year to which they are applicable. Neither PERRYVILLE STORAGE nor Customer shall have any right to question or contest any charge or credit if the matter is not called to the attention of the other in writing within two (2) years after the end of the Contract Year in question.

6.15. TAXES

If at any time PERRYVILLE STORAGE is required to remit any taxes assessed on the Gas pursuant to Customer's Storage Service Agreement, then PERRYVILLE STORAGE shall have the right to collect from Customer such taxes, including any penalties and interest. Customer agrees to reimburse PERRYVILLE STORAGE for the taxes assessed on the Gas, including any penalties and interest, within fifteen (15) days of the date of invoice from PERRYVILLE STORAGE. Customer shall furnish PERRYVILLE STORAGE information, satisfactory to PERRYVILLE STORAGE, to enable PERRYVILLE STORAGE to comply with any reports required by state or federal government and agencies. Customer recognizes that PERRYVILLE STORAGE may be required to file federal and state tax returns, and Customer agrees to furnish PERRYVILLE STORAGE with adequate information pertaining to the taxation on the Gas. Customer shall coordinate such filings with PERRYVILLE STORAGE.

6.16. INSURANCE

Customer shall be responsible for providing its own insurance coverage with respect to Gas it tenders for storage and has stored in the PERRYVILLE STORAGE FACILITY.

6.17. FORCE MAJEURE

6.17.1 Effects and Obligations

- (a) Effect of Force Majeure. In the event PERRYVILLE STORAGE is rendered unable, wholly or in part, by reason of an event of Force Majeure, as defined in Section 6.17.2 of these General Terms and Conditions to perform, wholly or in part, any obligation or commitment under Customer's Storage Service Agreement, upon PERRYVILLE STORAGE's giving notice and full particulars of such Force Majeure event on its Internet Web Site and/or in writing to Customer within seventy-two (72) hours after the occurrence of the cause relied on, then the obligations of PERRYVILLE STORAGE shall be suspended to the extent that PERRYVILLE STORAGE's ability to perform such obligations is affected by such Force Majeure event and for the period of such Force Majeure condition, but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.
- (b) Force Majeure and Obligation to Pay/Credit Reservation Charges. A Customer taking firm service under Rate Schedules FSS shall not be relieved of its obligation to pay Reservation Charges specified in such firm Rate Schedules due to an event of Force Majeure declared by a third party(ies) and PERRYVILLE STORAGE shall include the full amount of such Reservation Charges on the Customer's invoice for any Month in which an event of Force Majeure shall have occurred, provided, however, that PERRYVILLE STORAGE shall calculate credits against the Customer's Reservation Charges payable under Rate Schedules FSS and its Storage Service Agreement to reflect any reduction in PERRYVILLE STORAGE's ability to render firm services resulting from an event of Force Majeure declared by PERRYVILLE STORAGE that cannot be cured in a period of ten (10) days, and shall include such credits on the firm Customer's invoice for the next succeeding Month.
- (c) Calculation of Credit Against Reservation Charges. For each Day on which a Customer's firm service under Rate Schedules FSS is curtailed due to an event of Force Majeure declared by PERRYVILLE STORAGE, PERRYVILLE STORAGE shall calculate credits against the firm Customer's Reservation Charges payable under Rate Schedules FSS and its Storage Service Agreement using the following formulae:
- (i) Curtailment of a firm Customer's injections due to Force Majeure:
- $$\text{Reservation Charge Credit} = \text{RC}/\#\text{Days} \times \text{CNIQ}/\text{MDIQ}$$

- (ii) Curtailment of a firm Customer's withdrawals due to Force Majeure:

$$\text{Reservation Charge Credit} = \text{RC}/\#\text{Days} \times \text{CNWQ}/\text{MDWQ}$$

Where:

RC = The Customer's Reservation Charges for the Month, calculated using the rates set forth in the Customer's Storage Service Agreement.

#Days = The number of Days in the Month.

CNIQ = The Curtailed Nominated Injection Quantity, which shall be the quantity of Customer's nominated injections actually curtailed on each Day in the Month due to a Force Majeure declared by PERRYVILLE STORAGE.

CNWQ = The Curtailed Nominated Withdrawal Quantity, which shall be the quantity of Customer's nominated withdrawals actually curtailed on each Day of the Month due to a Force Majeure declared by PERRYVILLE STORAGE.

MDIQ = The firm Customer's Maximum Daily Injection Quantity, as set forth in its Storage Service Agreement.

MDWQ = The firm Customer's Maximum Daily Withdrawal Quantity, as set forth in its Storage Service Agreement.

6.17.2 Nature of Force Majeure. The term "Force Majeure" as used herein and in Customer's Storage Service Agreement shall mean any cause, whether of the kind enumerated herein or otherwise, not reasonably within the control of PERRYVILLE STORAGE, such as acts of God; strikes, lockouts and industrial disputes or disturbances; inability to secure or delays in obtaining labor, materials, supplies, permits, easements or rights-of-way, including inability to secure materials by reason of allocations promulgated by authorized governmental agencies; arrests and restraints of governments and people; interruptions by government or court orders; present and future valid orders, decisions or rulings of any government or regulatory entity having proper jurisdiction; acts of the public enemy; vandalism; wars; riots; civil disturbances; blockades; insurrections; epidemics; landslides; lightning; tornadoes; hurricanes; earthquakes; fires; storms; floods; washouts; inclement weather which necessitates extraordinary measures and expense to maintain operations; explosions; breakage, accidents and/or maintenance to plant facilities including machinery, lines of pipe, accidents and/or unscheduled maintenance of wells or subsurface storage caverns or reservoirs; testing (as required by governmental authority or as deemed necessary by PERRYVILLE STORAGE for the safe operation of the facilities required to perform the

services hereunder); and the making of repairs or alterations to pipelines, storage, and plant facilities including Transporter(s)' pipeline repairs. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of PERRYVILLE STORAGE, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of PERRYVILLE STORAGE.

6.18. NOTICES

Any notice, request, demand, or statement provided for in this FERC Gas Tariff, or in Customer's Storage Service Agreement, except as otherwise herein provided, or as mutually agreed between PERRYVILLE STORAGE and Customer, shall be given in writing, and either delivered in person, or by United States Mail, or via e-mail, or facsimile, to the parties at the addresses shown in the executed Storage Service Agreement or at such other addresses as may hereafter be furnished to the other party in writing.

Any notice initially delivered by fax shall be confirmed by regular mail within one (1) week after transmission of the fax.

6.19. FUEL REIMBURSEMENT

Fuel Reimbursement shall be calculated separately for storage services under Rate Schedules FSS and ISS and for Hub Services. Each Fuel Reimbursement charge shall be negotiated by PERRYVILLE STORAGE and Customer such that reimbursement of fuel may be paid in kind or in dollars per Dth, as set forth in Customer's Storage Service Agreement(s) or Hub Service Agreement(s).

6.20. GAS TITLE TRANSFERS

6.20.1 A Customer that has executed a Storage Service Agreement under Rate Schedules FSS or ISS may sell or transfer Storage Inventory to any other Customer that has executed a Storage Service Agreement under Rate Schedules FSS or ISS, provided that:

(a) The Customer selling or transferring Storage Inventory provides notification to PERRYVILLE STORAGE's Gas dispatcher prior to the nomination deadline and provides PERRYVILLE STORAGE with written verification of the transfer within three (3) Business Days; and

(b) The purchase does not cause either Customer to exceed its MSQ as specified in the Customer's Storage Service Agreement, or cause either Customer's Storage Inventory balance to go below zero.

6.20.2 PERRYVILLE STORAGE will recognize the transfer for purposes of computing available Storage Inventory on a prospective basis within twenty-four (24) hours after receiving the notification. In the event the required written verification is not received, the transfer will no longer be recognized and the Storage Inventory for each Customer will be restated to reflect the reversal of the transfer.

6.21. PENALTIES

- 6.21.1 Customer shall be liable for and shall be required to reimburse PERRYVILLE STORAGE for all penalties, charges, and fees that PERRYVILLE STORAGE is required to pay to Transporter(s) as a consequence of Customer's actions. The recovery of such penalty amounts shall be on an as-billed basis.
- 6.21.2 In addition to the payment of the penalties set forth in Section 6.21.1 of these General Terms and Conditions, the responsible Customer shall also be liable for, and shall reimburse PERRYVILLE STORAGE, for all costs incurred by PERRYVILLE STORAGE as a consequence of such Customer's actions.

6.22. STANDARDS OF CONDUCT

PERRYVILLE STORAGE does not meet FERC's definition of a "Transmission Provider", 18 C.F.R. 358.3(k)(3), because it is a storage company authorized to charge market-based rates. Therefore, PERRYVILLE STORAGE is not required to comply with FERC's Transmission Provider Standards of Conduct, as promulgated in Order No. 717, and codified at 18 C.F.R. Part 358.

6.23. FORM OF SERVICE REQUEST

PERRYVILLE GAS STORAGE LLC GAS STORAGE SERVICE REQUEST

Send to: PERRYVILLE GAS STORAGE LLC

Attn: Contract Administrator
Three Riverway, Suite 1250
Houston, Texas 77056
Telephone: 713-350-2500
Facsimile: 713-350-2550
E-mail: CardinalContractAdmin@cardinalgs.com

INFORMATION REQUIRED FOR VALID STORAGE REQUEST

NOTE: Any change in the facts set forth below, whether before or after service begins, must be promptly communicated to PERRYVILLE GAS STORAGE LLC ("PERRYVILLE STORAGE") in writing.

Prospective Customer's name and address:

(Note: the Customer is the party that has all lawful right and title to the Gas to be stored and that proposes to execute the Storage Service Agreement with PERRYVILLE STORAGE).

CUSTOMER: _____ (Customer's Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
Fax: _____
Email: _____

This request is for: (check one)

- ___ Firm Storage Service under Rate Schedule FSS
- ___ Interruptible Storage Service under Rate Schedule ISS
- ___ Interruptible Parking Service under Rate Schedule IPS
- ___ Interruptible Loan Service under Rate Schedule ILS
- ___ Interruptible Wheeling Service under Rate Schedule IWS
- ___ Interruptible Balancing Service under Rate Schedule IBS
- ___ Interruptible Imbalance Trading Service under Rate Schedule IBTS

Requested Firm Storage Service

(a) Request Quantities

_____ Maximum Storage Quantity (MSQ) for Gas to be stored in PERRYVILLE STORAGE's storage facilities.

_____ Maximum Daily Injection Quantity (MDIQ) for Gas to be received and injected into PERRYVILLE STORAGE's storage facilities.

_____ Maximum Daily Withdrawal Quantity (MDWQ) for Gas to be withdrawn from PERRYVILLE STORAGE's storage facilities and delivered by PERRYVILLE STORAGE.

Transporter Name: _____

(b) Rates prospective Customer proposes to pay for storage service under Rate Schedule FSS:

_____ Monthly Storage Reservation Charge (\$/Dth of MSQ)

_____ Injection Charge (\$/Dth)

_____ Withdrawal Charge (\$/Dth)

_____ Excess Injection Charge (\$/Dth)

_____ Excess Withdrawal Charge (\$/Dth)

_____ Fuel Charge (\$/Dth) or (in kind)

(c) Term of Service: _____

Commencement Date: _____

Termination Date: _____

Requested Interruptible Storage Service

(a) Requested Quantities

_____ Maximum Storage Quantity (MSQ) for Gas to be stored in PERRYVILLE STORAGE's storage facilities on an interruptible basis.

_____ Maximum Daily Injection Quantity (MDIQ) for Gas to be received by PERRYVILLE STORAGE and for Gas to be injected into PERRYVILLE STORAGE's storage facilities.

_____ Maximum Daily Withdrawal Quantity (MDWQ) for Gas to be withdrawn from PERRYVILLE STORAGE's storage facilities and for Gas to be delivered by PERRYVILLE STORAGE. (if applicable)

Transporter Name: _____

(b) Rates Customer proposes to pay for interruptible service under Rate Schedule ISS, as applicable:

_____ Interruptible Daily Capacity Charge (\$/Dth)

_____ Interruptible Injection Charge (\$/Dth)

_____ Interruptible Withdrawal Charge (\$/Dth)

_____ Fuel Charge (\$/Dth) or (in kind)

(c) Term of Service: _____

Commencement Date: _____

Termination Date: _____

Requested Hub Services

(a) Requested Quantities

_____ Maximum Storage Quantity (MSQ) for Gas to be stored in PERRYVILLE STORAGE's storage facilities on an interruptible basis.

_____ Maximum Daily Injection Quantity (MDIQ) for Gas to be received by PERRYVILLE STORAGE and for Gas to be injected into PERRYVILLE STORAGE's storage facilities.

_____ Maximum Daily Withdrawal Quantity (MDWQ) for Gas to be withdrawn from PERRYVILLE STORAGE's storage facilities and for Gas to be delivered by PERRYVILLE STORAGE. (if applicable)

Transporter Name: _____

(b) Rates Customer proposes to pay for interruptible service under Rate Schedules IPS, ILS, IWS, IBTS, or IBS:

Charge for Interruptible parking, loaning, wheeling, imbalance trading or balancing service as applicable_____.

(\$/Dth of MDTQ or MDWQ, as applicable)

(c) Term of Service: _____

Commencement Date: _____

Termination Date: _____

For Interruptible wheeling service: Complete the information requested for the applicable pipeline. The Maximum Daily Receipt Quantity must equal the Maximum Daily Delivery Quantity.

Only one Point of Receipt and one Point of Delivery per request.

Affiliated Transaction.

Is Customer affiliated with PERRYVILLE STORAGE?

Yes _____ No _____

If yes, indicate the type of affiliation and the percentage of ownership between PERRYVILLE STORAGE and Customer:

Type of Customer.

Customer is a(n): (Check one)

- Local Distribution Company
- Intrastate Pipeline Company
- Interstate Pipeline Company
- Marketer/Broker
- Producer
- LNG Re-gasifier
- End User/Other (please describe:) _____

Customer's address for statements and invoices:

_____ (Customer's Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
Fax: _____
Email: _____

For all other matters:

_____ (Customer's Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
Fax: _____
Email: _____

Acceptance of a service request is contingent upon PERRYVILLE STORAGE's completion of a satisfactory credit appraisal.

By submitting this request, prospective Customer certifies further that it will execute, if tendered by PERRYVILLE STORAGE, a Storage Service Agreement for the level of service requested herein.

THIS SERVICE REQUEST IS HEREBY SUBMITTED

THIS _____ DAY OF _____, _____.

By: _____

Title: _____

Telephone number () _____ - _____

E-mail: _____

Customer: _____ (Company Name)

6.24 NORTH AMERICAN ENERGY STANDARDS BOARD

PERRYVILLE STORAGE adopts or exceeds all of the Business Practices and Electronic Communication Standards which were required by the Commission in 18 C.F.R. Section 284.12(a) in accordance with Order Nos. 587-Y, et al. In addition to the standards reflected in other provisions of this FERC Gas Tariff, the following NAESB standards, definitions and datasets of Version 3.1 are incorporated herein by reference:

General Standards: 0.3.1, 0.3.2, 0.3.16, and 0.3.17.

Creditworthiness Standards: 0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, and 0.3.10.

Gas-Electric Operational Communications Standards: 0.3.11, 0.3.12, 0.3.13, 0.3.14, and 0.3.15.

Operating Capacity and Unsubscribed Standards: 0.3.18, 0.3.20, 0.3.21, and 0.3.22.

Location Data Download Standards: 0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, and 0.3.29.

Nominations Related Standards: 1.3.1, 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.8, 1.3.9, 1.3.11, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81, and 1.3.82.

Flowing Gas Related Standards: 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, and 2.3.66.

Invoicing Related Standards: 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, and 3.3.26.

Quadrant Electronic Delivery Mechanism Related Standards: 4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.61, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, and 4.3.106.

Capacity Release Related Standards: 5.3.1, 5.3.3, 5.3.4, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.2.23, 5.3.24, 5.3.25, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.44, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62(a), 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, and 5.3.73.

Internet Electronic Transport Related Standards: 10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, and 10.3.27.

Gas/Electric Operational Communications Definitions: 0.2.1, 0.2.2, 0.2.3, and 0.2.4.

Nominations Related Definitions: 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, and 1.2.19.

Flowing Gas Related Definitions: 2.2.1, 2.2.2, 2.2.3, 2.2.4, and 2.2.5.

Invoicing Related Definition: 3.2.1.

Quadrant Electronic Delivery Mechanism Related Definitions: 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, and 4.2.20.

Capacity Release Related Definitions: 5.2.1, 5.2.2, 5.2.3, 5.2.4, and 5.2.5.

Internet Electronic Transport Related Standards: 10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, and 10.2.38.

Storage Information Datasets: 0.4.1.

Operating Capacity and Unsubscribed Datasets: 0.4.2, and 0.4.3.

Location Data Download Dataset: 0.4.4.

Nominations Related Datasets: 1.4.1, 1.4.2*, 1.4.3, 1.4.4, 1.4.5, 1.4.6, and 1.4.7.

Flowing Gas Related Datasets: 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, and 2.4.18.

Invoicing Related Datasets: 3.4.1, 3.4.2, 3.4.3, and 3.4.4.

Capacity Release Related Datasets: 5.4.14, 5.4.15, 5.4.16, 5.4.17,
5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26, and 5.4.27.

Additional Standards General Definition: 0.2.5

Standards not Incorporated by Reference and their Location in Tariff:

NAESB Standard:

1.3.2 (i-vi)

5.3.2

Tariff Record:

Nominations and Scheduling, 6.8

Capacity Release, 6.4

6.25 Joint Obligations. When Customer under a Storage Service Agreement consists of two or more persons, the obligations of such persons under such agreement shall be joint and several and, except as otherwise provided, any action provided to be taken by Customer shall be taken by such persons jointly.

6.26 Nondiscriminatory Waiver of Tariff Provisions and Non-Waiver of Future Defaults.

PERRYVILLE STORAGE may waive any of its rights hereunder or any obligations of Customer on a basis which is not unduly discriminatory; provided that no waiver by either Customer or PERRYVILLE STORAGE of any one or more defaults by the other in the performance of any provision of the Storage Service Agreement between Customer and PERRYVILLE STORAGE shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

6.27 Modification.

No modification to the terms and provisions of any Storage Service Agreement or exhibit thereto shall be or become effective except by the execution of a superseding Storage Service Agreement or exhibit thereto.

6.28 Successors-in-Interest.

Any company that succeeds by purchase, merger, consolidation, or otherwise to the properties substantially as an entirety, of PERRYVILLE STORAGE or of Customer, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under a Storage Service Agreement. In accordance with the capacity release procedures set forth in Section 6.4 of these General Terms and Conditions, Customer may, without relieving itself of its obligations under such Storage Service Agreement, assign any of its rights and obligations thereunder to another Customer, but otherwise no assignment of such Storage 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 PERRYVILLE STORAGE. These restrictions on assignment shall not in any way prevent Customer from pledging or mortgaging its rights under a Storage Service Agreement as security for its indebtedness.

6.29 Default and Termination

- (a) Customer shall be in default under this FERC Gas Tariff or the Storage Service Agreement if:
 - (1) Customer shall fail to pay any sums due to PERRYVILLE STORAGE hereunder and such failure continues for a period of five (5) Business Days after written notice to Customer by PERRYVILLE STORAGE;
 - (2) Customer fails to perform any of its material covenants or obligations under this FERC Gas Tariff or the Storage Service Agreement, other than obligations to make payments to PERRYVILLE STORAGE, and Customer does not remedy such failure within a period of thirty (30) days after receipt of a notice from PERRYVILLE STORAGE and indemnify and hold harmless PERRYVILLE STORAGE from and against any losses resulting from such failure;
 - (3) Customer or its guarantor becomes insolvent, however evidenced.
- (b) In the event of any default by Customer, in addition to all other remedies available to it pursuant to the Storage Service Agreements or at law and in equity, PERRYVILLE STORAGE may do any or all of the following:
 - (1) refuse to accept any further deliveries of Gas from or on behalf of Customer pursuant to all or any transactions;
 - (2) refuse to deliver Gas to or on behalf of Customer pursuant to all or any transactions;
 - (3) set off any amount owing by PERRYVILLE STORAGE to Customer pursuant to any transaction(s) against amounts otherwise owing by Customer to PERRYVILLE STORAGE pursuant to any other transaction(s);
 - (4) suspend performance until Customer corrects the default in full; and
 - (5) terminate the Customer's Storage Service Agreement, provided that PERRYVILLE STORAGE shall provide not less than thirty (30) days notice of such termination to the Customer and to FERC.
- (c) In the event PERRYVILLE STORAGE shall have suspended service pursuant to Section 6.29(b), Customer may cause PERRYVILLE STORAGE to resume or continue service by providing an advance payment equal to one Month's charges for service under the Customer's Storage Service Agreement(s) and providing Financial Assurances pursuant to Section 6.32 of these General Terms and Conditions within thirty (30) days of PERRYVILLE STORAGE's notice of suspension. PERRYVILLE STORAGE shall not charge Customer for services during any period of suspension pursuant to Section 6.29(b) of these General Terms and Conditions.

6.30. Policy with Respect to Fees and Construction of Facilities

- (a) Except as provided in Section 6.30(b) of these General Terms and Conditions, Customer shall reimburse PERRYVILLE STORAGE(a) for the costs of any facilities installed by PERRYVILLE STORAGE with Customer's consent to receive, measure, store, or deliver Gas for Customer's account and (b) for any and all filings and approval fees required in connection with Customer's Storage Service Agreement that PERRYVILLE STORAGE is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due PERRYVILLE STORAGE by Customer pursuant to this Section shall be due and payable to PERRYVILLE STORAGE within ten (10) days of receipt by Customer of PERRYVILLE STORAGE's invoice(s) for same; provided, however, that subject to PERRYVILLE STORAGE's consent, such reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to extend beyond the primary contract term of the Storage Service Agreement between PERRYVILLE STORAGE and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both PERRYVILLE STORAGE and Customer.
- (b) PERRYVILLE STORAGE may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 6.30 of these General Terms and Conditions for Rate Schedules FSS if Customer provides PERRYVILLE STORAGE adequate assurances to make construction of the facilities economical to PERRYVILLE STORAGE. All requests for waiver shall be handled by PERRYVILLE STORAGE in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, PERRYVILLE STORAGE will evaluate projects on the basis of various economic criteria, which will include the estimated cost of the facilities, operating and maintenance as well as administrative and general expenses attributable to the facilities, the revenues PERRYVILLE STORAGE estimates will be generated as a result of such construction, and the availability of capital funds on terms and conditions acceptable to PERRYVILLE STORAGE. In estimating the revenues to be generated, PERRYVILLE STORAGE will evaluate the existence of capacity limitations downstream of the facilities, the marketability of the capacity, the interruptible versus the firm nature of the service, and other similar factors which impact whether the available capacity will actually be utilized.

6.31 Off-System Capacity.

PERRYVILLE STORAGE may, from time to time, acquire transportation and/or storage capacity on a third-party pipeline system. PERRYVILLE STORAGE will only provide transportation and storage services for others using such capacity pursuant to its open access FERC Gas Tariff subject to its rates approved by the FERC. For purposes of transactions entered into subject to this Section, the "Customer must hold title" policy is waived to permit such use.

6.32 Creditworthiness - Financial Assurances.

- (a) PERRYVILLE STORAGE shall not be required to (i) execute a Storage Service Agreement providing for service under the applicable Rate Schedule for any Customer who fails to meet PERRYVILLE STORAGE's standards for creditworthiness, or (ii) initiate service for a Customer who fails to meet PERRYVILLE STORAGE's standards for creditworthiness, or (iii) continue storage service for any Customer who is or has become insolvent or who, at PERRYVILLE STORAGE's request, fails within a reasonable period to demonstrate creditworthiness pursuant to PERRYVILLE STORAGE's standards. For purposes herein, the determination of Customer's creditworthiness shall be based upon: (i) a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service, Inc. or (ii) provision of a guarantee from an entity with these ratings. Further, as set forth in this Section 6.32, Customer shall maintain an Acceptable Credit Rating, or post Financial Assurances in order to initiate or continue service.

(b) Definitions

The following definitions apply to this section:

- (1) "Acceptable Credit Rating" means a Credit Rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service, Inc.
- (2) "Credit Rating" means the rating given to Customer's unsecured long term debt by Standard and Poor's Corporation ("S&P") or Moody's Investor's Services, Inc. ("Moody's").
- (3) "Credit Exposure" means an amount equal to: (a) in the case of Firm Storage Service to be provided by PERRYVILLE STORAGE using existing facilities, reservation charges payable at the rate specified in Customer's bid for service or Storage Service Agreement for a period of thirty-six (36) months or the duration of the Customer's bid or Storage Service Agreement, whichever is shorter; (b) in the case of Interruptible services to be provided by PERRYVILLE STORAGE using existing facilities, the Interruptible charge(s) calculated on a one hundred percent (100%) load factor basis payable for a period of thirty-six (36) months or the duration of the Customer's Storage Service Agreement, whichever is shorter; or (c) for service that requires PERRYVILLE STORAGE to construct new facilities, an amount determined by PERRYVILLE STORAGE prior to the start of construction that is reasonable in light of the risks of the construction project, not to exceed Customer's proportional share of the cost of the facilities to be constructed

(which amount shall be reduced as Customer pays off the obligation for construction of new facilities); plus, for each of (a), (b), and (c), the Market Value of Loaned Gas.

- (4) "Market Value of Loaned Gas" means the Customer's Loan Balance for service under Rate Schedule ILS, if any, multiplied by the sum of the NYMEX Henry Hub Swap and the NYMEX Columbia Gulf mainline Basis Swap, or such other mutually agreed upon points as posted on the www.nymex.com web site, or such other mutually agreeable reference publication, for the period under which the loaned gas is scheduled to be returned pursuant to the Customer's Storage Service Agreement(s). PERRYVILLE STORAGE shall calculate Customer's Market Value of Loaned Gas on a daily basis.
- (5) "Unsecured Collateral Limit" means the maximum amount of credit PERRYVILLE STORAGE will extend to a Customer, without Customer providing Financial Assurances pursuant to this Section 6.32, based upon Customer's Credit Rating, as provided in the table below:

S&P AAA Moody's Aaa	\$25,000,000.
S&P AA+ to AA- Moody's Aa1 to Aa3	\$15,000,000.
S&P A+ to A- Moody's A1 to A3	\$5,000,000.
S&P BBB+ to BBB- or Moody's Baa1 to Baa3	\$1,000,000.
S&P BB+ and lower Moody's Ba1 and lower	\$50,000.*

*Excludes Customers that are operating under any chapter of the bankruptcy laws; are subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors or any informal creditors' committee agreement; have any significant collection lawsuits or judgments that are outstanding that would materially affect Customer's ability to remain solvent as a business entity; and where any receiver, custodian, trustee, or similar person has been appointed for a

material portion of Customer's assets.

(6) "Financial Assurances" means one or more of the forms of security set forth in Section 6.32(c).

(c) A Customer that does not have, or at any time fails to maintain, an Acceptable Credit Rating shall provide to PERRYVILLE STORAGE, to secure its obligation to PERRYVILLE STORAGE pursuant to each of Customer's Storage Service Agreements, one or more of the following forms of Financial Assurances:

(1) An irrevocable Letter of Credit, subject to the following:

(A) each Letter of Credit shall be in effect for the Term of the transaction plus 120 days.

(B) each Letter of Credit shall be in a form and substance satisfactory to PERRYVILLE STORAGE, and shall provide for partial drawdowns and, without limiting the generality of the foregoing, shall be issued by a financial institution acceptable to PERRYVILLE STORAGE that is rated at least A by S&P or A3 by Moody's; and

(2) Customer shall provide to PERRYVILLE STORAGE, to secure its obligation to PERRYVILLE STORAGE pursuant to each of Customer's Storage Service Agreements, a Guaranty granted to PERRYVILLE STORAGE by Customer's direct or indirect parent (the "Guarantor"), provided that the amount of such Guaranty shall not exceed the Unsecured Collateral Limit for such parent determined using the above criteria and parent's Credit Rating. The Guaranty shall be in a form acceptable to PERRYVILLE STORAGE and the provisions of this Section shall apply to the Guarantor as if the Guarantor were the Customer;

(3) Customer shall prepay for service in an amount as set forth immediately below, provided that such prepayments shall be considered collateral held for security and not advance payments for services and that Customer may deposit its prepayment funds into an interest-bearing escrow account established by Customer granting PERRYVILLE STORAGE access to the account for payment of services under Customer's Storage Service Agreement(s).

The dollar value of the Financial Assurances set forth above in this Section 6.32(c) to be provided by Customer shall be in an amount equal to Customer's Credit Exposure minus Customer's Unsecured Collateral Limit. PERRYVILLE STORAGE shall re-compute the dollar value of Financial Assurances Customer is required to provide on a daily basis. PERRYVILLE STORAGE shall notify Customer when such re-computation indicates that that additional credit support is required to comply with the

requirements of this section based on a 10% increase in the daily computation of the amount of Financial Assurances over the Financial Assurances previously provided by Customer. Customer shall have two (2) Business Days to comply with a notification by PERRYVILLE STORAGE of insufficient credit support.

- (d) Customer's obligation to maintain an Acceptable Credit Rating or to provide Financial Assurances shall continue for so long as the Parties are bound by the Storage Service Agreements and all transactions entered into thereunder. This obligation shall terminate when Customer has performed or satisfied all of its obligations under the Storage Service Agreements and, upon such termination, PERRYVILLE STORAGE shall return to Customer, if applicable:
 - (1) the Letter of Credit and funds held by PERRYVILLE STORAGE as security pursuant to Section 6.32(c) then in its possession but only to the extent it has not then applied such funds pursuant to this FERC Gas Tariff to the debts, expenses, costs, assessments and liabilities payable by Customer to PERRYVILLE STORAGE pursuant to the provisions of the Storage Service Agreement(s);
 - (2) the Guaranty held by PERRYVILLE STORAGE pursuant to Section 6.32(c);
 - (3) any security accepted by PERRYVILLE STORAGE pursuant to Section 6.32(c); or
 - (4) any amount prepaid by Customer pursuant to Section 6.32(c) not required to pay charges for service rendered under the Storage Service Agreements.

- (e) Termination or suspension of service and a Service Agreement does not affect the validity or requirement of a letter of credit or guarantee in effect at the time service is terminated or suspended.

- (f) If Customer's or guarantor's credit standing ceases to meet PERRYVILLE STORAGE's credit requirements during the period of service, then PERRYVILLE STORAGE will require security or a deposit as specified herein. If security or a deposit is not tendered in a timely period as reasonably determined by PERRYVILLE STORAGE, then PERRYVILLE STORAGE is not required to continue service. If Customer is unable to maintain credit approval, the executed Service Agreement shall terminate pursuant to Section 6.29(b)(5) of this Tariff. PERRYVILLE STORAGE retains the right to pursue additional remedies, enforce any rights and affect any collection due to PERRYVILLE STORAGE.

6.33 DISPOSITION OF RETAINED QUANTITIES

6.33.1 In the event that PERRYVILLE STORAGE holds an auction for gas quantities retained pursuant to Section 5.1.8 of Rate Schedule FSS, Section 5.2.8 of Rate Schedule ISS, Section 5.3.8 of Rate Schedule IPS, or Section 5.7.8 of Rate Schedule IBS, PERRYVILLE STORAGE shall post such quantities on its electronic bulletin board on the fifth (5th) Business Day following the fifteenth (15th) Day of the Month. PERRYVILLE STORAGE shall accept bids only during the time period from 7:00 A.M. until 11:00 A.M. CT on the seventh (7th) Business Day following date of the posting. PERRYVILLE STORAGE shall sell the quantities to Customer submitting the highest bid, and shall notify such Customer prior to 4:00 P.M. CT of the same day on which PERRYVILLE STORAGE accepts the bids; provided, however, PERRYVILLE STORAGE reserves the right to reject all bids. When the gas is purchased at auction, Customer must provide identification of the existing storage Service Agreement with PERRYVILLE STORAGE under which Customer shall store the gas in PERRYVILLE STORAGE's Facilities.

6.33.2 PERRYVILLE STORAGE shall credit the net proceeds received from such an auction to all Customers that did not have gas sold during the subject auction ("Qualifying Customer") based on the ratio of the total charges paid by each Qualifying Customer for service to the total amount of such charges paid by all Qualifying Customers during the Month in which the auction of the gas occurred. For the purposes of this Section, the term "net proceeds" shall mean the total proceeds received from the auction less the accumulated charges pursuant to the applicable Rate Schedule for the agreement held by Customer winning the bid.

Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year and will be included on the Qualifying Customers' invoice for the Month following the date of the final Commission order approving PERRYVILLE STORAGE's penalty disbursement report; provided, however, that Operator will calculate and include such credits on Qualifying Customers' invoices for a period shorter than twelve months in the event and to the extent that the total accumulated amount of penalty revenue collected pursuant to this Section 6.33 by PERRYVILLE STORAGE as of the end of any Month exceeds \$1,000,000. PERRYVILLE STORAGE will file a penalty disbursement report with the Commission within sixty (60) Days of July 31 or sixty (60) Days after the end of the Month in which the revenue collected exceeds \$1,000,000. Any penalty revenue credited to Qualifying Customers pursuant to this section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

FORM OF SERVICE AGREEMENTS

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

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 _____ an _____, 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 FSS, and of this Agreement, PERRYVILLE STORAGE shall, on any Day, receive for injection into storage for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity pursuant to the schedule attached hereto as Exhibit "A," shall store quantities of Gas so injected in PERRYVILLE STORAGE's underground gas storage facility located in Franklin and Richland Parishes, Louisiana, up to a Maximum Storage Quantity of _____ Dth (on a cumulative basis), and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity of _____ Dth.

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 following charges for all Gas storage service furnished to Customer hereunder:

_____ Storage reservation charge (\$/Dth/Month)
_____ Storage injection charge (\$/Dth)
_____ Storage withdrawal charge (\$/Dth)
_____ Excess injection charge (\$/Dth)
_____ Excess withdrawal charge (\$/Dth)
_____ Fuel reimbursement (\$/Dth) or (in kind)

2. Customer further agrees to pay PERRYVILLE STORAGE all other applicable fees and charges as set forth in these General Terms and Conditions and in Rate Schedule FSS.
3. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed against PERRYVILLE STORAGE for the receipt, injection, storage, withdrawal, and/or delivery of Customer's Working Gas. In addition, Customer shall reimburse PERRYVILLE STORAGE for Customer's pro rata portion, based on the MSQ of all Rate Schedule FSS Customers, of all ad valorem taxes, property taxes, and/or other similar taxes assessed against and paid by PERRYVILLE STORAGE related to Customer's Working Gas.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms and conditions specified in PERRYVILLE STORAGE's Rate Schedule FSS and the provisions of PERRYVILLE STORAGE's FERC Gas Tariff, as filed with the FERC, together with the General Terms and Conditions of this FERC Gas Tariff applicable thereto (including any changes in said Rate Schedule, Tariff, or General Terms and Conditions, as may from time to time be filed and made effective by PERRYVILLE STORAGE).

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of _____, ____ and shall remain in force and effect until _____, ____ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of _____ Month(s) each (the "Renewal Term"), provided that the original Primary Term was for a period of at least twelve (12) consecutive Months, unless either party gives _____ Days' written notice to the other party prior to the end of the Primary Term or any Renewal Term thereafter.

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 this 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:

Firm Storage Service Agreement, dated _____, ____

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 hereto have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

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 Withdrawal Quantity (MDWQ) _____

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

(Pipeline _____):

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

(Pipeline _____):

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

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

EXHIBIT A (Continued)

The Maximum Storage Injection Quantity ("MDIQ") Customer may inject pursuant to the Firm Storage Service Agreement at any time is determined by the following schedule:

Storage Inventory*	<u>Point of Receipt Pressure - PSIG</u>		
	<u>800-850</u>	<u>851-900</u>	<u>901+_</u>
0-20%	_____	_____	_____
21-40%	_____	_____	_____
41-60%	_____	_____	_____
61-80%	_____	_____	_____
81-100%	_____	_____	_____

* The Storage Inventory is expressed as a percentage of Customer's MSQ.

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:

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)

HUB SERVICES AGREEMENT
(For Use Under Rate Schedules IPS, ILS, IWS, IBTS, and IBS)

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 Schedules IPS, ILS, IWS, IBTS and/or IBS, as applicable, and of this Agreement, PERRYVILLE STORAGE shall provide Interruptible service for Customer and shall receive, inject, park, store, wheel, loan, withdraw and redeliver, as the case may be, quantities of Gas up to the Customer's MDIQ, MDWQ, and/or 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 shall be at the point(s) located on the pipeline system(s) designated on Exhibit A hereto (Customer's Point(s) of Receipt).

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

ARTICLE III - PRICE

1. Customer agrees to pay PERRYVILLE STORAGE the charges for all Gas service furnished to Customer hereunder 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 and in Rate Schedules IPS, ILS, IWS, IBTS, and IBS, as applicable.

ARTICLE IV - INCORPORATION OF RATE SCHEDULES AND TARIFF PROVISIONS

The terms and conditions specified in PERRYVILLE STORAGE's Rate Schedules IPS, ILS, IWS, IBTS, and IBS and the provisions of PERRYVILLE STORAGE's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, 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 which shall succeed 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:

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 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 HUB SERVICES AGREEMENT
BETWEEN PERRYVILLE STORAGE AND _____ (CUSTOMER)

Points of Receipt and/or Points of Delivery:

PIPELINE	METER	PARISH	STATE
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

CUSTOMER: _____ pursuant to the Hub Services Agreement executed by Customer on PERRYVILLE STORAGE, hereby directs and requests Hub Administrator to do the following:

Title Transfer: (from)
Company Name: _____

Title Transfer: (to)
Company Name: _____

Address: _____

Address: _____

Phone: _____ Fax: _____

Phone: _____ Fax: _____

Comments:

Hub Administrator & Customer agree that the following charges shall apply to this Hub Services Transaction:

Requested Service or Components Thereof

_____Parking	\$_____per Dth	_____Title Transfer	\$_____per Dth
_____Wheeling	\$_____per Dth	_____Imbalance Trade	\$_____per Dth
_____Balancing	\$_____per Dth	_____Injection/withdrawal	\$_____per Dth
_____Loan	\$_____per Dth	_____Fuel	\$_____per Dth

in kind %____per Dth

Customer:

Signature: _____ Date: _____ Time: _____

Hub Administrator Approval:

Signature: _____ Date: _____ Time: _____
