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GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

1. INTRODUCTORY STATEMENT

Except where expressly stated otherwise, the General Terms and Conditions of Petal's currently effective FERC Gas Tariff shall apply to all natural gas storage service rendered by Petal under any storage service agreement, including, but not limited to, service under the FSS Rate Schedule and the ISS Rate Schedule.

2. DEFINITIONS

- 2.1 Bcf means one billion (1,000,000,000) cubic feet.
- 2.2 Btu means one British Thermal Unit, and shall be the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit at sixty degrees Fahrenheit (Btu is measured on a dry basis at 14.73 dry psia).
- 2.3 Business Day shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions in Canada and Mexico.
- 2.4 Contract Year shall mean the twelve (12) month period beginning on the date storage service under a storage agreement commences and each subsequent twelve month period thereafter during the term of the agreement.
- 2.5 A cubic foot of gas equals the volume of gas that occupies one cubic foot at a temperature of 60 degrees F and a pressure of 14.73 dry psia. Mcf means one thousand (1,000) cubic feet and MMcf means one million (1,000,000) cubic feet.
- 2.6 Customer means the party that holds all lawful right and title to the natural gas that is being stored and who executes the storage service agreement.
- 2.7 Customer's stored gas or gas stored means the quantity of gas stored by Petal for Customer's account.

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(continued)

5.4 In the event that batch flowing nominated volumes less than 5,000 MMBTU per day is deemed operationally impractical by Transporter or Petal, and should Petal 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 less than or equal to 5,000 MMBtu per day, Petal will attempt to schedule such nominations on a "best efforts" basis. However, if any single or combination of nominations is scheduled such that the aggregated nominated volumes result in a net metered volume less than or equal to 5,000 MMBtu per day, all nominations may be curtailed on

a pro-rata basis such that the net metered volume will be zero. Petal 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. SCHEDULING

6.1 Petal shall accept nominations 24 hours a Day during any day when Customer desires Petal to receive and inject gas into, or to withdraw and deliver gas from storage, Customer shall submit a nomination via fax or Petal's EBB, that includes but is not limited to the following information: daily volume, flow period (Customer defined begin dates and end dates), upstream transportation contract number(s) (for injections), downstream transportation contract number(s) (for withdrawals), customer name and contract number, the customer's authorized employee name and telephone number, the type of service desired, for injections, the State of the source of gas, and for customers obtaining released capacity from a capacity holder other than Petal, the name of that capacity holder. All nominations excluding intra-day nominations shall have roll-over options. Specifically, customers shall 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 contract. All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only. Overrun quantities should be requested on a separate transaction.

(a) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by the transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

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First Revised Sheet No. 115A First Revised Sheet No. 115A : Superseded
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(b) 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 the transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers 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 that do not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at

[
] on gas day.

Explanatory Comments: The blank effective time would be specified by GISE once the final order on RM96-1-007 is issued.

(c) 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 the transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by the transporter from upstream and downstream connected parties; 2:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on gas day.

(d) The Intraday 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on the gas day). Scheduled quantities resulting from Intraday

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Nominations should be effective at 9:00 p.m. on gas day.

6.2 Customer shall make available and tender any gas to be injected hereunder and receive and accept delivery, upon tender by Petal, any gas requested 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 Petal) tender for injection, nor shall Petal be obligated to receive gas for injection, or to withdraw and deliver gas from storage, on an hourly basis at rates of flow in excess of 1/24 of Customer's TMDIQ or TMDWQ, respectively. Petal shall not be obligated to receive,

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(continued)

confirm, or deliver gas to confirmation or transportation contracts other than those belonging to a Customer with an executed FSS or ISS contract with Petal.

6.3 Intraday Nominations.

- (a) An intra-day nomination is any nomination submitted after the deadline set forth in Section 6.1 and whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day. There are two types of intra-day nominations: (i) A nomination received during the gas day for the same day of gas flow, and (ii) A nomination received after the nominations deadline for the following gas day. The nomination information set forth in Section 6.1 apply, however the timeline set forth in that Section shall not apply. The intra-day nomination shall include an effective date and time and daily quantity to be injected or withdrawn from storage. Customer and Petal shall agree on the hourly flows of the intra-day nomination, however, Petal shall not be obligated to inject or withdraw from storage an hourly amount greater than one-twenty-fourth of Shipper's TMDIQ or TMDWQ. An intra-day nomination may be utilized to request increases or decreases in gas flow and/or changes to receipt and/or delivery points of scheduled gas and/or to nominate new supply or market. Shipper shall submit intra-day nominations at least four hours prior to the commencement of the requested change in gas flow, subject to confirmation and verification and Petal's operating conditions. Intra-day nominations do not rollover.
- (b) Petal may waive any part of the four (4) hour notice upon request if, in Petal's judgment, operating conditions permit such waiver and Transporter permits such action. Customer shall notify Petal immediately of any circumstance which causes or will cause the deliveries to or receipts from Petal to be different from those requested.

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Fifth Revised Sheet No. 129 Fifth Revised Sheet No. 129 : Superseded

Superseding: Sub. Fourth Revised Sheet No. 129

GENERAL TERMS AND CONDITIONS
(continued)

19. GAS INDUSTRY STANDARDS BOARD (GISB) STANDARDS

Pursuant to Order No. 587, et al. promulgated by the FERC in Docket No. RM96-1, for GISB Standards that do not otherwise require implementing tariff provisions, the following GISB Standards are hereby incorporated, by reference to the GISB Standard Number and version, into Petal's FERC Gas Tariff.

Version 1.4

1.1.17	1.3.28	1.3.61	2.3.20	3.3.12	4.1.29	4.3.3	4.3.34
1.1.18	1.3.29	1.3.62	2.3.21	3.3.13	4.1.30		4.3.35
1.1.19	1.3.30	1.3.63	2.3.22	3.3.14	4.1.31	4.3.5	4.3.36
1.2.1	1.3.31	1.3.79	2.3.23	3.3.15	4.1.32	4.3.6	4.3.37
1.2.2	1.3.34	1.4.1	2.3.24	3.3.16	4.1.33		4.3.38
1.2.3	1.3.35	1.4.2	2.3.25	3.3.17	4.1.34	4.3.8	4.3.39
1.2.5	1.3.36	1.4.3	2.3.26	3.3.18	4.1.35	4.3.9	4.3.40
1.2.6	1.3.37	1.4.4	2.3.27	3.3.19	4.1.36	4.3.10	4.3.41
1.2.8	1.3.38	1.4.5	2.3.28	3.3.20	4.1.37	4.3.11	4.3.42
1.2.9	1.3.39	1.4.6	2.3.31	3.3.21	4.1.38	4.3.12	4.3.43
1.2.10	1.3.40	1.4.7	2.3.32	3.3.22	4.2.1	4.3.13	4.3.44
1.2.11	1.3.41	2.2.1	2.3.33	3.3.23	4.2.2	4.3.14	4.3.45
1.2.12	1.3.42	2.3.1	2.3.34	3.3.24	4.2.3	4.3.15	4.3.46
1.3.2(v)	1.3.43	2.3.2	2.3.35	3.3.25	4.2.4	4.3.16	4.3.47
1.3.2(vi)	1.3.44	2.3.3	2.4.1	3.4.1	4.2.5	4.3.17	4.3.48
1.3.3	1.3.45	2.3.4	2.4.2	3.4.2	4.2.6	4.3.18	4.3.49
1.3.4	1.3.46	2.3.5	2.4.3	3.4.3	4.2.7	4.3.19	4.3.50
1.3.8	1.3.47	2.3.6	2.4.4	3.4.4	4.2.8	4.3.20	4.3.51
1.3.14	1.3.48	2.3.7	2.4.5	4.1.16	4.2.9	4.3.21	4.3.52
1.3.15	1.3.49	2.3.8	2.4.6	4.1.17	4.2.10	4.3.22	4.3.53
1.3.16	1.3.50	2.3.9	3.3.1	4.1.18	4.2.11	4.3.23	4.3.54
1.3.17	1.3.51	2.3.10	3.3.2	4.1.19	4.2.12	4.3.24	4.3.55
1.3.18	1.3.52	2.3.11	3.3.3	4.1.20	4.2.13	4.3.25	4.3.56
1.3.20	1.3.53	2.3.12	3.3.4	4.1.21	4.2.14	4.3.26	4.3.57
1.3.21	1.3.54	2.3.13	3.3.5	4.1.22	4.2.15	4.3.27	4.3.58
1.3.22	1.3.55	2.3.14	3.3.6	4.1.23	4.2.16	4.3.28	4.3.59
1.3.23	1.3.56	2.3.15	3.3.7	4.1.24	4.2.17	4.3.29	4.3.60
1.3.24	1.3.57	2.3.16	3.3.8	4.1.26	4.2.18	4.3.30	4.3.61
1.3.25	1.3.58	2.3.17	3.3.9	4.1.27	4.2.19	4.3.31	4.3.62
1.3.26	1.3.59	2.3.18	3.3.10	4.1.28	4.3.1	4.3.32	4.3.63
1.3.27	1.3.60	2.3.19	3.3.11		4.3.2	4.3.33	

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Original Sheet No. 129A Original Sheet No. 129A : Superseded

4.3.64	4.3.77	5.3.3	5.3.16	5.3.29	5.3.42	5.4.13
4.3.65	4.3.78	5.3.4	5.3.17	5.3.30	5.4.1	5.4.14
4.3.66	4.3.79	5.3.5	5.3.18	5.3.31	5.4.2	5.4.15
4.3.67	4.3.80	5.3.6	5.3.19	5.3.32	5.4.3	5.4.16
4.3.68	4.3.81	5.3.7	5.3.20	5.3.33	5.4.4	5.4.17
4.3.69	4.3.82	5.3.8	5.3.21	5.3.34	5.4.5	5.4.18
4.3.70	4.3.83	5.3.9	5.3.22	5.3.35	5.4.6	5.4.19
4.3.71	4.3.84	5.3.10	5.3.23	5.3.36	5.4.7	
4.3.72	4.3.85	5.3.11	5.3.24	5.3.37	5.4.8	
4.3.73	5.2.1	5.3.12	5.3.25	5.3.38	5.4.9	
4.3.74	5.2.2	5.3.13	5.3.26	5.3.39	5.4.10	
4.3.75	5.3.1	5.3.14	5.3.27	5.3.40	5.4.11	
4.3.76	5.3.2	5.3.15	5.3.28	5.3.41	5.4.12	

