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FERC Docket: RP03-241-000

Original Sheet No. 0 Keyspan LNG, LP (Alng): Third Revised Volume No. 1

Original Sheet No. 0 : Effective

FERC GAS TARIFF
THIRD REVISED VOLUME NO. 1
(Supersedes Second Revised Volume No. 1)
OF
KeySpan LNG, LP
FILED WITH
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff Should Be Addressed To:

Joseph A. Vaszily, Vice President
KeySpan LNG, LP
One MetroTech Center
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# Original Sheet No. 1 original Sheet No. 1: Effective

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FERC Docket: RP03-241-000

Original Sheet No. 2 Original Sheet No. 2: Effective

Joseph A. Vaszily, Vice President

#### PRELIMINARY STATEMENT

KeySpan LNG, LP ("KLNG"), owns a facility located in Providence, Rhode Island, for the storage of liquefied natural gas ("LNG"). KLNG renders a storage service for customers by receiving LNG at the facility for storage and by redelivering such gas to the customer, either in liquid phase or in gaseous phase after regasification.

It is the policy of KLNG to provide storage service only under written contract acceptable to KLNG after consideration of its commitments to others, availability of storage capacity, and other factors deemed pertinent by KLNG. If any such contract is to become operative only upon performance of certain precedent conditions, it is the policy of KLNG to execute a separate written agreement covering the conditions to be satisfied before the contract for storage of LNG becomes operative.

This FERC Gas Tariff is filed in compliance with Part 154 of the Commission's Regulations under the Natural Gas Act. Nothing in this tariff is intended to inhibit the formation or use of market centers.

 $\textbf{Original Sheet No. 3} \; \texttt{Original Sheet No. 3} \; : \; \; \texttt{Effective}$ 

Joseph A. Vaszily, Vice President

INSERT FACILITY MAP

Original Sheet No. 4 original Sheet No. 4 : Effective

Joseph A. Vaszily, Vice President

# RATE SHEETS SHOWING EFFECTIVE RATES

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FERC Docket: RP03-241-000

 $\textbf{Original Sheet No. 5} \; \texttt{Original Sheet No. 5} \; : \; \; \texttt{Effective}$ 

Joseph A. Vaszily, Vice President

RATE SCHEDULE FST-LG Storage of Liquefied Gas

Rate Schedule FST-LG		Surcharge Adjust	
Capacity Reservation Charge:     Maximum     Minimum	\$0.2729	Per Dth Per Mon - -	
Displacement Reservation Charge:     Maximum     Minimum	\$0.0417	Per Dth Per Mon - -	\$0.0417
Receipt Charge:     Maximum     Minimum	\$0.0000	-\$/Per Dth - -	
Delivery Charge: Maximum Minimum	\$0.0000	\$/Per Dth - -	
Authorized Overrun Charge: Space charge		- \$/Per Dth Per -	
Excess Displacement Charge: Delivery Charge	\$0.2500	\$/Per_Dth -	\$0.2500

 $<sup>^{\</sup>star}$   $\,$  The Base Tariff Rate is the effective rate on file with the Commission, excluding adjustments approved by the Commission.

FERC Docket: RP03-241-000

Original Sheet No. 6 Original Sheet No. 6: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE IST-LG Storage of Liquefied Gas

	chedule IST-LG	Base TariffSurcharg Rate *Adjust	е	Total Rate
Space C Maximum	harge:	\$/Pe \$0.0090 \$0.0000	_	
-	ement Charge: Maximum Minimum	\$/Per \$0.5000 \$0.0000	_	\$0.5000
-	Charge: Maximum Minimum	\$/P \$0.0000 \$0.0000		\$0.0000
	y Charge: Maximum Minimum	\$/Pe \$0.0000 \$0.0000	_	\$0.0000
	zed Overrun Charge: Space charge	\$/Pe \$0.0090		
	Displacement Charge: Delivery Charge	\$/Pe \$0.2500	r Dth	\$0.2500

 $<sup>^{\</sup>star}$   $\,$  The Base Tariff Rate is the effective rate on file with the Commission, excluding adjustments approved by the Commission.

FERC Docket: RP03-241-000

 $\textbf{Original Sheet No. 7} \ \texttt{Original Sheet No. 7} : \ \texttt{Effective}$ 

Joseph A. Vaszily, Vice President

RATE SCHEDULE FST-LG Storage of Liquefied Gas Capacity Release

				Vo	lumetric	
	Base Tariff Rate*	Surchg Adj	Total Rate	Base Tariff Rate*	Surchg Adj	Total Rate
Rate Schedule FST-LG						
Capacity Reservation Charge:  Maximum  Minimum	\$0.2729		Month \$0.2729 \$0.0000	\$0.0090		r Day \$0.0090 \$0.0000
Displacement Reservation Charge	: \$/Per I	Oth Per	Month	\$/Pe	r Dth Pe	r Day
Maximum			\$0.0417		\$0.0000	
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

 $<sup>^{\</sup>star}$   $\,$  The Base Tariff Rate is the effective rate on file with the Commission, excluding adjustments approved by the Commission.

Sheet Nos. 8 - 11 Sheet Nos. 8 - 11 : Effective

Joseph A. Vaszily, Vice President

SHEET NOS. 8 THROUGH 11 HAVE NOT BEEN ISSUED BUT HAVE BEEN RESERVED FOR FUTURE USE.

Original Sheet No. 12 Original Sheet No. 12 : Effective

Joseph A. Vaszily, Vice President

# RATE SCHEDULES

# INDEX

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IST-LG Interruptible Storage Service	6	17

FERC Docket: RP03-241-000

Original Sheet No. 13 Original Sheet No. 13: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE FST-LG Storage of Liquefied Gas

#### 1. AVAILABILITY

This rate schedule is available to any party ("Customer") for the purchase from KeySpan LNG, LP ("KLNG") of a liquefied natural gas ("LNG") firm storage service in KLNG's storage facility located in Providence, Rhode Island, when:

- a. Customer has made a valid request for firm storage service pursuant to Section 2 of the General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part;
- b. Sufficient firm capacity is available to effectuate such storage without any construction of facilities or other investment by KLNG, or KLNG has waived this requirement in writing; and
- c. Customer has executed a service agreement in the form contained in the FERC Gas Tariff of which this rate schedule is a part.

#### 2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Storage service hereunder will be on a firm basis except as provided herein and in Sections 17 and 18 of the General Terms and Conditions of this tariff.
- 2.2 Service rendered under this rate schedule shall consist of:
  - (a) The receipt by KLNG of LNG for the account of Customer up to the Customer's Contract Storage Quantity from trucks or by alternate means, mutually agreed to.
  - (b) The storage of such LNG for the account of Customer in  $\mbox{\scriptsize KLNG's}$  facility.
  - (c) The redelivery by KLNG of such stored LNG to Customer via vaporization of LNG up to Customer's MDWQ on any day for Customer's account or by truck (less the adjustments set forth in Section 7 of the General Terms and Conditions of this tariff).

FERC Docket: RP03-241-000

Original Sheet No. 14 original Sheet No. 14: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE FST-LG Storage of Liquefied Gas (continued)

- 2. APPLICABILITY AND CHARACTER OF SERVICE (continued)
  - 2.3 Provided KLNG's prior consent is obtained, Customer may tender quantities of LNG in excess of its Contract Storage Quantity if in KLNG's reasonable judgment storage of such LNG can be accomplished by KLNG without detriment to any other Customer under any of KLNG's rate schedules, if such storage is compatible with KLNG's facility operation requirements, and if Customer can demonstrate to KLNG's satisfaction that Customer will have the ability to remove such excess quantities when Customer is required to do so under Section 6 of the General Terms and Conditions of this tariff. Such excess quantities shall be deemed to be Authorized Overrun Quantities.
  - 2.4 KLNG shall not be obligated to add any facilities or expand its capacity in any manner in order to provide storage service to Customer pursuant to this rate schedule; provided, however, KLNG may, at its option, and with Customer's consent, add facilities or expand capacity to provide such storage service, subject to Section 3 below.
  - 2.5 Customer shall make or cause to be made all necessary arrangements with other parties at or upstream of the point where Customer tenders LNG to KLNG for storage, and at or downstream of the point where KLNG delivers LNG or revaporized LNG from Customer's account, and such arrangements must be compatible with KLNG's facility operations.

FERC Docket: RP03-241-000

Original Sheet No. 15 original Sheet No. 15: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE FST-LG Storage of Liquefied Gas (continued)

#### 3. RATES AND CHARGES

- 3.1 Unit Rates. The applicable maximum and minimum unit rates are set forth in the currently effective Sheet No. 5 of this tariff and are hereby incorporated herein. The applicable unit rates to be charged by KLNG for LNG stored for Customer shall not be in excess of the maximum unit rate nor less than the minimum unit rate. Unless KLNG and Customer agree in writing upon a rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable maximum rate as set forth on the effective Sheet No. 5.
- 3.2 Monthly Bill. Commencing for the month in which the FST-LG Service Agreement is effective and for each month thereafter, KLNG shall charge and Customer shall pay KLNG the sum of the following amounts:
  - (a) Capacity Reservation Charge: The charge per month per Dth of Customer's effective Contract Storage Quantity under this rate schedule; plus
  - (b) Displacement Reservation Charge: The charge per month per Dth of Customer's effective Contract Storage Quantity under this rate schedule; plus
  - (c) Receipt Charge: The applicable receipt charge rate multiplied by the quantity in Dth received pursuant to this rate schedule for the month (excluding Authorized Overrun Quantities); plus
  - (d) Delivery Charge: The applicable delivery charge rate multiplied by the quantity in Dth delivered pursuant to this rate schedule for the month (excluding Authorized Overrun Quantities); plus

FERC Docket: RP03-241-000

Original Sheet No. 16 Original Sheet No. 16: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE FST-LG Storage of Liquefied Gas (continued)

- 3. RATES AND CHARGES (continued)
  - (e) Authorized Overrun Charge: The applicable authorized overrun charge per Dth per day of Authorized Overrun Quantity stored for Customer during the month under this rate schedule as measured at the end of each day; plus
  - (f) Excess Displacement Charge: The applicable excess displacement charge per Dth of vapor delivered multiplied by the quantity in Dth in excess of Customer's Contract Storage Quantity during a contract year.
  - (g) Reimbursement for Expenses: Expenses that are reimbursable by Customer pursuant to Section 20 of the General Terms and Conditions.
- 4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this tariff are applicable to this rate schedule and are hereby made a part hereof.

FERC Docket: RP03-241-000

Original Sheet No. 17 Original Sheet No. 17: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE IST-LG Storage of Liquefied Gas

#### 1. AVAILABILITY

This rate schedule is available to any party ("Customer") for the purchase from KeySpan LNG, LP ("KLNG") of a liquefied natural gas ("LNG") interruptible storage service in KLNG's storage facility located in Providence, Rhode Island, when:

- a. Customer has made a valid request for interruptible storage service pursuant to Section 2 of the General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part; and
- b. Customer has executed a service agreement in the form contained in the FERC Gas Tariff of which this rate schedule is a part.
- 2. APPLICABILITY AND CHARACTER OF SERVICE
  - 2.1 Storage service hereunder will be on an interruptible basis.
  - 2.2 Service rendered under this rate schedule shall consist of:
    - (a) The receipt by KLNG of LNG for the account of Customer up to the Customer's Contract Storage Quantity from trucks or by alternate means, mutually agreed to.
    - (b) The storage of such LNG for the account of Customer in KLNG's facility.
    - (c) The redelivery by KLNG of such stored LNG to Customer via vaporization of LNG up to Customer's MDWQ on any day for Customer's account or by truck (less the adjustments set forth in Section 7 of the General Terms and Conditions of this tariff).

FERC Docket: RP03-241-000

Original Sheet No. 18 original Sheet No. 18: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE IST-LG Storage of Liquefied Gas (continued)

- 2. APPLICABILITY AND CHARACTER OF SERVICE (continued)
  - 2.3 Interruptible storage service shall be available only to the extent that the storage capacity designated for Rate Schedule FST-LG storage service is not required for such firm storage service. KLNG shall be entitled to refuse to perform service under Rate Schedule IST-LG when Customer cannot demonstrate to KLNG's satisfaction that Customer will have the ability to remove LNG quantities stored under Rate Schedule IST-LG when Customer is required to do so under Section 6 of the General Terms and Conditions of this tariff.
  - 2.4 Provided KLNG's prior consent is obtained, Customer may tender quantities of LNG in excess of its Contract Storage Quantity if in KLNG's reasonable judgment storage of such LNG can be accomplished by KLNG without detriment to any other Customer under any of KLNG's rate schedules, if such storage is compatible with KLNG's facility operation requirements, and if Customer can demonstrate to KLNG's satisfaction that Customer will have the ability to remove such excess quantities when Customer is required to do so under Section 6 of the General Terms and Conditions of this tariff. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

FERC Docket: RP03-241-000

Original Sheet No. 19 original Sheet No. 19: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE IST-LG Storage of Liquefied Gas (continued)

- 2. APPLICABILITY AND CHARACTER OF SERVICE (continued)
  - 2.5 KLNG shall not be obligated to add any facilities or expand its capacity in any manner in order to provide storage service to Customer pursuant to this rate schedule; provided, however, KLNG may, at its option, and with Customer's consent, add facilities or expand capacity to provide such storage service, subject to Section 3 below.
  - 2.6 Customer shall make or cause to be made all necessary arrangements with other parties at or upstream of the point where Customer tenders LNG to KLNG for storage, and at or downstream of the point where KLNG delivers LNG or revaporized LNG from Customer's account, and such arrangements must be compatible with KLNG's facility operations.

#### 3. RATES AND CHARGES

3.1 Unit Rates. The applicable maximum and minimum unit rates are set forth in the currently effective Sheet No. 6 of this tariff and are hereby incorporated herein. The applicable unit rates to be charged by KLNG for LNG stored for Customer shall not be in excess of the maximum unit rate nor less than the minimum unit rate. Unless KLNG and Customer agree in writing upon a rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable maximum rate as set forth on the effective Sheet No. 6.

FERC Docket: RP03-241-000

Original Sheet No. 20 Original Sheet No. 20: Effective

Joseph A. Vaszily, Vice President

RATE SCHEDULE IST-LG Storage of Liquefied Gas (continued)

#### 3. RATES AND CHARGES (continued)

- 3.2 Monthly Bill. Commencing for the month in which the IST-LG Service Agreement is effective and for each month thereafter, KLNG shall charge and Customer shall pay KLNG the sum of the following amounts:
  - (a) Space Charge: The applicable space charge multiplied by the sum of the quantity in Dth of LNG stored under this rate schedule as measured at the end of each day (excluding Authorized Overrun Quantities); plus
  - (b) Displacement Charge: The applicable displacement charge multiplied by the quantity in Dth of vapor delivered pursuant to this rate schedule for the month; plus
  - (c) Receipt Charge: The applicable receipt charge rate multiplied by the quantity in Dth received pursuant to this rate schedule for the month (excluding Authorized Overrun Quantities); plus
  - (d) Delivery Charge: The applicable delivery charge rate multiplied by the quantity in Dth delivered pursuant to this rate schedule for the month (excluding Authorized Overrun Quantities); plus
  - (e) Authorized Overrun Charge: The applicable authorized overrun charge per Dth per day of Authorized Overrun Quantity stored for Customer during the month under this rate schedule as measured at the end of each day; plus
  - (f) Excess Displacement Charge: The applicable excess displacement charge per Dth of vapor delivered multiplied by the quantity in Dth in excess of Customer's Contract Storage Quantity during a contract year.
  - (g) Reimbursement for Expenses: Expenses that are reimbursable by Customer pursuant to Section 20 of the General Terms and Conditions.

FERC Docket: RP03-241-000

 $\textbf{Original Sheet No. 21} \ \texttt{Original Sheet No. 21} \ : \ \texttt{Effective}$ 

Joseph A. Vaszily, Vice President

RATE SCHEDULE IST-LG Storage of Liquefied Gas (continued)

4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this tariff are applicable to this rate schedule and are hereby made a part hereof.

FERC Docket: RP03-241-000

Sheet Nos. 22 - 28 Sheet Nos. 22 - 28 : Effective

Joseph A. Vaszily, Vice President

SHEET NOS. 22 THROUGH 28

HAVE NOT BEEN ISSUED BUT HAVE
BEEN RESERVED FOR FUTURE USE.

 $\textbf{Original Sheet No. 29} \; \texttt{Original Sheet No. 29} \; : \; \; \texttt{Effective}$ 

### GENERAL TERMS AND CONDITIONS INDEX

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Original Sheet No. 30 Original Sheet No. 30: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS

#### 1. DEFINITIONS AND ABBREVIATIONS

The following terms and abbreviations, when used herein or in any agreement incorporating these General Terms and Conditions, shall have the following meaning:

- 1.1 Day. The term "day" or "gas day" shall mean a period of twentyfour consecutive hours, beginning at 9:00 a.m. Central Clock Time.
- 1.2 Business Day. The term "Business Day" shall mean Monday through Friday excluding Federal Banking Holidays in the U.S. and similar holidays for transactions occurring in Canada and Mexico.
- 1.3 CT. The Term "CT" shall mean Central Clock Time, which includes the recognition of Daylight Savings Time, wheras "CST" shall mean Central Standard Time.
- 1.4 Month. The term "month" shall mean the period beginning at 9:00 a.m. Central Clock Time on the first day of the calendar month and ending at the same hour on the first day of the next succeeding calendar month.
- 1.5 Year. The term "year" shall mean a period consisting of twelve consecutive months.
- 1.6 LNG. The term "LNG" shall mean liquefied natural gas; that is, natural gas in the liquid phase.
- 1.7 MMBtu. The term "MMBtu" shall mean one million British thermal units, which shall constitute the unit of energy related to this tariff.
- 1.8 Dekatherm. The term "Dth" or "dekatherm" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "dekatherm" of gas shall mean the quantity of gas which contains one dekatherm of heat energy.
- 1.9 Cubic Foot. The term "cubic foot" shall mean the volume of gas which occupies one cubic foot of space, measured according to Boyle's and Charles's Law for the measurement of gas under varying pressures with deviation therefrom as provided in Section 8 of these General Terms and Conditions and on the measurement basis likewise specified in such Section 8.

FERC Docket: RP03-241-000

Original Sheet No. 31 Original Sheet No. 31: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

- 1.10Mcf. The term "Mcf" shall mean 1,000 cubic feet of gas.
- 1.11Gas. Unless otherwise indicated, the term "gas" shall mean LNG, whether in liquid or gaseous phase.
- 1.12Heel. The term "heel" shall mean the minimum quantity of LNG which must remain in KLNG's tank to maintain the redelivery capability of the facility.
- 1.13Total Heating Value. The term "Total Heating Value" shall mean the number of British thermal units evolved by the complete combustion with air, at constant pressure, of one anhydrous (dry) cubic foot of gas under a pressure of 14.73 pounds per square inch absolute and at a temperature of 60° Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and the water formed by combustion is condensed to the liquid state.
- 1.14Maximum Daily Withdrawal Quantity. The term "Maximum Daily Withdrawal Quantity" shall mean the maximum quantity of gas in Dth which KLNG is willing to produce by vaporization of LNG for Customer's account on any day pursuant to the applicable rate schedule and executed service agreement.
- 1.15Contract Storage Quantity. The term "Contract Storage Quantity" shall mean the quantity expressed in Dth which a Customer may use to store its LNG, as specified in Customer's Service Agreement.
- 1.16Commission or FERC. The term "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or its predecessor agency, the Federal Power Commission, or any successor agency.
- 1.17 KLNG. The term "KLNG" shall mean KeySpan LNG, LP  $\,$
- 1.18Customer. The term "Customer" shall mean the entity that has executed a service agreement with KLNG under one or more of KLNG's rate schedules.
- 1.19Algonquin. The term "Algonquin" shall mean Algonquin Gas Transmission Company.
- 1.20Providence Gas. The term "Providence Gas" shall mean Providence Gas Company.

FERC Docket: RP03-408-000

First Revised Sheet No. 32 First Revised Sheet No. 32 : Effective

Superseding: Original Sheet No. 32

GENERAL TERMS AND CONDITIONS (continued)

- 1.21 Web Site. The term "Web site" shall mean KLNG's HTML site accessible via the Internet's World Wide Web located at http://www.keyspanenergy.com.
- 1.22 Maximum Number of Trucks. The term "Maximum Number of Trucks" shall mean the Maximum Number of Trucks that KLNG is willing to accommodate at its facility for firm Customer's account on any day, which shall have a ratio of 24/2,259,664 per Dth of Customer's Contract Storage Quantity rounded to the nearest whole truck.
- 1.23 Boiloff Gas. The term "Boil-off Gas" shall mean (i) gas boiling off from KLNG's storage tank and other terminal facilities; (ii) gas flashing from the liquid phase to the gaseous phase during loading and unloading of Customer's LNG, and (iii) gas boiling off or flashing from the liquid phase to the gaseous phase during vaporization.
- 1.24 PGC Interconnect. The term "PGC Interconnect" shall mean the interconnection between the KLNG system and the facilities of Providence Gas Company at Allens Avenue in Providence, Rhode Island.
- 1.25 Elapsed Prorata Capacity. The term "Elapsed Prorata Capacity" means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

FERC Docket: RP03-241-000

Original Sheet No. 33 Original Sheet No. 33: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

#### REQUEST FOR STORAGE SERVICE

- 2.1 General. Customers seeking service from KLNG must submit a request for service in the form set forth herein and containing the information described herein. No service will be scheduled for delivery to storage until a completed service request form has been provided and Customer's credit evaluation pursuant to Section 3 of these General Terms and Conditions is satisfactory. In the event KLNG determines that Customer's request for service does not comply with this section or Customer's credit evaluation does not comply with Section 3 of these General Terms and Conditions, KLNG shall notify Customer of the deficiencies and the additional information or changes required to complete the request. Customer shall have the right for a period of ten days after such notice to supplement Customer's request as required to comply with this section. If Customer's request, as supplemented within said ten days after such notice, is satisfactory, then Customer's original request date shall be utilized. If Customer's request, as supplemented within said ten days, remains incomplete and deficient, then Customer's request shall be deemed void. Firm capacity will be made available based on the valid request date. In the event that there is insufficient capacity available to satisfy all requests for firm service with the same valid request date, KLNG shall allocate the available capacity to such Customers on a pro rata basis.
- 2.2 Execution of Service Agreement. If Customer's request for service and credit evaluation comply with these General Terms and Conditions, and KLNG accepts Customer's request for service, KLNG will tender a service agreement to Customer. In the event the service agreement is not executed by Customer and returned within thirty days after KLNG tendered the service agreement, KLNG shall consider the request for service invalid and the service agreement shall be void and KLNG shall refund any prepayment paid or return any security given by Customer pursuant to this section and Section 3 of the General Terms and Conditions.
- 2.3 Identification of Ultimate Consumer. Contemporaneously with execution of the service agreement, Customer shall inform KLNG whether the gas is for system supply, end-use or other.

FERC Docket: RP03-241-000

Original Sheet No. 34 original Sheet No. 34: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

- 2. REQUEST FOR STORAGE SERVICE (continued)
  - 2.4 Service Request Form. Customers seeking service from KLNG must submit a request for service in the following form:

KeySpan LNG, LP One MetroTech Center Brooklyn, New york 11201

Attention: Controller and Administrator

	("Customer") hereby requests storage vice from KeySpan LNG, LP ("KLNG") and hereby provides the lowing information in connection with this request:
(a)	Complete legal name of Customer:
(b)	Type of legal entity and state of incorporation:
(c)	Type of company:  Interstate Pipeline Local Distribution Company Intrastate Pipeline Producer End-User Marketer Broker

(d) The specific affiliation of the party requesting service with  $\ensuremath{\mathtt{KLNG}}\xspace.$ 

Other (describe)

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Joseph A. Vaszily, Vice President

# GENERAL TERMS AND CONDITIONS (continued)

2.	REQUEST	FOR	STORAGE SERVICE (continued)
	(e)	(1)	Name of person responsible for this request; address, electronic and fax numbers to which correspondence or other communications should be directed. State relationship to Customer.
		(2)	Name, address, electronic number and fax number of twenty-four hour contact person(s) for purposes of dispatching.
	(f)	for	additional or new facilities required to receive or deliver gas the storage service requested herein?  Yes No
	(g)		e and title of the person or persons who are authorized to cute a written storage agreement with KLNG.
	(h)		maximum quantity of LNG to be stored at any one time is Dth.
	(i)	ori	the case of interruptible service, the place where the LNG will ginate, the name of the party delivering the LNG, and the name the party receiving the LNG.
	(j)	(1)	Service is requested under Rate Schedule:FST-LGIST-LG
		(2)	Is service requested under Section 311 of the Natural Gas Policy Act of 1978? Yes No
		(3)	Date service is proposed to commence:
		(4)	Date service is proposed to terminate:

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Original Sheet No. 36 Original Sheet No. 36: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

#### 2. REQUEST FOR STORAGE SERVICE (continued)

- (k) Customer must provide the credit evaluation information set forth in Section 3 of these General Terms and Conditions.
- (1) Submission of this request shall constitute certification of the following:
  - (1) Customer has title to, or a current contractual right to acquire such title to, the gas to be stored by KLNG.
  - (2) Prior to the commencement of service, Customer has made or will cause to be made all necessary arrangements with other parties at or upstream of the point where Customer tenders LNG to KLNG for storage, and at or downstream of the point where KLNG delivers LNG or revaporized LNG from Customer's account, which arrangements are compatible with KLNG's facility operations.
  - (3) If Customer is requesting service hereunder to be implemented pursuant to Section 311 of the Natural Gas Policy Act of 1978, certification executed by the local distribution company or the intrastate pipeline company on whose behalf the storage will be performed, whether or not such local distribution company or intrastate pipeline is the Customer, that the local distribution company or intrastate pipeline (1) will have physical custody of and transport the gas at some point during the transaction of which the storage by KLNG is a part, or (2) will hold title to the gas at some point for a purpose related to its status and functions as a local distribution company or intrastate pipeline, or (3) that the gas will be delivered to a customer that is located within the local distribution company's service area and the storage is being provided on its behalf, or (4) that the gas will be delivered to a customer that is physically able to receive direct deliveries of gas from the intrastate pipeline and the storage is being provided on its behalf.
  - (4) Prior to the commencement of service Customer will obtain the insurance required by Sections 4.6 and 21 of the General Terms and Conditions.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

- 2. REQUEST FOR STORAGE SERVICE (continued)
  - (m) Customer understands that a request for service in the form set forth herein, complete and unrevised as to format, must be  $% \left( 1\right) =\left( 1\right) \left( 1$ received by KLNG before the request will be accepted and processed. Customer hereby agrees to pay KLNG's currently effective storage rate applicable to this service. In the case of firm service requiring the construction of additional facilities, Customer agrees to pay rates as approved by the Commission designed, inter alia, to reimburse KLNG for the cost of construction of such additional facilities. Customer also understands that it must reimburse KLNG for the Commission's filing fee upon receipt of an invoice therefor. Customer, by its signature, represents to KLNG that the information set forth in this storage service request is correct and accurate and that all necessary transportation arrangements with the upstream and downstream transporters, as stated herein, have been or will be secured prior to the commencement of the requested storage services.

Signature:	
Name:	
Title:	

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

- 2. REQUEST FOR STORAGE SERVICE (continued)
- 2.5 Prepayment. If requesting firm service, Customer shall make a prepayment by wire transfer to KLNG's account in an amount equal to the capacity reservation charges for one month's service at the levels specified in Customer's request. The prepayment shall be applied to the first month's invoice or refunded in accordance with the applicable rate schedule.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

#### 3. CREDIT EVALUATION

- 3.1 Standards Used in Appraising Credit. KLNG shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon the following information and criteria:
  - (a) Customer shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. KLNG shall determine the acceptability of the Customer's overall financial condition.
  - (b) Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in (a) above must show that Customer's obligations are being paid on a reasonably prompt basis.
  - (c) Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not 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. An exception can be made for a Customer who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.
  - (d) Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability to exist as an ongoing business entity.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

- 3. CREDIT EVALUATION (continued)
  - (e) Customers with an ongoing business relationship with KLNG shall have no delinquent balances outstanding for services made previously by KLNG, and Customer must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
  - (f) Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would materially affect Customer's ability to remain solvent as a business entity.
- 3.2 Alternatives to Satisfaction of Credit Criteria. Upon notification by KLNG that Customer has failed to satisfy the credit criteria or subsequently during the term of the service agreement no longer satisfies the credit criteria, such Customer may still obtain credit approval by KLNG if it elects to provide one of the following:
  - (a) an advance deposit;
  - (b) a standby irrevocable letter of credit;
  - (c) security interest in collateral found to be satisfactory to KLNG; or
  - (d) a guarantee, acceptable to KLNG, by another person or entity which satisfies credit appraisal.

Such advance deposit, standby irrevocable letter of credit, security interest or guarantee should at all times equal the amount equal to three months of storage service utilizing Customer's requested Storage Capacity at the maximum applicable unit rate hereunder. If Customer's credit standing ceases to meet KLNG's credit requirements during the period of service, then KLNG has the right to require security or a deposit as specified herein. If security or a deposit is not tendered in a timely period as reasonably determined by KLNG, then KLNG is not required to continue service. If Customer is unable to maintain credit approval, the executed service agreement shall terminate as of the first day of the month following written notice to Customer.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

 OPERATING CONDITIONS: DELIVERY OF LNG BY CUSTOMER TO KLNG FOR STORAGE

LNG delivered by Customer to KLNG for storage shall be by truck or by alternate means mutually agreed to subject to the conditions set forth below:

- 4.1 Delivery Hours. The actual hours for delivery will be established by mutual agreement of Customer and KLNG.
- 4.2 Notice. Customer shall advise KLNG of the scheduled arrivals of its trucks at least twenty-four hours in advance; provided, however, that KLNG may waive any part of such twenty-four hour notice as, in KLNG's discretion, reasonably exercised, operating conditions permit.
- 4.3 Facility Compatibility. It shall be Customer's responsibility to assure that the facilities of each truck be compatible with KLNG's facilities.
- 4.4 Commingling of Gas. KLNG shall have the unqualified right to commingle Customer's LNG with other LNG at KLNG's storage facility.
- 4.5 Compliance with Codes and Regulations. It shall be Customer's responsibility to assure that each truck and driver is in complete compliance with all applicable codes and regulations pertaining to the design, construction, and operation of containers for the transportation of LNG, including such limitations as KLNG may require in connection with its facilities.
- 4.6 Insurance. It shall be Customer's responsibility to have proper insurance for each truck and Customer shall provide KLNG with a certificate of insurance satisfactory to KLNG prior to the movement of any truck onto KLNG's property. This requirement is without limitation to other insurance requirements specifically in this tariff or required by law.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

- 4. OPERATING CONDITIONS (continued)
  - 4.7 Employed Carrier Companies. If Customer employs any carrier company, Customer shall cause such carrier company to comply with the requirements set forth herein.
  - 4.8 Alternate Means of Delivery. Alternate means of delivery may be employed upon mutual agreement of Customer and KLNG.
- 5. OPERATING CONDITIONS: DELIVERY BY KLNG TO CUSTOMER FROM STORAGE

When Customer desires KLNG to deliver stored LNG to Customer (or for Customer's account), such deliveries shall be subject to the conditions set forth below as applicable:

- 5.1 Delivery Hours. The actual hours for delivery will be established by mutual agreement of Customer and KLNG.
- 5.2 Notice. Customer shall advise KLNG of the scheduled vaporization or arrivals of its trucks at least twenty-four hours in advance; provided, however, that KLNG may waive any part of such twentyfour notice as, in KLNG's discretion, reasonably exercised, operating conditions permit.
- 5.3 Deliveries in Liquid Form at the Storage Tank. The general conditions set forth in Section 4 shall apply when LNG stored by KLNG for Customer is to be redelivered to Customer in liquid form.
- 5.4 Deliveries of Regasified LNG for Customer's Account. Upon completion of necessary arrangements with other parties, LNG stored by KLNG for Customer may be delivered in gaseous phase by displacement by means of: (i) regasification by KLNG; and (ii) delivery of regasified LNG by KLNG to Providence Gas to displace gas otherwise delivered by Algonquin to Providence Gas. Accordingly, pursuant to Section 2.2(c) of Rate Schedules FST-LG and IST-LG, Customer shall be obligated to make any necessary arrangements with Algonquin in order to effectuate the delivery in the gaseous phase of the LNG stored by KLNG.

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GENERAL TERMS AND CONDITIONS (continued)

OPERATING CONDITIONS (continued)

Customer shall correct any imbalance in deliveries and receipts within thirty days, except as otherwise agreed in writing between the parties.

- 6. TRANSFER OR REMOVAL OF INVENTORY
  - 6.1 Customers may transfer the ownership of stored LNG among one another, subject to the following conditions:
    - (a) Both the Customer that is transferring the LNG inventory (the "Transferor" and the Customer that is obtaining the ownership of the LNG (the "Transferee") must have executed service agreements under Rate Schedule FST-LG or IST-LG.
    - (b) The transfer does not cause the Transferee's Storage Inventory Balances to exceed the sum of (i) its Contract Storage Quantity and (ii) any Authorized Overrun Quantities nominated and scheduled.
    - (c) The Transferor must notify KLNG's dispatcher of the transfer in ownership prior to the deadline for nominations provided in Sections 4 & 5 of the General Terms and Conditions.
    - (d) The Transferor and the Transferee will provide confirmation of such transfer of ownership to KLNG in writing within three days.
  - 6.2 Removal. If (a) a Customer's storage quantity is curtailed under Section 18 of these General Terms and Conditions, (b) a Customer's storage quantity is released or recalled from release under Section 14 of these General Terms and Conditions, (c) a Customer's service agreement terminates or (d) Customer's LNG is of a composition or quality incompatible with Section 9 of these GT&C, then Customer shall remove its LNG inventory at the maximum rate achievable by KLNG's facilities commencing (i) at the earliest practicable time following notice by KLNG but no later than twenty-four hours following such notice, in the event of curtailment; (ii) upon the effectiveness of the release, in the event of a capacity release under Section 14; (iii) at the time specified in the notice of recall, in the event of a capacity recall under Section 14; or (iv) upon the termination of the service agreement, in the event of a termination. If the Customer fails to so remove such LNG then KLNG may, at its option, take title to such LNG free and clear of any

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GENERAL TERMS AND CONDITIONS (continued)

6.2 Removal. (continued)

adverse claims, in which case Customer shall indemnify KLNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Customer to remove such LNG and the disposal of such LNG by sale by KLNG, including storage charges under the applicable rate schedule.

In the event that, notwithstanding its exercise of due diligence, Customer is inhibited from so withdrawing its LNG, KLNG shall pay to Customer any net proceeds from KLNG's sale of the LNG. KLNG shall use reasonable efforts to maximize the sales price of such LNG.

In the event that Customer fails to exercise due diligence to remove the LNG and therefore does not receive any net proceeds from KLNG's sale of the LNG, KLNG shall file a disbursement report with the Commission within thirty days of such sale proposing to credit such proceeds to all other Customers holding a storage agreement ("Qualifying Customer") based on the ratio of the total charges paid by each Qualifying Customer for storage service to the total amount of such charges paid by all Qualifying Customers during the month in which the sale of the LNG occurred. Such credits shall be included on the Qualifying Customer's invoice for the month following the date of the final Commission order approving KLNG's disbursement report.

6.3 Liability. KLNG shall not be taken to have breached its obligations under any rate schedule, service agreement, or these General Terms and Conditions of this tariff by reason of any Customer's failure to remove its LNG under this Section 6 or KLNG's inability to dispose of such inventory if it has elected to take title to such inventory.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

## 7. BALANCING RECEIPTS AND DELIVERIES

- 7.1 Adjustments. LNG delivered by Customer to KLNG for storage shall be balanced on a Total Heating Value basis with LNG to be received by Customer from KLNG after storage, after adjustment for boil-off gas, fuel gas, and unaccounted-for gas in accordance with the rules set forth below:
  - (a) Fuel Gas. Customer will provide fuel gas for regasification of its LNG at no cost to KLNG to the extent not otherwise provided for.
  - (b) Unaccounted-for Gas. Customers' inventory shall be adjusted for unaccounted-for gas, including gas lost due to events of force majeure, in proportion to the amount of each Customer's LNG in storage versus the total amount in storage excluding heel.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

## 7. BALANCING RECEIPTS AND DELIVERIES (continued)

7.2 Estimates and Balancing. Estimates of fuel gas, boil-off gas, and unaccounted-for gas may be utilized by KLNG to establish Customer's LNG available for delivery at any time, but final determination shall be made as soon as practicable, and departures of estimates of such quantities from such finally determined quantities shall be balanced out as soon as practicable. The cutoff for fuel gas and boil off gas for final determination for the closing of measurement is 5 days after the business month.

## 8. MEASUREMENTS

- 8.1 Unit of Measurement. The unit of measurement for the purposes of this tariff shall be Dth. All quantities of LNG measured, whether in the gaseous phase or the liquid phase, shall be reduced to terms of Dth.
- 8.2 LNG Deliveries in Gaseous Phase. LNG deliveries in the gaseous phase shall be first measured in Mcf and then converted to Dth by determining the Total Heating Value per cubic foot as delivered, multiplying such Total Heating Value by the number of cubic feet delivered, and dividing by one million.
  - (a) The unit of volume for the purpose of measuring LNG in the gaseous phase shall be one cubic foot of gas at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 pounds per square inch, and dry.
  - (b) The volume of gas shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association and the American National Standards Institute as KLNG deems to be in accordance with accepted industry practice.
  - (c) The atmospheric pressure shall be assumed to be 14.4 pounds per square inch, irrespective of actual elevation or location of the point of measurement above sea level, or variations in such atmospheric pressure.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

## 8. MEASUREMENTS (continued)

- (d) The static pressure of the gas passing through the meters shall be determined by the use of electronic measurement equipment or by the use of another pressure recording device. The instantaneous static pressure measurements from the electronic measurement equipment or the arithmetic average of the temperature recorded each day shall be used in computing gas volumes.
- (e) The temperature of the gas passing through the meters shall be determined by the use of electronic measurement or other temperature recording device. The instantaneous temperature measurements from the electronic measurement equipment or the arithmetic average of the temperature recorded each day shall be used in computing gas volumes.
- (f) The specific gravity of the gas delivered shall be determined by methods KLNG deems to be in accordance with accepted industry practice, such as, but not limited to, calculation of specific gravity based upon inventory composition or use of recording gravitometer(s) or gas chromatograph(s) located at appropriate point(s).

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

## 8. MEASUREMENTS (continued)

- (g) The deviation of the gas from Boyle's and Charles's Law shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association and the American National Standards Institute as KLNG deems to be in accordance with industry practice.
- (h) The Total Heating Value per cubic foot of British thermal units shall be determined by the combustion in a Cutler-Hammer or an equally efficient recording calorimeter, or by some other acceptable method when in KLNG's judgment the quantities of gas being measured do not warrant a recording calorimeter.
- 8.3 LNG Deliveries and Receipts in Liquid Phase. LNG deliveries and receipts by KLNG in the liquid phase into or from trucks shall be measured in terms of weight or by some other acceptable unit and converted into Dth. The quantity so delivered or received shall be determined by having the truck weighed before and after loading or unloading on certified scales designated by KLNG, or by some other method acceptable to KLNG. LNG deliveries and receipts by KLNG pursuant to Section 4.8 of the General Terms and Conditions shall be measured in appropriate units and converted into Dth. The quantities of LNG so delivered or received shall be converted into Dth (reflecting Total Heating Value) in accordance with standards acceptable to KLNG applied in a practical manner.
- 8.4 Inventory. KLNG shall maintain accurate inventory accounting of LNG in its storage facilities in Dth and barrels. Such inventory accounting shall be utilized to ascertain quantities received, stored and delivered by KLNG for the account of Customer.
- 8.5 General Provision. Gauging and measurements shall be in accordance with accepted industry practices or such other practices which in KLNG's judgment will produce reasonable and nondiscriminatory gauging and measurements.

# 9. QUALITY

KLNG may reject any quantities of LNG tendered for delivery into, or require removal pursuant to Section 6.2 of these GT&C of any LNG stored in the storage facility which in KLNG's sole judgment, reasonably

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# GENERAL TERMS AND CONDITIONS (continued)

### 9. QUALITY (continued)

exercised, are of a composition or quality incompatible with the operation and safety of KLNG's facilities including, but not limited to, KLNG's storage tank, truck handling and vaporization facilities. Customer shall, upon request, provide KLNG with a chemical analysis of the LNG prior to the receipt by KLNG of each LNG truck delivery. KLNG shall, upon request, provide Customer, upon initiation of LNG storage service for Customer and from time to time thereafter as substantial changes occur, an analysis of the chemical composition of the LNG in the storage facility.

#### 10. BILLING

- 10.1Monthly Bill. KLNG shall bill Customer on or before the seventh day of each month for all charges incurred during the preceding month.
- 10.2Access to Billing Data. Both KLNG and Customer shall have the right to examine at reasonable times books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.
- 10.3Discounts. In the event that KLNG discounts its rates, the discounts shall be attributed to KLNG's base reservation charge.

## 11. PAYMENTS

11.1Payment. On or before the nineteenth day of each month, Customer shall pay KLNG, by wire transfer of federal funds to an address designated by KLNG, the amounts billed by KLNG in said month pursuant to Section 10 of these General Terms and Conditions; provided, however, that when the nineteenth day of the month falls on a day that is not a Business Day, such payment is due on the first Business Day following the nineteenth day of the month. Any payment shall be considered to have been made as of the time that such payment is received by KLNG. Payment will be applied in accordance with documentation provided by Customer. All payments shall be identified by invoice number(s) and if payment differs from invoiced amount, remittance detail shall 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.

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# GENERAL TERMS AND CONDITIONS (continued)

### 11. PAYMENTS (continued)

11.2Late Payments. Should Customer fail to make timely payment of part or all of the amount of any bill, payment, when made, either partly or all, shall be deemed a late payment and KLNG shall charge interest from the due date of payment until the actual date of payment at an annual interest rate equal to the current national prime interest rate plus 1-1/2 percent, prorated for the number of days that the payment was late. KLNG shall bill Customer for any interest due under this subsection in its next billing for gas service, and Customer shall pay such amount in accordance with Subsection 11.1 above. Notwithstanding the foregoing provisions of this subsection, where a Customer fails to make timely payments three times during any twelve-month period, the applicable interest rate for subsequent late payments during such twelve month period shall be twice the sum of the current national prime interest rate plus 1-1/2 percent, but not in excess of the maximum lawful rate. KLNG may waive the interest on a late payment made within five days of the due date where Customer has diligently paid its prior bills on time, and lateness in payment is of a nonrecurring nature.

Should Customer fail to pay the bill for thirty days after payment is due and such failure continues beyond such thirty days, KLNG, in addition to any other remedy it may have hereunder, may, after any necessary authorization by regulatory bodies having jurisdiction, suspend further receipt, storage, or delivery of gas for Customer until such amount is paid, subject to Subsection 11.3 below.

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GENERAL TERMS AND CONDITIONS (continued)

## 11. PAYMENTS (continued)

- 11.3Disputed Bills. If Customer in good faith shall dispute the amount of any bill or parts thereof and shall pay to KLNG such amounts as it concedes to be correct, and at any time thereafter within thirty days of a demand made by KLNG shall furnish a good and sufficient surety bond guaranteeing payment, which may be reached either by agreement or judgment of the courts as may be the case, of the amount ultimately found due upon such bills after a final determination, then KLNG shall not be entitled to suspend further receipt, storage, or delivery of gas unless and until default be made in the conditions of such bond. Customer shall pay the portion of the bill not in dispute and shall provide documentation identifying the basis for the dispute. payment by Customer of the amount of a disputed bill shall prejudice the right of Customer to claim an adjustment of the disputed bill. Customer shall pay interest on disputed portions of a bill for which Customer has withheld payment, and which ultimately is found due, at the rate specified in the first sentence of Subsection 11.2 above.
- 11.4Extension of Time. If presentation of bills by KLNG is delayed after the seventh day of the month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay.
- 11.5Billing Errors. In the event an error is discovered in the amount billed in any statement rendered by KLNG, such error shall be adjusted within thirty days of the determination thereof, provided that claim therefor shall have been made in writing.
  - (a) Measurement data corrections shall be processed within six (6) months of the production month with a three-month rebuttal period.
  - (b) The time limitation for disputes of allocations shall be six (6) months from the date of the initial month-end allocation with a three-month rebuttal period.

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GENERAL TERMS AND CONDITIONS (continued)

# 11. PAYMENTS (continued)

(c) Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice with a three-month rebuttal period, excluding government-required rate changes.

These three standards shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

## 12. TERM OF EXECUTED SERVICE AGREEMENTS

- 12.1 Firm Service Agreements. The primary term to be covered by an executed firm service agreement shall be as mutually agreed at the time of execution. Upon the expiration of the primary term, the term of such firm service agreement shall continue from year-to-year until terminated either by KLNG or by Customer upon twelve months prior written notice to the other specifying a termination date at the end of such agreed period or any yearly period thereafter unless the applicable service agreement provides otherwise.
- 12.2 Interruptible Service Agreements. The primary term to be covered by an executed interruptible service agreement shall be as mutually agreed at the time of execution. Upon the expiration of the primary term, the term of such interruptible service agreement shall continue from month-to-month until terminated either by KLNG or by Customer upon one month's prior written notice to the other specifying a termination date at the end of such agreed period or any monthly period thereafter unless the applicable service agreement provides otherwise.

# 13. PROCEDURES FOR AVOIDANCE OF PREGRANTED ABANDONMENT

- 13.1 Applicability. This section applies to service agreements executed pursuant to open access rate schedules governed by those provisions of the regulations promulgated by the FERC that pregrant abandonment authorization under Section 7(b) of the Natural Gas Act.
- 13.2 Short-Term and Interruptible Agreements. A customer receiving service under a firm service agreement having a primary term of less than one year ("short-term service agreement") or under an interruptible service agreement, is not entitled to retain a right to service following the termination of such service agreement. Upon termination of a short-term service agreement or an interruptible service agreement, KLNG shall have all necessary abandonment authorization under the Natural Gas Act as of such termination date.
- 13.3 Long-Term Firm Agreements. To the extent a Customer satisfies the bid matching requirements of this section or KLNG and Customer reach agreement as contemplated by Section 13.9, such Customer may

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# GENERAL TERMS AND CONDITIONS (continued)

13. PROCEDURES FOR AVOIDANCE OF PREGRANTED ABANDONMENT (continued)

retain its capacity and continue to receive service under a firm service agreement with a primary term of one year or more ("long-term firm service agreement") for which KLNG has served notice of termination ("right of first refusal"). The right of first refusal shall be applicable only to (i) firm service agreements requiring the payment of the maximum applicable tariff rate with a primary term of at least twelve (12) months of consecutive service, or (ii) firm service agreements requiring the payment of the maximum applicable tariff rate with a primary term of more than one (1) year for service which is not available for twelve (12) consecutive months ("seasonal contracts"). Service agreements which include negotiated rates and/or discounted rates shall not be eligible for the right of first refusal, with the exception that any service agreement in effect on September 1, 2000, shall be granted a one-time exemption and the right of first refusal provisions described in this section shall apply; provided, however, that the right of first refusal shall be applicable to a service agreement entered into or re-executed to supersede a contract grandfathered under the prior provision only if the new service agreement meets the requirements of (i) and (ii) above. If Customer does not satisfy the bid matching requirements of this Section 13 or KLNG and Customer do not reach agreement as contemplated by Section 13.9, Customer shall no longer have, as of the termination date of the contract, rights under the long-term firm service agreement for which KLNG has served notice of termination, and KLNG shall have all necessary abandonment authorization under the Natural Gas Act except as provided in Section 13.9 below. Customer is not entitled to retain a right to service following a termination by the Customer of its long-term firm service agreement, and KLNG shall have all necessary abandonment authorization under the Natural Gas Act with respect to such service.

- 13.4 Notice and Posting. Within thirty days of the issuance by KLNG of a notice of termination of a long-term firm service agreement in accordance with the applicable service agreement, KLNG shall post on its Internet Web site the following information:
  - (a) the specific quantity available under the terminated contract,
  - (b) the date of expiration, and
  - (c) the current maximum rate applicable to the terminated service.
- 13.5 Submission of Bids. Bids from Customers who desire service to be provided in whole or in party by the capacity to be made available upon termination of a long-term firm service agreement ("Potential Customers") must be received by KLNG no later than sixty days before the effective date of the termination of the service agreement noticed pursuant to Section 13.4. A bid shall be considered to be an offer to enter into a service agreement that remains open until

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GENERAL TERMS AND CONDITIONS (continued)

13. PROCEDURES FOR AVOIDANCE OF PREGRANTED ABANDONMENT (continued)

retracted in writing or until KLNG accepts a competing bid. To be a valid bid, a bid must comply with the bid requirements set forth in Section 13.6. At the close of such bidding period, KLNG shall select among the valid bids the Best Bid, as determined pursuant to Section 13.7, and shall relay the relevant terms of such Best Bid to the Customer whose long-term firm service agreement is being terminated by KLNG. If Customer elects to match, as determined by Section 13.8, the Best Bid, the Customer shall be entitled to retain its capacity and continue to receive service under a long-term firm service agreement which reflects the matching of the relevant terms of the Best Bid. If Customer does not match the Best Bid, then Customer's existing long-term firm service agreement shall terminate and KLNG shall have all necessary abandonment authorization under the Natural Gas Act. In the event there is no Best Bid for Customer to match, Section 13.9 shall determine whether Customer shall be entitled to retain its capacity and continue to receive service.

13.6 Bid Requirements. To be a valid bid, a bid must be in writing and be executed by one authorized to sign contractual agreements on behalf of the Potential Customer, and the Potential Customer must in all other particulars have complied with the requirements for a request for service pursuant to Section 2 and meet the credit evaluation standards set forth in Section 3 of these General Terms and Conditions. If the Potential Customer's bid is matched or if the Potential Customer fails to satisfy all of KLNG's tariff provisions governing Customer eligibility, KLNG will refund the Potential Customer's prepayment supplied pursuant to Section 2 of the General Terms and Conditions. The prepayment will not be refunded if the bid is withdrawn by the Potential Customer. KLNG may reject all bids which would require KLNG to discount below a rate and discount term agreeable to KLNG.

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GENERAL TERMS AND CONDITIONS (continued)

- 13. PROCEDURES FOR AVOIDANCE OF PREGRANTED ABANDONMENT (continued)
  - 13.7 Best Bid. KLNG shall review all bids from Potential Customers received pursuant to Section 13.5, which have not been rejected by KLNG, to determine which bid is the Best Bid. For purposes of this Section 13, the Best Bid shall be the bid with the longest term which offers the maximum applicable rate for the full term of the bid. If no bidder offers the maximum rate for the full term of the bid, the Best Bid shall be that bid that KLNG determines in its discretion, reasonably exercised, is likely to maximize its revenue earning potential, taking into account current and future anticipated demand for firm capacity.
  - 13.8 Matching the Best Bid. Upon written notification from KLNG of the terms of the Best Bid, Customer shall have the right for a thirty-day period to notify KLNG whether the Customer is willing to match the Best Bid. Failure to notify KLNG in writing within said thirty-day period constitutes a non-revocable waiver of Customer's right to match the Best Bid. In order to match the Best Bid, Customer must agree to a rate equal to or greater than the rate set forth in the Best Bid and agree to execute a service agreement for a contract term equal to or longer than the contract term set forth in the Best Bid, up to a period of five (5) years; provided, however, the maximum rate an existing Customer must match is the maximum rate KLNG can charge under the agreement that is subject to the Customer's right to match the Best Bid.
  - 13.9 Mutual Agreement. In the event KLNG does not receive any bids pursuant to Section 13.5 or KLNG rejects all bids received, KLNG and Customer may mutually agree upon the terms and conditions under which Customer shall be entitled to retain its capacity and continue to receive service. In the event KLNG and Customer have not reached agreement on the terms and conditions under which service will be extended before the termination date of the service agreement, at Customer's election, service for all or part of the contractual quantity will be extended for a term to be specified by the Customer, so long as Customer agrees to pay the maximum rate.

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# GENERAL TERMS AND CONDITIONS (continued)

#### 14. CAPACITY RELEASE

- 14.1 General. This section sets forth the sole means by which a Customer under any firm, open-access Part 284 service agreement with KLNG ("Releasing Customer") may release its capacity rights under a service agreement ("Existing Service Agreement"). Subject to the following provisions, firm capacity rights shall be released to KLNG for resale by it on a firm basis. This section is not applicable to any Customer whose service agreement has been executed pursuant to an individually certificated service.
- 14.2 Capacity Eligible for Release. A Customer under any firm rate schedule under Part 284 may release all or a part of its capacity under an Existing Service Agreement on a permanent or temporary basis, subject to recall if so specified. A Releasing Customer may propose a customer ("Proposed Customer") to obtain the Releasing Customer's released capacity, provided the Proposed Customer is an Approved Bidder.
- 14.3 Approved Bidders. To qualify as an Approved Bidder, a party must have been accepted by KLNG as satisfying the credit standards of Section 3 of these General Terms and Conditions and must continue to satisfy the credit standards of Section 3 when its bid is made and accepted. KLNG shall process applications for credit approval with diligence. KLNG shall maintain and make available upon request a list of Names of Approved Bidders. Any previously listed Approved Bidder that fails to continue to satisfy the standards of Section 3 shall be deleted from the list of Approved Bidders.

# 14.4 Release Procedures.

(a) Notice by Releasing Customer. A Releasing Customer wanting to release capacity shall notify KLNG by telephone and facsimile (hereinafter called "Releasing Customer's Notice").

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# GENERAL TERMS AND CONDITIONS (continued)

# 14. CAPACITY RELEASE (continued)

Releasing Customer's Notice may include reasonable terms and conditions that are objectively stated, applicable to all potential bidders, and non-discriminatory, and shall include the following:

- (1) service agreement number and rate schedule;
- (2) whether the release is firm or recallable, and if recallable, whether the rights are on a full day or a partial day basis, the specifics of any recall right, and any reput methods and rights associated with returning the previously recalled capacity to the Replacement Customer;
- (3) the amount of storage capacity to be released;
- (4) the period of the release;
- (5) any other conditions of the release, including any agency arrangements;
- (6) identity of any Proposed Customer;
- (7) any minimum reservation charge requirements or, if Releasing Customer elects to entertain bids on a volumetric rate basis, the minimum reservation charge stated on a volumetric basis.
- (8) whether bids should be submitted in dollars and cents or percentages of maximum tariff rate;
- (9) the bid evaluation method which shall be, at the Releasing Customer's option, either one of the following three standard evaluation methods: highest rate, net revenue or present value; or alternative Releasing Customer defined bid evaluation methods; provided, however, that KLNG shall not be required to process the capacity release transaction using the standard process timeline should the Releasing Customer elect an alternate method of bid evaluation;

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GENERAL TERMS AND CONDITIONS (continued)

## 14. CAPACITY RELEASE (continued)

(10) the Business Day on which the Bid Period will expire, if other than that determined in Section 14.4(b); and

(11) the expiration of the period within which the Proposed Customer may match the best bid, if other than that determined in Section 14.5(c). Releasing Customer shall not be allowed to specify an extension of the original Bid Period or the Prearranged deal Matching Period without posting a new release.

- (b) Posting Requirements and Bid Periods for Standard Releases Subject to Bidding. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the Replacement Customer has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release. The term "Bid Period" shall mean the period during which bids may be submitted, commencing upon the posting of Releasing Customer's Notice and ending at the time specified below.
  - (1) For short term releases (less than five months), offers should be tendered by 1:00 p.m. CT on the day before nominations are due. The Bid Period shall end no later than 2:00 p.m. CT on the same day or at 2:00 p.m. CT on any subsequent day as specified in Customer's Notice, whichever is elected by Customer. The evaluation period begins at 2:00 p.m. CT during which contingency is eliminated, the determination of the best bid is made, and ties are broken. The evaluation period ends at 3:15 p.m. CT. The match or award is communicated by 3:15 p.m. CT. If the Prearranged Customer's bid is not the "best bid," KLNG shall allow such Prearranged Customer a Matching Period of forty-five (45) minutes from 3:15 p.m. CT to 4:00 p.m. CT on the day the Bid Period ends, or such later time as permitted by Customer's Notice, to determine whether to match the "best bid" and to notify KLNG of its decision. KLNG will finalize all contractual arrangements by 5:00 p.m. CT on the day the Matching Period ends, or if no Matching Period, on the day the Bid Period ends or such later time as permitted by Customer's Notice.

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# GENERAL TERMS AND CONDITIONS (continued)

#### 14. CAPACITY RELEASE (continued)

- (2) For long term releases (five months or more), offers shall be tendered by 1:00 p.m. CT four (4) Business days before the award for long term releases. The Bid Period shall end at 2:00 p.m. CT on the third business day following such posting or at 2:00 p.m. CT on any subsequent business day as specified in Customer's Notice, whichever is elected by Customer. The evaluation period begins at 2:00 p.m. CT during which contingency is eliminated, the determination of the best bid is made, and ties are broken. The evaluation period ends at 3:15 p.m. CT. The match or award is communicated by 3:15 p.m. CT. If the Prearranged Customer's bid is not the "best bid," KLNG shall allow such Prearranged Customer a Matching Period of forty-five (45) minutes from 3:15 p.m. CT to 4:00 p.m. CT on the day the Bid Period ends, or such later time as permitted by Customer's Notice, to determine whether to match the "best bid" and to notify KLNG of its decision. KLNG will finalize all contractual arrangements by 5:00 p.m. CT on the day the Matching Period ends, or if no Matching Period, on the day the Bid Period ends or such later time as permitted by Customer's Notice.
- (c) Timeline for Non-Standard Releases
  - If the Releasing Customer specifies a bid evaluation methodology other than highest rate, net revenue or present value, or any other special terms or conditions, the above timeline shall apply; provided, however, one additional Business Day will be added to the evaluation period. Such extended evaluation period shall cause the gas day to be at least one day later than under the timeline set forth in Section  $14.4\,(b)\,(1)$  or Section  $14.4\,(b)\,(2)$ .
- (d) Notice by KLNG. Releasing Customer's Notice, including the identity of the Releasing Customer, shall be posted on KLNG's Internet Web site until the expiration of the applicable Bid Period. At the Releasing Customer's request KLNG may, but shall not be obligated to take other action to market any capacity which the Releasing Customer desires to release, and the Releasing Customer may search for any party to take its capacity.

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GENERAL TERMS AND CONDITIONS (continued)

#### 14. CAPACITY RELEASE (continued)

- (e) Bids. Only Approved Bidders that have executed a Capacity Release Umbrella Agreement, the form of which is contained in this tariff, may bid on capacity which the Releasing Customer proposes to release. Bids shall be submitted to KLNG either by telephone or by facsimile and posted on KLNG's Internet Web site during the Bid Period. Upon request prior to the close of a Bid Period, KLNG will disclose the terms of submitted bids (other than the bidders' names). The bidder shall provide confirmation by facsimile prior to posting by KLNG on its Internet Web site of the terms of any bid given by telephone. Bids must meet the minimum terms of Releasing Customer's Notice in order to be considered a valid bid. Invalid bids shall be rejected. KLNG shall select the bid to be accepted in accordance with Section 14.5(b). If permitted by Releasing Customer's Notice, and subject to the provisions thereof, any bid may be made contingent upon the bidder's acquiring related upstream or downstream arrangements identified in the bid. Any bidder making such a contingent bid shall confirm that the contingency has been satisfied or eliminated according to the procedures set forth in Releasing Customer's Notice, failing which the bid shall no longer be considered a valid bid.
- (f) If there are awards of capacity for which there have been multiple bids meeting minimum conditions, the best bid shall be awarded first, until all offered capacity is awarded.

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GENERAL TERMS AND CONDITIONS (continued)

# 14. CAPACITY RELEASE (continued)

14.5 Effect of Notices and Bids.

- (a) The posting of Releasing Customer's Notice shall constitute an invitation to entertain bids on the Releasing Customer's firm storage capacity rights and obligations pursuant to its terms and the terms herein, but shall not constitute an offer by KLNG. A bid shall constitute an offer by the bidding party to accept from KLNG such rights and obligations, and shall remain open until KLNG accepts the bid or a competing bid, unless retracted by the bidder prior to the close of the Bid Period by any means that meets the requirements of the tariff and the Releasing Customer's terms and conditions. Bids will be legally binding on the Replacement Customer or Prearranged Customer until written or telephonic notice of withdrawal is received by KLNG. Bids may be revised during the Bid Period, and shall be deemed received as of the time of the last revision; provided, however, that no bidder shall maintain more than one bid for the same capacity. No bid may be resubmitted or revised in order to submit a lower bid.
- (b) Releasing Customer's Notice shall constitute authorization for KLNG to accept bids by posting notice of such acceptance on its Internet Web site. Releasing Customer may withdraw Releasing Customer's Notice at any time prior to the close of the Bid Period associated with Releasing Customer's Notice, where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions have been made. The Releasing Customer's notice will be legally binding on the Releasing Customer until the written or telephonic notice of withdrawal is received by KLNG. The reason for withdrawal must be submitted to KLNG for posting.

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GENERAL TERMS AND CONDITIONS (continued)

- 14. CAPACITY RELEASE (continued)
  - (i) If there is only one valid bid, KLNG shall accept such bid.
  - (ii) If there is more than one valid bid and all such bids are identical in terms, KLNG shall accept the bid that was received first in time.
  - (iii) If there is more than one valid bid and all such bids are not identical in terms, KLNG shall accept the offer that yields the highest present value, taking into account the price, volume and term of the bid and, where the terms of the competing bids are different, the present value of the revenue stream expected from any replacement contract at the end of a shorter-term bid. For purposes of determining the present value of a bid, KLNG shall use only the reservation charge (including reservation charges stated on a volumetric basis) and shall use a discount rate equal to the then effective interest rate prescribed by the Commission for purposes of refunds. If more than one bid may be accepted under this subsection (iii), KLNG shall accept the bid that was received first in time.
  - (iv) In the event of a tie, a bid with no contingency shall be accepted over a bid with a contingency even if received later.

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GENERAL TERMS AND CONDITIONS (continued)

14. CAPACITY RELEASE (continued)

14.6 Effect of Acceptance of Bid. KLNG's acceptance of a bid shall, subject to the other provisions hereof, result in and constitute a binding agreement (a) between KLNG and the Releasing Customer pursuant to which the Releasing Customer releases the rights described in the accepted bid without being released from any of its obligations under the Existing Service Agreement (the "Release") and (b) between KLNG and the bidder whose bid was accepted ("Successful Bidder") pursuant to which the Successful Bidder acquires from KLNG all of the Releasing Customer's released rights under its firm service agreement with KLNG that are described in the accepted bid and the Successful Bidder agrees to perform timely and irrevocably all obligations under the terms of the service agreement applicable to the released capacity, in the form of an addendum to the Capacity Release Umbrella Agreement incorporating the specific terms of the accepted bid ("New Service Agreement"). KLNG shall tender electronically to the Successful Bidder a service agreement in the form of an addendum to the Capacity Release Umbrella Agreement incorporating the terms of

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GENERAL TERMS AND CONDITIONS (continued)

## 14. CAPACITY RELEASE (continued)

the accepted bid. At the request of KLNG, the Releasing Customer and the Successful Bidder shall promptly execute such further documents as may be necessary or appropriate to evidence the Release and New Service Agreement, and provide true copies of same to KLNG. A party that acquires released capacity from KLNG under this Section 14 shall be a Customer for all purposes under this tariff, including capacity release under this Section 14. Nothing in this Section 14 shall operate as a waiver of any other requirements of this tariff applicable to Customers, including requirements regarding Customer eligibility and scheduling of service. Upon acceptance of its bid by KLNG a Replacement Customer may schedule service and store LNG upon the effective date of the release, subject to compliance with the other provisions of this tariff.

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GENERAL TERMS AND CONDITIONS (continued)

## 14. CAPACITY RELEASE (continued)

- 14.7 Obligations of Releasing Customer and Other Matters.

  Notwithstanding anything to the contrary herein, in any Releasing Customer's Notice, in any bid or accepted bid, in any Release, in any New Service Agreement or otherwise:
  - (a) The Release or the New Service Agreement relating thereto shall not constitute a release of any of the obligations of the Releasing Customer under the Existing Service Agreement and the Releasing Customer shall remain fully liable for all of those obligations, including, without limitation, all capacity reservation charges, reservation surcharges, and other fixed costs owing under that service agreement in respect of capacity rights released pursuant to the Release, as if the Release had never been entered into; provided, however, KING shall credit the Releasing Customer with all reservation charges,

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GENERAL TERMS AND CONDITIONS (continued)

#### 14. CAPACITY RELEASE (continued)

reservation surcharges, and other fixed costs ("Fixed Charges"), but not charges related to usage, actually paid by a Customer and received by KLNG which are owed in respect of the capacity rights released by that Releasing Customer and acquired by that Customer from KLNG under a New Service Agreement pursuant to Releasing Customer's release (but not pursuant to subsequent releases of the same capacity), even if greater than the Fixed Charges obligation of the Releasing Customer, up to the maximum rate for the released capacity. Customer under a New Service Agreement shall be liable to KLNG for all obligations incurred thereunder, including Fixed Charges and charges related to usage. Any Replacement Customer shall be entitled to receive refunds to the extent the rate paid by it is subsequently determined to be in excess of a just and reasonable rate; provided, however, that if the Releasing Customer is subject to a discounted rate and received credits attributable to Fixed Charges that KLNG is required to refund, KLNG shall be entitled to reverse such credits and shall be required to refund such amounts to the Replacement Customer only to the extent actually collected back from the Releasing Customer.

- (b) The service agreement between KLNG and each Releasing Customer shall remain in full force and effect and unmodified, as if the Release from that Releasing Customer and related New Service Agreement had never been entered into, except (i) the Releasing Customer shall not be entitled to any of the rights under the service agreement which are released by it for the period set forth in the Release and (ii) the Releasing Customer shall be entitled to a credit as provided in this subsection. Notwithstanding the above, in the event there is a permanent release of Releasing Customer's Capacity, KLNG will agree to discharge Releasing Customer of liability, on a prospective basis, in whole or in part.
- (c) KLNG shall bill the Releasing Customer the amount it is obligated to pay for Fixed Charges and shall simultaneously credit such invoice with the Fixed Charges that KLNG is entitled to recover under all New Service Agreements which are owed in respect of the capacity rights released by the Releasing Customer and acquired pursuant to such release (but not pursuant to subsequent releases of the same capacity); provided, however, that such credit shall be reversed, and KLNG

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GENERAL TERMS AND CONDITIONS (continued)

### 14. CAPACITY RELEASE (continued)

shall be entitled to interest from Releasing Customer in accordance with Section 11 of these General Terms and Conditions, to the extent KLNG does not recover such Fixed Charges from the Replacement Customer on the due date. To the extent Releasing Customer makes payment in satisfaction of any such obligations it shall be subrogated to KLNG's rights to collect such amounts from the defaulting Customer under the New Service Agreement.

- (d) KLNG may rely upon and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, notice, or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.
- (e) KLNG shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, notice, or other document, but KLNG, in its reasonable discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.
- (f) Except as expressly set forth in Section 14.7(a), each Releasing Customer agrees to protect and indemnify KLNG against, and to release and hold KLNG harmless against, any loss, liability or expense (including, without limitation, court costs and attorneys' fees) incurred or suffered by KLNG or such Releasing Customer arising out of or in connection with the provisions of this Section 14 (including, without limitation, KLNG's performance or failure of performance of any of its obligations under this Section 14).
- (g) Without in any way limiting the other provisions of this Section 14, each Approved Bidder, by delivery of a bid to KLNG, shall be deemed to have agreed:
  - (i) to the provisions of (d) and (e) above;
  - (ii) to protect and indemnify KLNG against, and to release and hold KLNG harmless against, any loss, liability or expense (including, without limitation, court costs and attorneys' fees) incurred or suffered by KLNG or such Approved Bidder arising out of or in connection with the

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GENERAL TERMS AND CONDITIONS (continued)

# 14. CAPACITY RELEASE (continued)

provisions of this Section 14 (including, without limitation, KLNG's performance or failure of performance of any of its obligations under this Section 14); and

- (iii) that KLNG shall have disclaimed all express and implied representations and warrants concerning the released rights acquired by the bidder, the New Service Agreement and the related Release.
- (h) Any Releasing Customer retaining agency authority as a condition to a release shall indemnify KLNG and hold it harmless for any liability or costs KLNG incurs as a result of its reliance on such agency authority, and the Replacement Customer for whom the Releasing Customer acts as agent shall release KLNG and hold it harmless for such reliance.
- (i) Notwithstanding the other provisions of this Section 14.7, KLNG is not absolved from liability arising as a result of negligence on the part of KLNG.

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Superseding: Original Sheet No. 70

GENERAL TERMS AND CONDITIONS (continued)

## 14. CAPACITY RELEASE (continued)

- 14.8 Terms of Release.
  - (a) Recall Provisions

A Releasing Customer's rights to recall capacity on a full day or partial day basis shall be stated clearly in Releasing Customer's Notice. Any Releasing Customer retaining any rights to recall capacity during the term of the New Service Agreement may exercise such right to the extent permitted as a condition of the capacity release, subject to compliance with other provisions of this tariff, by providing a recall notice to KLNG via facsimile. Such notice should express the recalled quantity of capacity in terms of adjusted total released capacity entitlements based on the Elapsed Prorata Capacity. Any Releasing Customer exercising right to recall capacity must also provide notice of recall to the affected Replacement Customer.

Notification to Replacement Customers will be provided by KLNG within one hour of receipt of recall notification. The recalling Releasing Customer may nominate the recalled capacity pursuant to the provisions of Section 19 of the General Terms and Conditions.

Upon receipt of the Releasing Customer's recall notice submitted via facsimile, KLNG shall process the recall by restating the contractual quantities for each Releasing and Replacement Customer affected by the recall notice and reducing nominated and scheduled quantities for each affected Replacement Customer. The Releasing Customer initiating the recall process shall be solely responsible for submitting the appropriate nominations in accordance provisions of Section 19 of the General Terms and Conditions to effectuate such Customer's use of the recalled capacity. Each affected Replacement Customer will be responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall.

- (b) Capacity resold under this Section 14, including capacity resold under the bidding exception of Section 14.10(a), shall be subject to the maximum rates, including any applicable surcharges, set forth in KLNG's rate sheets for the applicable rate schedule.
- 14.9 Capacity Request Notice. If requested by a party desiring to receive firm capacity under this Section 14, KLNG shall post a notice of such desire (including quantity, period, and rate) on its Internet Web site for one month.

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GENERAL TERMS AND CONDITIONS (continued)

#### 14. CAPACITY RELEASE (continued)

14.10 Exception to Bidding Requirement.

(a) A proposed capacity release shall not be subject to the competitive bidding requirements of this Section 14, but shall be subject to all other provisions of this Section 14, if the release term is thirty-one days or less, unless the Releasing Customer chooses to submit such release to competitive bidding. A release under this Section 14.10(a) may be effected by the Releasing Customer's satisfying the notice requirements of Section 14.4 and the selected Approved Bidder's submitting a bid satisfying the requirements of Section 14.4. Such release shall become effective immediately upon KLNG's receipt of both such notice and such bid, but no sooner than the date specified in Releasing Customer's Notice, subject to compliance with the other provisions of this tariff. Prearranged deals not subject to bid should be posted by 9:00 a.m. CT on the day prior to gas day. The contract, with a contract number, will be tendered and executed by 10:00 a.m. CT on the same day. When a release of capacity under this Section 14.10(a) is at less than the maximum tariff rate, a Releasing Customer may not rollover, extend, or in any way continue the capacity release at less than the maximum tariff rate without complying with the competitive bidding requirements of this Section 14, and may not re-release capacity to the same Replacement Customer under this Section  $14.10\,(a)$  at less than the maximum tariff rate until twentyeight days after the first release period has ended.

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GENERAL TERMS AND CONDITIONS (continued)

#### 14. CAPACITY RELEASE (continued)

- (b) A proposed capacity release shall not be subject to the competitive bidding requirements of this Section 14, but shall be subject to all other provisions of this Section 14, if a Proposed Customer agrees to pay the maximum rate for the full period of the release. A release under this Section 14.10(b) may be effected by the Releasing Customer's satisfying the notice requirements of Section 14.4 and the Proposed Customer's submitting a bid satisfying the requirements of Section 14.4, other than the bid periods required for competitive bidding. Such release shall become effective immediately upon KLNG's receipt of both such notice and such bid, but no sooner than the date specified in Releasing Customer's Notice subject to compliance with the other provisions of this tariff, including the execution of a New Service Agreement in accordance with Section 14.6.
- (c) KLNG shall post notice of transactions under Sections 14.10(a) and 14.10(b) on its Internet Web site by 9:00 a.m. CT on the day prior to gas day for notice purposes only, and such posting shall trigger no right in any other party to bid.
- 14.11 Compensation. If KLNG and a Releasing Customer so agree, KLNG may receive a mutually agreeable fee for taking action to market released capacity other than merely posting the notice of availability. Such fee may be deducted from the credit due Releasing Customer under Section 14.7.

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GENERAL TERMS AND CONDITIONS (continued)

14. CAPACITY RELEASE (continued)

14.12 KLNG's Rights to Terminate Temporary Capacity Releases.

In the event of a temporary release for which (1) KLNG has given notice of termination of the Releasing Customer's contract because the Releasing Customer no longer satisfies KLNG's credit requirements as outlined in Sections 3.1 and 3.2 of KLNG's General Terms and Conditions and (2) the Fixed Charges specified in the effective Addendum to the Replacement or Prearranged Customer's Capacity Release Umbrella

Agreement are less than the level of the Fixed Charges which the Releasing Customer was obligated to pay KLNG (or, if the Releasing Customer is paying a negotiated rate, the sum of

all fixed-type charges and commodity-type charges), then KLNG shall be entitled to terminate the Addendum, upon 30 Days' written notice to the Replacement or Prearranged Customer, unless the Replacement or Prearranged Customer agrees prior to

the end of said 30-day notice period to pay for the remainder of the term of the Addendum one of the following: (i) the Fixed Charges and usage charges at levels which the Releasing Customer was obligated to pay KLNG, (ii) the applicable maximum

tariff rate, or (iii) such rate as mutually agreed to by KLNG and Replacement or Prearranged Customer. Customer may elect to pay the lesser of the foregoing three options. KLNG's  $\frac{1}{2}$ 

right to terminate the Addendum is subject to KLNG providing written notice of termination to the Replacement or  $\ensuremath{\mathsf{Prearranged}}$ 

Customer within 60 Days of the determination by KLNG that the Releasing Customer no longer satisfies KLNG's credit requirements. Termination of the Addendum shall not occur prior to termination of the Releasing Customer's contract.

(b) In the event that a Customer has received 30 Days' notice of termination of the Addendum to Customer's Capacity Release Umbrella Agreement pursuant to Section 14.12(a) above and there

is LNG in storage for Customer's account at the end of such  $30\text{-}\mathrm{Day}$  period, the Addendum shall continue in force and effect

for the sole purpose of withdrawal of said LNG until Customer's

inventory is zero. KLNG shall require Customer to withdraw each  $\,$ 

day a quantity equal to

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GENERAL TERMS AND CONDITIONS (continued)

## 14. CAPACITY RELEASE (continued)

the MDWQ, or such other lesser quantity acceptable to KLNG. requirement to withdraw LNG shall be suspended on any day to the extent that KLNG cannot accommodate a nomination to withdraw LNG quantities on such day. Customer may also transfer title οf LNG remaining in Customer's inventory to another Customer pursuant to Section 6 of KLNG's General Terms and Conditions, provided such other Customer has an executed service agreement and that such transfer does not cause such other Customer to exceed its Storage Quantity specified in such service agreement. In the event Customer fails to withdraw its entire LNG inventory within the required by this section, KLNG shall auction any remaining LNG inventory and credit the proceeds of such sale to Customer, net of delivery charges and fuel, if applicable. Customer shall indemnify KLNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Customer to remove such LNG  $\,$ the disposal of such LNG by sale by KLNG, including storage charges under the applicable rate schedule. KLNG shall post such LNG quantities on its electronic bulletin board and the Web site on the fifth business day following the fifteenth of the month. KLNG shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CT on the seventh business day following the fifteenth of the month. Prior to 4:00 p.m. CT of the same day, KLNG shall notify the Customer submitting the highest bid. When the LNG is purchased at auction, Customer purchasing the LNG must provide identification of the existing storage service agreement with KLNG under which Customer shall store all such LNG quantities purchased. Customer purchasing the LNG agrees to pay the applicable storage rate on the LNG quantities purchased beginning on the date the bid was accepted at auction.

FERC Docket: RP03-241-000

Original Sheet No. 73 Original Sheet No. 73: Effective

# GENERAL TERMS AND CONDITIONS (continued)

# 15. INTERNET WEB SITE

- 15.1 Applicability. KLNG shall provide all Customers with equal and timely access to information relevant to the availability of firm and interruptible storage service by providing an Internet Web site. All information that is submitted by facsimile for posting on the Internet Web site should be submitted to the attention of Controller and Administrator, KeySpan LNG, LP.
- 15.2 System Description. Completed transactions will remain on the Internet Web site for at least ninety days after completion.

FERC Docket: RP06- 90-000

First Revised Sheet No. 74 First Revised Sheet No. 74: Effective

Superseding: Original Sheet No. 74

# GENERAL TERMS AND CONDITIONS (continued)

# 15. INTERNET WEB SITE (continued)

15.3 Information. KLNG shall post information on a daily basis on its Internet Web site relevant to the availability of firm and interruptible capacity in its storage facilities. The Internet Web site will note whether the capacity is available from KLNG directly or through KLNG's capacity release mechanism as set forth in Section 14. KLNG shall make available through its Internet Web site the following information: notice of service interruptions due to force majeure and related capacity constraints, KLNG's maximum and minimum rates for service under Rate Schedules FST-LG and IST-LG, and notices and telephone numbers of KLNG employees to contact in an emergency. The Internet Web site also includes information allowed or required to be posted thereon by other provisions of the tariff including Section 14, information which KLNG is required to post pursuant to Section 284.13 of the Commission's regulations, or other information KLNG chooses to post in furtherance of the operation of its facilities.

FERC Docket: RP06- 90-001

Substitute Original Sheet No. 74A Substitute Original Sheet No. 74A : Effective

Superseding: Original Sheet No. 74A

GENERAL TERMS AND CONDITIONS (continued)

15. INTERNET WEB SITE (continued)

KLNG's Informational Postings on its website will have the following

categories and subcategories:

SUBCATEGORIES CATEGORIES

Capacity Operationally Available

Unsubscribed

Gas Quality Gas Quality Data

Tariff Reference

Employee Transfers Energy Affiliate Information

Names and Addresses Potential Mergers Shared Facilities

Index of Customers

Non-discrimination Regmts Chief Compliance Officer

Discounts

Emergency Deviations Information Disclosure Tariff Discretionary Actions

Voluntary Consent

Notices Critical

Non-Critical

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 $\textbf{Original Sheet No. 74B} \; \texttt{Original Sheet No. 74B} \; : \; \; \texttt{Effective}$ 

GENERAL TERMS AND CONDITIONS (continued)

15. INTERNET WEB SITE (continued)

Transactional Reporting Firm

Interruptible
Released Capacity

15.4 Liability. KLNG's liability for operation of the Internet Web site shall be governed by the same standards which govern KLNG's liability for its other system operations.

FERC Docket: RP03-241-000

Original Sheet No. 75 Original Sheet No. 75: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 16. TERMINATION FOR DEFAULT

16.1 Termination of Service. If either KLNG or Customer shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of an applicable rate schedule or effective service agreement, then the other party may at its option terminate such agreement by proceeding as follows. The party not in default shall provide written notice to the party in default stating specifically the cause for terminating the agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have thirty days after receipt of such notice to remedy or remove the cause or causes stated in the notice, and if within the thirty-day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such breach, by a good and sufficient indemnity bond or otherwise, then such notice shall be withdrawn and the agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within the thirty-day period, then, after any necessary authorization by regulatory bodies having jurisdiction, the agreement shall become void at the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any cancellation of such agreement pursuant to the provisions of this paragraph shall be without prejudice to the right of KLNG to collect any amounts then due to it for service prior to the time of cancellation, and shall be without prejudice to the right of Customer to receive any service for which it has paid but has not received, although entitled thereto, prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such agreement.

FERC Docket: RP03-241-000

Original Sheet No. 76 original Sheet No. 76: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 16. TERMINATION FOR DEFAULT (continued)

16.2 Suspension of Service. Prior to a termination for default, KLNG may suspend service to any Customer who fails to comply with the General Terms and Conditions, the applicable rate schedule, or Customer's service agreement. KLNG shall obtain the appropriate regulatory authorization prior to terminating service to any customer. KLNG's failure to invoke its right to terminate an agreement for default shall not be construed as a waiver of KLNG's right to terminate service during any other period when Customer is in violation of the terms of this tariff or of Customer's service agreement.

### 17. FORCE MAJEURE

17.1 Relief from Liability. Neither party shall be taken to have breached its obligations under the service agreement, the applicable rate schedule, or these General Terms and Conditions by reason of any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, damage, breakage or other material impairment to machinery, facilities, or lines of pipe, revocation or cancellation of permits or licenses, interruption in or unavailability of utilities, loss or unavailability of insurance, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind

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Original Sheet No. 77 Original Sheet No. 77: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 17. FORCE MAJEURE (continued)

herein enumerated or otherwise, not within the control of the party claiming suspension under this section, which act, omission or circumstance such party is unable by the exercise of due diligence to prevent or overcome.

- 17.2 Liabilities Not Relieved. Such causes or contingencies affecting performance by either party, however, shall not relieve such party of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting perform ance relieve either party from its obligations to make payments of amounts then due in respect of services theretofore rendered.
- 17.3 Proration of Impaired Capacity. The provisions of Section 18 of these General Terms and Conditions shall govern the apportionment of available capacity when such available capacity is impaired so that KLNG is unable to store for Customer the quantities of gas provided by effective service agreements.
- 17.4 Scheduling of Construction and Maintenance. KLNG shall have the right to curtail, interrupt, or discontinue service in whole or in part on all or a portion of its storage facilities from time to time to perform repair, maintenance or improvements on the facilities as necessary to maintain the operational capability of the facilities, or to comply with applicable regulatory requirements, or to perform construction pursuant to valid FERC authorization. KLNG shall exercise due diligence to schedule repair, construction and maintenance so as to minimize disruptions of service to Customer and shall provide reasonable notice of the same to Customer.
- 17.5 Compliance with Directives of Governmental Agencies. Whenever in order to comply with orders, directives or regulations of duly constituted state, local or federal authorities having jurisdiction, including, but not limited to, the Department of Transportation, the Federal Energy Regulatory Commission, and the Environmental Protection Agency, KLNG must curtail storage for Customer and is unable to store for Customer the quantities of gas which Customer may then require up to the quantities of gas KLNG is then obligated to store for Customer, KLNG shall not be liable in damages or otherwise to Customer or any other person or entity for any such failure to store such quantities of gas for Customer.

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Original Sheet No. 78 Original Sheet No. 78: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 18. CURTAILMENT

- 18.1 General. This section sets out the procedures whereby KLNG will reduce or discontinue firm or interruptible services available under this tariff. If, due to any cause whatsoever, the capacity of KLNG's storage facility, or any part thereof, is impaired so that KLNG is unable to store or deliver in the gaseous phase the total quantity of gas which KLNG is then obligated to store or deliver in the gaseous phase under agreements with Customer, then KLNG shall allocate such reduced available capacity in accordance with this Section 18, subject to the terms of KLNG's existing lease agreement with Providence Gas.
- 18.2 Causes of Curtailment. KLNG shall have the right to curtail, interrupt, or discontinue service in whole or in part from time to time and at any time (a) for reasons of force majeure or when necessary, in KLNG's reasonable judgment, to meet its facility operating requirements or other service obligations, (b) to perform routine maintenance, repairs, improvements and regulatory compliance activity, provided that KLNG shall utilize due diligence to schedule such activity so as not to disrupt confirmed service and shall provide reasonable notice of such interruptions to Customer, (c) to the extent, in KLNG's reasonable judgment, such service would impair KLNG's ability to meet its firm service obligations or to render any future service that may be provided by KLNG on a firm basis, (d) to the extent necessary in KLNG's reasonable judgment to comply with applicable laws and regulations including, but not limited to, governmental permits governing the operation of KLNG's facilities, and (e) to the extent necessary in KLNG's reasonable judgment to protect people and property, including KLNG's facilities, from harm or damage due to operational or safety conditions.
- 18.3 Order of Curtailment. In the event service is interrupted or curtailed then KLNG shall reduce each Customer's scheduled service in the following order:
  - (a) Scheduled service for Authorized Overrun Quantities and scheduled service under Rate Schedule IST-LG.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 18. CURTAILMENT (continued)

- (b) Scheduled service under Rate Schedule FST-LG not otherwise classified in subsection (a).
- 18.4 Order of Curtailment Within Categories. KLNG shall reduce service to those Customers affected by insufficient capacity beginning with requests within subsection (a) of Section 18.3 above, and continuing through the order listed above in Section 18.3. In the event that sufficient capacity is available to provide partial service in any of the categories defined in Section 18.3 above, then the available capacity shall be allocated within such category as follows:
  - (a) The capacity available for service to the Customers affected within subsection (a) of Section 18.3 above shall be allocated among such Customers as follows: first, pro rata among firm customers paying the maximum rate; next, among interruptible customers paying the maximum rate on a first-come/first-served basis based upon the priority assigned to Customer's request for service; and next, among firm and interruptible customers paying a discounted rate based upon the size of the discount, with the Customer paying the higher rate having the higher priority.
  - (b) The capacity available for service to the Customers affected within subsection (b) of Section 18.3 above shall be allocated among such Customers who have scheduled interruptible quantities on a first-come/first-served basis based upon the priority assigned to Customer's request for service, subject only to the willingness of another Customer with a lower request priority paying a higher rate than a Customer is paying who otherwise would be entitled to capacity hereunder.

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Original Sheet No. 80 Original Sheet No. 80: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 18. CURTAILMENT (continued)

- (c) The capacity available for service to Customers affected within subsection (c) of Section 18.3 above shall be prorated based on the Customer's Contract Storage Quantity under the affected rate schedules.
- (d) As between Customers with equal priority assigned to their requests for service, first-come/first-served basis shall mean pro rata among such Customers based on the Customer's Contract Storage Quantity under the affected service agreement.
- 18.5 No Bump Policy. Once a Customer has tendered LNG for storage under Rate Schedule IST-LG or as Authorized Overrun Service its use of such capacity shall not be interrupted unless: (a) such capacity is required to provide a higher priority firm service; or (b) curtailment is necessary pursuant to the provisions of this Section 18.

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Original Sheet No. 81 Original Sheet No. 81: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 19. SCHEDULING OF SERVICE

KLNG shall schedule simultaneous requests for vaporization and, trucking service so that the various services occur simultaneously. KLNG shall schedule service among vaporization customers in accordance with Section 19.1, and customers requesting truck receipts and deliveries in accordance with Section 19.2. All vaporization quantities shall be delivered to Providence Gas at uniform hourly rates unless Providence Gas agrees to a higher rate.

### 19.1 Vaporization.

- (a) Firm: Requests for vaporization by firm Customers shall be scheduled in advance of the allocation of any vaporization capacity to interruptible Customers. Subject only to Sections 17 (Force Majeure), and 18 (Curtailment) of these General Terms and Conditions, KLNG shall schedule for vaporization each firm Customers' nominated quantity up to its Maximum Daily Withdrawal Quantity. In the event that the sum of all timely nominations by firm Customers for authorized overrun vaporization exceed the portion of the vaporization capacity of KLNG's facilities committed to Customers nominating up to their Maximum Daily Withdrawal Quantities, the available vaporization capacity shall be allocated among Customers submitting nominations for overrun service pro rata on the basis of their firm Maximum Daily Withdrawal Quantities.
- (b) Interruptible: In the event that capacity remains available after the scheduling of all requests for vaporization by firm Customers, requests for vaporization by interruptible Customers shall be scheduled (1) among Customers paying the maximum applicable rate on a first-come, first-served basis based upon the priority assigned to Customer's request, then (2) among Customers paying a discounted rate on the basis of the rate being paid, with the Customer paying the highest rate having the highest priority.
- (c) Limitation: Requests for vaporization shall be rejected to the extent that the amount of gas requested, plus amounts retained for vaporization fuel, would exceed Customer's remaining Contract Storage Quantity.

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Original Sheet No. 82 Original Sheet No. 82: Effective

Joseph A. Vaszily, Vice President

### GENERAL TERMS AND CONDITIONS (continued)

- 19. SCHEDULING OF SERVICE (continued)
  - 19.2 LNG Receipts and Deliveries by Truck.
    - LNG Receipts by KLNG:
      - Firm. Requests for LNG receipts by truck for firm (1)Customers shall be scheduled in advance of the allocation of any truck handling capacity to interruptible Customers. Subject only to Sections 17 (Force Majeure) and, 18 (Curtailment) of these General Terms and Conditions, KLNG shall schedule each firm Customer's truck nominations up to its Maximum Number of Trucks. In the event that the sum of all timely nominations by firm Customers for truck handling exceed KLNG's truck handling capacity, the available capacity shall be allocated among Customers submitting nominations pro rata on the basis of their firm Contract Storage Quantity, rounded to the nearest truckload.
      - Interruptible. In the event that capacity remains available after the scheduling of all requests for LNG  $\,$ (2) receipts by truck for firm Customers, requests for LNG receipts by truck by interruptible Customers shall be scheduled, rounded to the nearest truckload, (1) among Customers paying the maximum applicable rate on a first-come, first-served basis based upon the priority assigned to Customer's request, then (2) among Customers paying a discounted rate on the basis of the rate being paid, with the Customer paying the highest rate having the highest priority.
    - (b)
- LNG Deliveries by KLNG: (1) Firm. Requests for LNG deliveries into trucks for firm Customers shall be scheduled in advance of the allocation of any truck handling capacity to requests for LNG deliveries into trucks for interruptible Customers. Subject only to Sections 17 (Force Majeure), and 18 (Curtailment) of these General Terms and Conditions, KLNG shall schedule each firm Customer's truck nominations up to its Maximum Number of Trucks. In the event that the sum of all timely nominations by firm Customers for truck handling exceed KLNG's truck handling capacity, the available capacity

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

19. SCHEDULING OF SERVICE (continued)

19.2 (b) (continued)

shall be allocated among Customers submitting nominations pro rata on the basis of their firm Contract Storage Quantity, rounded to the nearest truckload.

- (2) Interruptible. In the event that capacity remains available after the scheduling of all requests for LNG deliveries into trucks for firm Customers, requests for LNG deliveries into trucks by interruptible Customers shall be scheduled, rounded to the nearest truckload (1) among all Customers paying the maximum applicable rate on a first-come, first-served basis based upon the priority assigned to Customer's request, then (2) among Customers paying a discounted rate on the basis of the rate being paid, with the Customer paying the highest rate having the highest priority.
- (c) Limitation: Requests for LNG deliveries into trucks shall be rejected to the extent that the amount of LNG requested would exceed Customer's remaining Contract Storage Quantity.
- (d) Loading: Regardless of Customer's scheduling priority, performance of scheduled LNG loading and unloading shall be performed during the Day in the order of the arrival of Customers' trucks.
- 19.3 Notice of Amounts Scheduled. Upon completion of scheduling, KLNG shall notify each Customer of the quantities of service scheduled under each of KLNG's rate schedules if the amount scheduled is other than the amount nominated.
- 19.4 Transfer of Inventory. A Customer that is transferring LNG inventory pursuant to Section 6.1 of the General Terms and Conditions must notify KLNG's dispatcher of the transfer of ownership prior to the deadline for nominations provided in Section 5 of the General Terms and Conditions. KLNG will not recognize the change in inventory ownership for dispatching purposes prior to such notification.

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# GENERAL TERMS AND CONDITIONS (continued)

### 19. SCHEDULING OF SERVICE

- 19.5 Storage Inventory Adjustments. LNG delivered by Customer to KLNG for storage under Rate Schedules FST-LG and IST-LG shall be balanced on a Total Heating Value basis with LNG to be received by Customer from KLNG after storage, after adjustment for boil-off gas.
  - (a) Customer's storage inventory balance is subject to adjustment based on actual boil-off rates, the amount of the Customer's inventory and the length of time that Customer's inventory has remained in the tank.
  - (b) Boil-off gas, like vaporization, will be treated as a receipt on an Algonquin service agreement to be designated by the customer.
  - (c) Estimates of boil-off gas may be utilized by KLNG to establish Customer's Storage Inventory Balance at any time, but final determination shall be made as soon as practicable, and departures of estimates of such quantities from such finally determined quantities shall be balanced out within thirty days.

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Original Sheet No. 85 Original Sheet No. 85: Effective

GENERAL TERMS AND CONDITIONS (continued)

### 20. EXPENSES INCURRED BY KLNG ON BEHALF OF CUSTOMER

In addition to payment of the rates and charges otherwise provided by this tariff, Customer shall reimburse KLNG for the expenses identified below that are incurred by KLNG on behalf of Customer:

- 20.1 Any and all filing and approval fees required in connection with Customer's service agreement that KLNG is obligated to pay to the FERC or any other governmental authority having jurisdiction.
- 20.2 The costs of any facilities installed by KLNG with Customer's consent to receive, measure, store, or deliver LNG for the account of Customer.
- 20.3 The average inventory tax on Customer's LNG inventory under Section 44-5-13, Rhode Island Laws or any superseding law, which KLNG is required to file and pay on Customer's behalf.
- 20.4 Expenses incurred in conjunction with the weighing of Customer's LNG Transporting Vehicles necessary in the determination of quantities delivered to or from KLNG's storage facility, which KLNG shall pay on Customer's behalf for Customer's convenience.

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Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

21. PROPERTY INSURANCE ON STORED LNG AND FACILITY

Customer shall carry property insurance on its LNG stored in KLNG's facility, and provide KLNG with a certificate of insurance satisfactory to KLNG. KLNG shall carry property insurance on KLNG's facility. KLNG and Customer shall each make provision with their respective property insurers to the end that such insurers shall waive all rights of subrogation against the other party in the event of physical damage or loss covered by their respective property insurance policies referred to in this section above. Upon request, KLNG and Customer shall each provide the other with a copy of the current waiver of subrogation required by this section.

### 22. POSSESSION OF GAS

- 22.1 Delivery Controls. As between KLNG and Customer, KLNG shall be deemed to be in control and possession of the gas after receipt by KLNG into its facility, until it shall have been delivered to or for the account of Customer, after which Customer shall be deemed to be in control and possession thereof.
- 22.2 Responsibility. Customer shall have no responsibility with respect to any gas after its delivery into KLNG's storage facility except (i) as provided in Section 20 of these General Terms and Conditions, and (ii) to provide property insurance as set forth in Section 21 of these General Terms and Conditions, until it is delivered to Customer or for Customer's account, and KLNG shall have no responsibility with respect to such gas prior to its delivery into KLNG's storage facility, or after its delivery to Customer or for Customer's account.

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Original Sheet No. 87 Original Sheet No. 87: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 23. WARRANTY OF TITLE TO GAS

Customer warrants that it will at the time of delivery of the gas to KLNG have good and merchantable title to all of the gas subject only to security interests, liens and encumbrances that would not prevent Customer from tendering the gas for storage hereunder or receiving delivery of the gas from KLNG. Title to the gas received by KLNG for Customer's account hereunder shall remain with Customer during storage of the gas by KLNG. Customer agrees to indemnify and save KLNG harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the gas other than claims arising solely through acts of KLNG.

### 24. JOINT OBLIGATIONS

When Customer under a 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.

### 25. DISCRETIONARY WAIVER

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

### 26. MODIFICATION

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

### 27. DESCRIPTIVE HEADINGS

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

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Original Sheet No. 88 Original Sheet No. 88: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 28. SUCCESSORS IN INTEREST

Any company which shall succeed by purchase, merger, consolidation or otherwise to the properties substantially as an  $% \left( 1\right) =\left( 1\right) +\left( 1\right) +\left$ entirety, of KLNG or of Customer, used or intended to be used for rendering gas service authorized by the Commission, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under a service agreement. In accordance with the capacity release procedures set forth in Section 14, Customer may, without relieving itself of its obligations under such agreement, assign any of its rights and obligations thereunder to another Customer, but otherwise no assignment of such agreement, or of any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of KLNG, in the event of any assignment by Customer, or the consent thereto of Customer, in the event of an assignment by KLNG. These restrictions on assignment shall not in any way prevent any party from pledging or mortgaging its rights under a service agreement as security for its indebtedness.

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Original Sheet No. 89 Original Sheet No. 89: Effective

Joseph A. Vaszily, Vice President

# GENERAL TERMS AND CONDITIONS (continued)

## 29. INCORPORATION IN RATE SCHEDULES AND SERVICE AGREEMENTS

These General Terms and Conditions are incorporated in and are a part of KLNG's Rate Schedules contained in this tariff, Second Revised Volume No. 1, and executed service agreements relating thereto.

### 30. GOVERNMENTAL REGULATION

The service agreements, and all terms and provisions contained or incorporated therein, and the respective obligations of the parties thereunder, are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

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Original Sheet No. 90 Original Sheet No. 90 : Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

### 31. PERIODIC RATE ADJUSTMENTS

KLNG and Customer recognize that KLNG will from time to time experience changes in costs related to providing service under this tariff, including, but not limited to, changes in the cost of labor, benefits, materials and supplies, taxes, required rate of return, costs associated with the resolution of past disputes or outstanding uncertainties concerning amounts owed by KLNG or Customer or attributable to KLNG or Customer, and costs generated by decisions of the Commission, the courts or by an arbitration panel or other body having jurisdiction over KLNG. The parties further recognize that it may be appropriate, equitable and consistent with cost responsibility to allocate such costs among customers based on or taking into account past period factors, such as Contract Storage Quantity levels, storage inventory levels, or other factors related to a prior period of time. Customer agrees that KLNG shall have the right from time to time to make rate change filings which may include such costs and utilize an allocation methodology based in whole or in part on factors related to past periods. Customer shall have the right to intervene and protest any such filing; provided, however, it shall not be grounds for protest that such filing constitutes a violation of the filed rate doctrine or constitutes retroactive ratemaking or that Customer did not have adequate notice of the fact that such costs could be allocated to Customer.

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Joseph A. Vaszily, Vice President

# GENERAL TERMS AND CONDITIONS (continued)

## 32. MARKETING AFFILIATE RULE COMPLIANCE PROCEDURES

- 32.1 Uniform Application. All terms and conditions contained in this tariff shall be applied in a uniform and nondiscriminatory manner without regard to affiliation of any entity to KLNG.
- 32.2 Comparability of Service. KLNG shall provide service under Rate Schedules FST-LG and IST-LG on a basis that is equal in quality for all gas stored under those rate schedules, regardless of the identity of the seller Customer.

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Original Sheet No. 92 Original Sheet No. 92: Effective

Joseph A. Vaszily, Vice President

# GENERAL TERMS AND CONDITIONS (continued)

- 32. MARKETING AFFILIATE RULE COMPLIANCE PROCEDURES (continued)
  - 32.3 Shared Facilities and Employees. Information on any facilities or operating personnel that KLNG shares with its marketing affiliates will be available on KLNG's Internet Web site. Such information will be updated within three (3) business days of any change.
  - 32.4 KLNG shall make available upon request a copy of its marketing affiliate Standards of Conduct Information.
- 33. COMPLAINT PROCEDURES

Complaints concerning any of KLNG's Order Nos. 497., et seq. or 566, et seq. compliance procedures should be directed to KLNG's counsel by phone at (718) 403-3073 or by fax at (718) 403-3106 with a designation that it is a marketing affiliate regulation complaint. KLNG shall respond initially within forty-eight (48) hours and in writing within thirty (30) days to such complaints. In the event the required date of KLNG's response falls on a Saturday, Sunday, or a holiday that affects KLNG, KLNG shall respond by the next business day.

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Substitute Second Revised Sheet No. 93 Substitute Second Revised Sheet No. 93 : Effective

Superseding: Second Revised Sheet No. 93

GENERAL TERMS AND CONDITIONS (continued)

34. North American Energy Standards Board ("NAESB")

In addition to those NAESB standards elsewhere referred to in the tariff, pursuant to 18 C.F.R.  $\S$  284.12(a), KLNG is incorporating herein by reference the following NAESB standards:

NAESB Standards, Version 1.7:

0.3.1 through 0.3.10; 1.2.1 through 1.2.4; 1.2.6; 1.3.3 through 1.3.9; 1.3.11; 1.3.13 through 1.3.21; 1.3.26; 1.3.28 through 1.3.31; 1.3.33 through 1.3.34; 1.4.1 through 1.4.7; 2.2.1; 2.3.9; 2.3.24; 2.4.1 through 2.4.16; 3.3.9; 3.3.14; 4.3.6; 4.3.19; 4.3.21; 4.3.24; 4.3.26 through 4.3.41; 5.1.2 through 5.1.3; 5.2.1 through 5.2.3; 5.3.5; 5.3.7; 5.3.11; 5.3.15; 5.3.17 through 5.3.19; 5.3.23; 5.3.27 through 5.3.29; 5.3.47; 5.3.49; 5.3.51 through 5.3.53; and 5.3.55 through 5.3.60.

Recommendation R03035A:

4.3.89 through 4.3.92.

2004 Annual Plan Item 2 FERC Order 2004 (Affiliate Order):

4.2.1; 4.3.16

Effective Date: 09/01/2005 Status: Effective FERC Docket: RP06- 90-001

**Substitute First Revised Sheet No. 93A** Substitute First Revised Sheet No. 93A: Effective Superseding: First Revised Sheet No. 93A

RESERVED FOR FUTURE USE

FERC Docket: RP03-241-000

Original Sheet No. 94 Original Sheet No. 94: Effective

Joseph A. Vaszily, Vice President

GENERAL TERMS AND CONDITIONS (continued)

35. Off-system Pipeline Capacity

From time to time, KLNG may enter into transportation and/or storage agreements with other interstate or intrastate pipeline companies ("off-system pipeline"). In the event that KLNG acquires capacity on an off-system pipeline, KLNG will use such capacity for operational reasons and will only render service to Customers on the acquired capacity pursuant to KLNG's FERC Gas Tariff and subject to KLNG's approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 35, the "shipper must have title" requirement is waived.

FERC Docket: RP03-241-000

Sheet Nos. 95 - 99 Sheet Nos. 95 - 99 : Effective

Joseph A. Vaszily, Vice President

SHEET NOS. 95 THROUGH 99
HAVE NOT BEEN ISSUED BUT HAVE
BEEN RESERVED FOR FUTURE USE.

Effective Date: 01/27/2003 Status: Effective FERC Docket: RP03-241-000

Original Sheet No. 100 original Sheet No. 100 : Effective

Joseph A. Vaszily, Vice President

## FORMS OF SERVICE AGREEMENTS

## INDEX

Descriptive Heading	Sheet No.
FST-LG Firm Storage Service	101
IST-LG Interruptible Storage Service	106
Capacity Release Umbrella Agreement	111

FERC Docket: RP03-241-000

Original Sheet No. 101 Original Sheet No. 101: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT (Applicable to Service Under Rate Schedule FST-LG)

This Agreement, is made and entered into this \_\_\_\_ day of \_\_\_\_, by and between KeySpan LNG, LP, a Delaware limited partnership (hereinafter referred to as "KLNG") and \_\_\_\_\_, a \_\_\_\_ (hereinafter referred to as "Customer" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I
QUANTITY OF LNG TO BE STORED

Subject to the terms, conditions and limitations hereof and of KLNG's Rate Schedule FST-LG, KLNG agrees to:

- receive for Customer's account and inject into its storage facility liquefied natural gas ("LNG") in liquid form;
- store LNG up to a total quantity at any one time of

Dth, to constitute Customer's (quantity)
Contract Storage Quantity;

- withdraw up to a Maximum Daily Withdrawal Quantity (MDWQ) of \_\_\_\_\_ Dth/d, plus applicable fuel, of stored gas as requested by Customer and deliver it, less applicable fuel, to Customer or for Customer's account;
- withdraw LNG and deliver it at KLNG's truck loading facilities on any day, pursuant to Section 19.2 of the GT&C.

FERC Docket: RP03-241-000

Original Sheet No. 102 Original Sheet No. 102: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT
(Applicable to Service Under Rate Schedule FST-LG)
(continued)

# ARTICLE II TERM OF AGREEMENT

2.1 This agreement shall become effective as of \_\_\_\_\_\_\_, shall continue in effect for a term of \_\_\_\_\_\_\_ years ("Primary Term") and shall remain in force from year-to-year thereafter unless terminated by either party pursuant to Section 12 of the General Terms and Conditions.

# ARTICLE III RATE SCHEDULE AND ADJUSTMENTS

- 3.1 Customer shall pay for all services rendered hereunder and for the availability of such service under KLNG's Rate Schedule FST-LG, as filed with the Federal Energy Regulatory Commission, and as the same may be hereafter revised or changed. The rate to be charged Customer for storage hereunder shall not be more than the maximum rate under Rate Schedule FST-LG, nor less than the minimum rate under Rate Schedule FST-LG.
- 3.2 Customer agrees that KLNG shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to KLNG's Rate Schedule FST-LG, (b) KLNG's Rate Schedule FST-LG, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FST-LG. KLNG agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of KLNG's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

FERC Docket: RP03-241-000

Original Sheet No. 103 Original Sheet No. 103: Effective

Joseph A. Vaszily, Vice President

(a) KLNG:

ARTICLE IV ADDRESSES

KeySpan LNG, LP
One MetroTech Center

Except as herein otherwise provided, or as provided in the General Terms and Conditions of KLNG's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

		Attn: Controller and Administrator
(b)	Customer:	

or such other address as either party shall designate by formal written notice.  $\ensuremath{\mathsf{C}}$ 

FERC Docket: RP03-241-000

Original Sheet No. 104 original Sheet No. 104: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT
(Applicable to Service Under Rate Schedule FST-LG)
(continued)

# ARTICLE V RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of KLNG's applicable rate schedules and of KLNG's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

### ARTICLE VI INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with the laws of the state of Rhode Island, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

# ARTICLE VII AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede (as of the date of commencement of service hereunder) the following agreements between parties hereto for the storage of natural gas by KLNG for Customer:

FERC Docket: RP03-241-000

Original Sheet No. 105 original Sheet No. 105: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT (Applicable to Service Under Rate Schedule FST-LG) (continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

KeySpan LNG, LP

Ву:		
Title:		
(CUSTOMER)		
Ву:	 	
Title.		

FERC Docket: RP03-241-000

Original Sheet No. 106 Original Sheet No. 106: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT (Applicable to Service Under Rate Schedule IST-LG)

This Agreement, is made and entered into this \_\_\_\_\_ day of \_\_\_\_, by and between KeySpan LNG, LP, a Delaware limited partnership (hereinafter referred to as "KLNG") and \_\_\_\_\_\_, a \_\_\_\_ (hereinafter referred to as "Customer" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

## ARTICLE I QUANTITY OF LNG TO BE STORED

Subject to the terms, conditions and limitations hereof and of KLNG's Rate Schedule IST-LG, KLNG agrees to:

- receive for Customer's account and inject into its storage facility liquefied natural gas ("LNG") in liquid form;
- store such LNG up to a total quantity at any one time of

\_\_\_\_\_Dth, to constitute Customer's (quantity)
Contract Storage Quantity;

- withdraw up to a Maximum Daily Withdrawal Quantity (MDWQ) of Dth/d, plus applicable fuel, of stored gas as requested by Customer and deliver it, less applicable fuel, to Customer or for Customer's account;
- withdraw LNG and deliver it at KLNG's truck loading facilities on any day, pursuant to Section 19.2 of the GT&C.

### ARTICLE II TERM OF AGREEMENT

2.1 This Agreement shall become effective as of \_\_\_\_\_\_\_, shall continue in effect for a term of \_\_\_\_\_\_\_, ("Primary Term") and shall remain in force from month-to-month thereafter unless terminated by either party pursuant to Section 12 of the General Terms and Conditions.

FERC Docket: RP03-241-000

Original Sheet No. 107 Original Sheet No. 107: Effective

Joseph A. Vaszily, Vice President

# ARTICLE III RATE SCHEDULE AND ADJUSTMENTS

- 3.1 Customer shall pay for all services rendered hereunder and for the availability of such service under KLNG's Rate Schedule IST-LG, as filed with the Federal Energy Regulatory Commission, and as the same may be hereafter revised or changed. The rate to be charged Customer for storage hereunder shall not be more than the maximum rate under Rate Schedule IST-LG, nor less than the minimum rate under Rate Schedule IST-LG.
- 3.2 Customer agrees that KLNG shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to KLNG's Rate Schedule IST-LG, (b) KLNG's Rate Schedule IST-LG, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule IST-LG. KLNG agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of KLNG's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

# ARTICLE IV ADDRESSES

Except as herein otherwise provided, or as provided in the General Terms and Conditions of KLNG's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and

FERC Docket: RP03-241-000

Original Sheet No. 108 Original Sheet No. 108: Effective

Joseph A. Vaszily, Vice President

(b) Customer:

FORM OF SERVICE AGREEMENT (Applicable to Service Under Rate Schedule IST-LG) (continued)

shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a)	KLNG:	KeySpan LNG, LP			
		One MetroTech Center			
		Brooklyn, NY 11201			
		Attn: Controller and Administrator			

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

FERC Docket: RP03-241-000

Original Sheet No. 109 Original Sheet No. 109: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT
(Applicable to Service Under Rate Schedule IST-LG)
(continued)

ARTICLE V RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of KLNG's applicable rate schedules and of KLNG's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

ARTICLE VI INTERPRETATION

The interpretation and performance of this agreement shall be in accordance with the laws of the state of Rhode Island, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VII
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede (as of the date of commencement of service hereunder) the following agreements between parties hereto for the storage of natural gas by KLNG for Customer:

FERC Docket: RP03-241-000

Original Sheet No. 110 original Sheet No. 110 : Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT (Applicable to Service Under Rate Schedule IST-LG) (continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

KeySpan LNG,	LP
By:	
Title:	
(CUSTOMER)	
By:	
Title:	

FERC Docket: RP03-241-000

Original Sheet No. 111 Original Sheet No. 111: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER RATE SCHEDULE FST-LG

This Umbrella Service Agreement, made and entered into this day of \_\_\_\_\_\_, by and between \_\_\_\_\_\_ (herein called "Replacement Customer"), and KeySpan LNG, LP, a Delaware limited partnership (herein called "KLNG").

WHEREAS,

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Customer and KLNG hereby agree as follows:

### ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements are met in order for Replacement Customer to be on KLNG's Approved Bidder list for capacity releases and execute this Umbrella Service Agreement pursuant to Section 14 of KLNG's General Terms and Conditions, and this Umbrella Service Agreement is effective, Replacement Customer may bid from time to time on releases of capacity to be acquired under Rate Schedule FST-LG pursuant to the procedures set forth in Section 14 of KLNG's General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by KLNG with respect to a given capacity release, KLNG will promptly send to Replacement Customer an Addendum to this Umbrella Service Agreement, in the format attached hereto. An Addendum shall be deemed to be an executed service agreement under Rate Schedule FST-LG, subject to the terms and conditions of the rate schedule, the form of service agreement applicable to the rate schedule, and the General Terms and Conditions of KLNG's tariff. The parties agree that each Addendum is

FERC Docket: RP03-241-000

Original Sheet No. 112 Original Sheet No. 112: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULE FST-LG
(Continued)

an integral part of this Umbrella Service Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto.

Subject to the terms, conditions and limitations hereof and of KLNG's Rate Schedule FST-LG, and the form of service agreement applicable thereto, KLNG agrees to provide the applicable released service for Replacement Customer under Rate Schedule FST-LG, provided that the Replacement Customer qualified under the financial evaluation and credit appraisal requirements set forth in Section 3 of KLNG's General Terms and Conditions at the time it submitted the bid KLNG accepted with respect to such release.

Replacement Customer hereby agrees to advise KLNG of any material change in the information previously provided by the Replacement Customer to KLNG pursuant to Section 3 of KLNG's General Terms and Conditions.

### ARTICLE II

### TERM OF AGREEMENT

The term of this Agreement shall commence on \_\_\_\_\_ and shall continued in force and effect until \_\_\_\_ and \_\_\_ to \_\_\_ thereafter unless this Umbrella Service Agreement is terminated as hereinafter provided. If KLNG determines at any time that Replacement Customer fails to meet the financial standards or credit criteria of Section 3 of the General Terms and Conditions, KLNG may terminate this Agreement prospectively, without affecting Addenda previously executed but subject to the terms and conditions of KLNG's tariff.

FERC Docket: RP03-241-000

Original Sheet No. 113 Original Sheet No. 113: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULE FST-LG
(Continued)

### ARTICLE III

### RATE SCHEDULE

This Umbrella Service Agreement does not have separate terms and conditions for particular services, but only provides a means for a Replacement Customer to utilize service subject to the provisions of the service agreement under Rate Schedule FST-LG and the terms and conditions for Rate Schedule FST-LG, in the form attached hereto and fully incorporated herein as a part of this Umbrella Service Agreement.

Replacement Customer agrees that KLNG shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to this Umbrella Service Agreement (b) the terms and conditions of this Umbrella Service Agreement, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions, Rate Schedule applicable to this Umbrella Service Agreement, or Form of Service Agreement applicable to this Umbrella Service Agreement. KLNG agrees that the Replacement Customer may protest or contest the aforementioned filings, and the Replacement Customer does not waive any rights it may have with respect to such filings.

FERC Docket: RP03-241-000

Original Sheet No. 114 Original Sheet No. 114: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULE FST-LG
(Continued)

## ARTICLE IV

#### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of KLNG's FERC Gas Tariff, any notice, request, demand, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) KLNG: KeySpan LNG, LP One MetroTech Center Brooklyn, NY 11201

Attn: Controller and Administrator

(b) Replacement Customer:

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

### ARTICLE V

## INTERPRETATION

The interpretation and performance of this Umbrella Service Agreement shall be in accordance with the laws of without recourse to the law governing conflict of  $\overline{\text{laws}}$ .

This Umbrella Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

FERC Docket: RP03-241-000

Original Sheet No. 115 Original Sheet No. 115: Effective

KeySpan LNG, LP

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULE FST-LG
(Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Umbrella Service Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

By: \_\_\_\_\_\_
Title: \_\_\_\_\_

[CUSTOMER]

By: \_\_\_\_\_
Title:

FERC Docket: RP03-241-000

Original Sheet No. 116 original Sheet No. 116: Effective

Joseph A. Vaszily, Vice President

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULE FST-LG
(Continued)

Deal No.:	
	ndum Contract No.:
Capacity F	Release Rate Schedule:
Releasing	Customer:
Releasing	Customer's Contract No.:
Begin Date	e of Release:
End Date of	of Release:
Contract S	Storage Quantity Dth
To this or	apacity subject to right of recall? Yes No
12 CHIT2 Co	reactive subject to right of recall: les No
Recall Com	nments
Is this a	permanent release? Yes No
Other Comm	nents:
<b>5</b> .	
Rates:	Check all that apply:
	Is this release as a percent of Maximum Rate? Yes No
	Volumetric
	Reservation Charge

This addendum, entered into pursuant to KLNG's capacity release program and to the executed Capacity Release Umbrella Agreement between KLNG and the Replacement Customer, is heretofore made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.

FERC Docket: RP03-241-000

Sheet Nos. 117 - 199 Sheet Nos. 117 - 199 : Effective

Joseph A. Vaszily, Vice President

SHEET NOS. 117 THROUGH 199
HAVE NOT BEEN ISSUED BUT HAVE
BEEN RESERVED FOR FUTURE USE.

Effective Date: 01/27/2003 Status: Effective FERC Docket: RP03-241-000

 $\textbf{Original Sheet No. 200} \; \texttt{Original Sheet No. 200} \; : \; \; \texttt{Effective}$ 

Index of Customers

			Service Agreement Dates		
Names of Customers	Rate Schedule	Contract Storage Quantity (Dth)	Effective	End of Term	
Boston Gas Co.	FST-LG	1,159,664	10-Nov-99	31-Oct-09	
Consolidated Edison Co. of NY, Inc	FST-LG	500,000	10-Nov-99	31-Oct-09	
Providence Gas Co.	FST-LG	600,000	10-Nov-99	01-May-09	