# **Table of Contents**

Table of Contents	
Original Sheet No. 0	5
Original Sheet No. 1	6
Original Sheet No. 2	7
Original Sheet No. 3	8
Original Sheet No. 4	9
Original Sheet No. 5	10
Original Sheet No. 6	11
Original Sheet No. 7	12
Original Sheet No. 8	13
Original Sheet No. 9	14
Original Sheet No. 10	15
Original Sheet No. 11	16
Original Sheet No. 12	17
Original Sheet No. 13	18
Original Sheet Nos. 14-19	19
First Revised Sheet No. 20	20
Original Sheet No. 20A	21
Original Sheet No. 21	22
Original Sheet No. 22	23
Substitute Original Sheet No. 23	24
Substitute Original Sheet No. 24	25
First Revised Sheet No. 25	26
Original Sheet No. 25A	27
Substitute Original Sheet No. 26	28
Original Sheet No. 27	29
Original Sheet No. 28	30
Substitute Original Sheet No. 29	31
Original Sheet No. 30	32
First Revised Sheet No. 31	33
Original Sheet No. 31A	34
Substitute Original Sheet No. 32	35
Original Sheet No. 33	36
Substitute Original Sheet No. 34	37
Substitute Original Sheet No. 35	38
First Revised Sheet No. 36	39
Original Sheet No. 36A	40
Substitute Original Sheet No. 37	41
Original Sheet No. 38	42
Original Sheet No. 39	43
Substitute Original Sheet No. 40	44
First Revised Sheet No. 41	45
Original Sheet No. 41A	46
Original Sheet No. 42	47
Original Sheet No. 43	48
First Revised Sheet No. 44	49

Original Sheet No. 44A	50
Original Sheet No. 45	51
Original Sheet No. 46	52
Original Sheet No. 47	53
First Revised Sheet No. 48	54
OriginalSheet No. 48A	55
Substitute Original Sheet No. 49	56
Original Sheet No. 50	57
Original Sheet No. 51	58
Substitute Original Sheet No. 52	59
Original Sheet Nos. 53-99	60
Original Sheet No. 100	61
Original Sheet No. 101	62
Original Sheet No. 102	63
Original Sheet No. 103	64
Original Sheet No. 104	65
Original Sheet No. 105	66
Original Sheet No. 106	67
Original Sheet No. 107	68
Original Sheet No. 108	69
Original Sheet No. 109	70
Original Sheet No. 110	71
Original Sheet No. 111	72
Original Sheet No. 112	73
Original Sheet No. 113	74
First Revised Sheet No. 114	75
First Revised Sheet No. 115	76
Original Sheet No. 116	77
Original Sheet No. 117	78
Original Sheet No. 118	79
First Revised Sheet No. 119	80
First Revised Sheet No. 120	81
Original Sheet No. 121	82
Original Sheet No. 122	83
Original Sheet No. 123	84
Original Sheet No. 124	85
Original Sheet No. 125	86
Original Sheet No. 126	87
Original Sheet No. 127	88
Original Sheet No. 128	89
Original Sheet No. 129	90
Original Sheet No. 130	91
Original Sheet No. 131	92
Original Sheet No. 132	93
Original Sheet No. 133	94
Original Sheet No. 134	95

Original Object No. 405	00
Original Sheet No. 135	96
Original Sheet No. 136	97
Original Sheet No. 137	98
Original Sheet No. 138	99
Original Sheet No. 139	100
Original Sheet No. 140	101
Original Sheet No. 141	102
Original Sheet No. 142	103
Original Sheet No. 143	104
Original Sheet No. 144	105
Original Sheet No. 145	106
Original Sheet No. 146	107
Original Sheet No. 147	108
Original Sheet No. 148	109
Original Sheet No. 149	110
· ·	111
Substitute Original Sheet No. 150	
Original Sheet No. 151	112
Original Sheet No. 152	113
Original Sheet No. 153	114
First Revised Sheet No. 154	115
First Revised Sheet No. 155	116
Original Sheet No. 156	117
Original Sheet No. 157	118
Original Sheet No. 158	119
Original Sheet No. 159	120
Original Sheet No. 160	121
Original Sheet No. 161	122
Original Sheet No. 162	123
Original Sheet No. 163	124
Original Sheet No. 164	125
Original Sheet No. 165	126
Original Sheet No. 166	127
Original Sheet No. 167	128
Original Sheet No. 168	129
Original Sheet No. 169	130
Original Sheet No. 170	131
Original Sheet No. 171-199	132
First Revised Sheet No. 200	133
First Revised Sheet No. 201	134
Original Sheet No. 202	135
Original Sheet No. 202 Original Sheet No. 203	136
<u> </u>	137
Original Sheet No. 204	
Original Sheet No. 205	138
Original Sheet No. 206	139
Original Sheet No. 207	140
Original Sheet No. 208	141

First Revised Sheet No. 209	142
First Revised Sheet No. 210	143
Original Sheet No. 211	144
Original Sheet No. 212	145
Original Sheet No. 213	146
Original Sheet No. 214	147
Original Sheet No. 215	148
Original Sheet No. 216	149
Original Sheet No. 217	150
First Revised Sheet No. 218	151
First Revised Sheet No. 219	152
Original Sheet No. 220	153
Original Sheet No. 221	154
Original Sheet No. 222	155
Original Sheet No. 223	156
Original Sheet No. 224	157
First Revised Sheet No. 225	158
First Revised Sheet No. 226	159
Original Sheet No. 227	160
Original Sheet No. 228	161
Original Sheet No. 229	162
Original Sheet No. 230	163
Original Sheet No. 231	164
Original Sheet No. 232	165
Original Sheet No. 233	166
Original Sheet No. 234	167
Original Sheet No. 235	168
Original Sheet No. 236	169
Original Sheet No. 237	170
Original Sheet No. 238	171
Original Sheet No. 239	172
Original Sheet No. 240	173
Original Sheet No. 241	174
Original Sheet No. 242	175
Original Sheet No. 243	176
Original Sheet No. 244	177
Original Sheet No. 245	178
Original Sheet No. 246	179
Original Sheet No. 247	180

FERC Docket: RP08-184-000

Original Sheet No. 0 Sg Resources Mississippi, L.L.C: Original Volume No. 1 Original Sheet No. 0 : Pending

FERC GAS TARIFF

ORIGINAL VOLUME NO. 1

of

SG RESOURCES MISSISSIPPI, L.L.C.

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

Any communications regarding this Tariff should be addressed to:

Mark D. Cook Vice President SG RESOURCES MISSISSIPPI, L.L.C. 28420 Hardy Toll Road North Suite 125 Spring, TX 77373 Telephone: 281-907-6311 x13 Facsimile: 281-907-6312

e-mail: mdcook@sgr-holdings.com

FERC Docket: RP08-184-000

Item/Section

# Original Sheet No. 1 original Sheet No. 1 : Pending

#### FERC GAS TARIFF ORIGINAL VOLUME NO. 1 OF SG RESOURCES MISSISSIPPI, L.L.C. TABLE OF CONTENTS

Sheet No. PRELIMINARY STATEMENT 3 MAP OF SYSTEM 4 FSS RATE STATEMENT - FIRM STORAGE SERVICE SFS RATE STATEMENT - SECONDARY FIRM STORAGE SERVICE ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE IP RATE STATEMENT - INTERRUPTIBLE PARKING SERVICE IW RATE STATEMENT - INTERRUPTIBLE WHEELING SERVICE 10 11 IL RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE
IB RATE STATEMENT - INTERRUPTIBLE BALANCING SERVICE 12 13 FSS RATE SCHEDULE - FIRM STORAGE SERVICE 20 SFS RATE SCHEDULE - SECONDARY FIRM STORAGE SERVICE ISS RATE SCHEDULE - INTERRUPTIBLE STORAGE SERVICE 25 31 IP RATE SCHEDULE - INTERRUPTIBLE PARKING SERVICE 36 IW RATE SCHEDULE - INTERRUPTIBLE WHEELING SERVICE 41 IL RATE SCHEDULE - INTERRUPTIBLE LOAN SERVICE 44 IB RATE SCHEDULE - INTERRUPTIBLE BALANCING SERVICE 48 GENERAL TERMS AND CONDITIONS 100 1. INTRODUCTORY STATEMENT 100 2. DEFINITIONS 100 3. REQUEST FOR SERVICE 105 4. 114 CAPACITY RELEASE 5. PRIORITY, INTERRUPTION OF SERVICE AND OPERATIONAL FLOW ORDERS 130 6. STORAGE OPERATIONS 136 WHEELING OPERATIONS 136 7. 8. NOMINATIONS AND SCHEDULING 137 9. POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY 140 10. QUALITY 141 11. PRESSURE AND INJECTION/WITHDRAWAL RATES 143 12. TITLE AND RISK OF LOSS 144 13. MEASUREMENT 145 14. BILLINGS AND PAYMENTS 15. TAXES 147 16. INSURANCE 17. FORCE MAJEURE, RESERVATION CHARGE CREDITS 18. NOTICES 148 149 151

FERC Docket: RP08-184-000 Original Sheet No. 2 Original Sheet No. 2: Pending Superseding: Item/Section Sheet No. 19. FUEL REIMBURSEMENT 151 20. GAS TITLE TRANSFERS 152 21. PENALTIES 22. TRANSMISSION PROVIDER STANDARDS OF CONDUCT 153 153 23. NORTH AMERICAN ENERGY STANDARDS BOARD 154 24. JOINT OBLIGATIONS 25. NON-DISCRIMINATORY WAIVER OF TARIFF 156 PROVISIONS AND NON-WAIVER OF FUTURE DEFAULTS 156 26. MODIFICATION 156 27. SUCCESSORS IN INTEREST
28. DEFAULT AND TERMINATION
29. POLICY WITH RESPECT TO FEES AND CONSTRUCTION 156 157 158 OF NEW FACILITIES 158 30. OFF-SYSTEM CAPACITY 159 31. CREDITWORTHINESS - FINANCIAL ASSURANCES 160
32. DISPOSITION OF RETAINED QUANTITIES 163 33. OPERATIONAL BALANCING AGREEMENTS 34. FORM OF SERVICE REQUEST 163 164 FORMS OF AGREEMENTS: FIRM STORAGE SERVICE AGREEMENT (FOR USE UNDER RATE SCHEDULE FSS) 200 SECONDARY FIRM STORAGE SERVICE AGREEMENT (FOR USE UNDER RATE SCHEDULE SFS) 209 INTERRUPTIBLE STORAGE SERVICE AGREEMENT (FOR USE UNDER RATE SCHEDULE ISS) 218 HUB SERVICES AGREEMENT (FOR USE UNDER RATE SCHEDULE IW, FP, IL AND IB) 225 CAPACITY RELEASE UMBRELLA AGREEMENT (FOR USE UNDER RATE SCHEDULE FSS AND SFS 233

Effective Date: 03/01/2008 Status: Effective

OPERATIONAL BALANCING AGREEMENT

241

FERC Docket: RP08-184-000

Original Sheet No. 3 original Sheet No. 3: Pending

#### PRELIMINARY STATEMENT

This Original Volume No. 1 of the FERC Gas Tariff of SG RESOURCES MISSISSIPPI, L.L.C. ("SGRM") contains the Rate Statements, Rate Schedules and General Terms and Conditions applicable to open-access storage, parking, wheeling, balancing and loaning services performed by SGRM through use of its Southern Pines Energy Center located in Mississippi and Alabama, pursuant to Rate Schedules FSS, SFS, ISS, IP, IW, IL and IB.

SGRM has obtained FERC authorization to charge and collect, and will charge and collect, market-based rates for all of the services it performs. These market-based rates will cover all storage and storage-related transportation services SGRM renders.

SGRM is a limited liability company principally engaged in the business of storing and transporting natural gas in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission. The Southern Pines Energy Center is connected to the facilities of the following natural gas pipelines:

Destin Pipeline Company, L.L.C. ("Destin")
Florida Gas Transmission Company ("Florida Gas")
Transcontinental Gas Pipe Line Corporation ("Transco")
Gulf South Pipeline Company, LP ("Gulf South")
Southeast Supply Header ("SESH")

Nothing in this FERC Gas Tariff is intended to inhibit the development of, or discriminate against the use of, imbalance management services provided by third parties or SGRM's Customers. Any party interested in providing imbalance management services must coordinate with SGRM.

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet No. 4 original Sheet No. 4: Pending

MAP OF SYSTEM

[INSERT MAP OF SYSTEM]

FERC Docket: RP08-184-000

Original Sheet No. 5 original Sheet No. 5: Pending

FSS RATE STATEMENT - FIRM STORAGE SERVICE\*

RATE UNITS

Storage Reservation Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Storage Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Storage Quantity.

Withdrawal Reservation Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Withdrawal Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Daily Withdrawal Quantity

Injection Reservation Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Injection Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Daily Injection Quantity

Storage Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Injection Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity Customer shall have tendered to SGRM for injection into storage for each Day during a given Month.

Storage Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity SGRM shall have withdrawn from storage for Customer's account for each Day during a given Month.

FERC Docket: RP08-184-000

Original Sheet No. 6 Original Sheet No. 6: Pending

FSS RATE STATEMENT - FIRM STORAGE SERVICE\* (Continued)

Excess Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the applicable Excess Injection Charge specified in Customer's executed Hub Services Agreement multiplied by the Dth quantity SGRM shall have tendered into storage for Customer's account as Excess Injection Gas for each Day during a given Month.

Excess Withdrawal Market Based \$/Dth

Charge Negotiable

Payment shall be equal to the applicable Excess Withdrawal Charge specified in Customer's executed Hub Services Agreement multiplied by the Dth quantity SGRM shall have withdrawn from storage for Customer's account as Excess Withdrawal Gas for each Day during a given Month.

Fuel Market Based/ \$/Dth or Reimbursement Negotiable or in kind

This amount of Gas shall be reimbursed by Customer in kind or in dollars per Dth, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Firm Storage Service Agreement.

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

<sup>\*</sup>All quantities of Gas are measured in Dekatherms (Dth).

FERC Docket: RP08-184-000

Original Sheet No. 7 Original Sheet No. 7: Pending

SFS RATE STATEMENT - SECONDARY FIRM STORAGE

SERVICE\*

RATE UNITS

Storage Reservation Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Storage Reservation Charge specified in Customer's executed Secondary Firm Storage Service Agreement multiplied by Customer's Maximum Storage Quantity.

Storage Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Injection Charge specified in Customer's executed Secondary Firm Storage Service Agreement multiplied by the Dth quantity Customer shall have tendered to SGRM for injection into storage for each Day during a given Month.

Storage Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Secondary Firm Storage Service Agreement multiplied by the Dth quantity SGRM shall have withdrawn from storage for Customer's account for each Day during a given Month.

Excess Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the applicable Excess Injection Charge specified in Customer's executed Hub Services Agreement multiplied by the Dth quantity SGRM shall have tendered into storage for Customer's account as Excess Injection Gas for each Day during a given Month.

Excess Withdrawal Market Based \$/Dth

Charge Negotiable

Payment shall be equal to the applicable Excess Withdrawal Charge specified in Customer's executed Hub Services Agreement multiplied by the Dth quantity SGRM shall have withdrawn from storage for Customer's account as Excess Withdrawal Gas for each Day during a given Month.

FERC Docket: RP08-184-000

Original Sheet No. 8 Original Sheet No. 8: Pending

SFS RATE STATEMENT - FIRM STORAGE SERVICE\* (Continued)

RATE UNITS

Fuel Market Based/ \$/Dth
Reimbursement Negotiable or in kind

This amount of Gas shall be reimbursed by Customer in kind or in dollars per Dth, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Secondary Firm Storage Service Agreement.

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

<sup>\*</sup>All quantities of Gas are measured in Dekatherms (Dth).

FERC Docket: RP08-184-000

Original Sheet No. 9 original Sheet No. 9: Pending

ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE\*

RATE UNITS

Storage Inventory Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Inventory Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity of Customer's Storage Inventory at the end of each Day, such amounts summed for all Days in a given Month.

Storage Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Injection Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity Customer shall have tendered to SGRM for injection into storage for each Day during a given Month.

Storage Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity SGRM shall have withdrawn from storage for Customer's account for each Day during a given Month.

Fuel Market Based/ \$/Dth
Reimbursement Negotiable or in kind

This amount of Gas shall be reimbursed by Customer in kind or in dollars per Dth, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Interruptible Service Agreement.

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

\* All quantities of Gas are measured in Dekatherms (Dth).

FERC Docket: RP08-184-000

Original Sheet No. 10 Original Sheet No. 10: Pending

# IP RATE STATEMENT - INTERRUPTIBLE PARKING SERVICE\*

	RATE	UNITS
Interruptible Parking Charge	Market Based/ Negotiable	\$/Dth
Interruptible Parking Injection Charge	Market Based/ Negotiable	\$/Dth
Interruptible Parking Withdrawal Charge	Market Based/ Negotiable	\$/Dth

Payment shall be equal to the Interruptible Parking Charge multiplied by the Dth quantity of Customer's Park Balance at the end of each Day, such amounts summed for all Days in a given Month, plus the Interruptible Parking Injection Charge multiplied by the quantity tendered for injection, plus the Interruptible Parking Withdrawal Charge multiplied by the quantity withdrawn, as applicable and specified in Customer's Hub Services Agreement.

\$/Dth Fuel Market Based/ Reimbursement Negotiable or in kind

This amount of Gas shall be reimbursed by Customer in kind or in dollars per Dth, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and Customer's Hub Services Agreement.

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

All quantities of Gas are measured in Dekatherms (Dth).

FERC Docket: RP08-184-000

Original Sheet No. 11 Original Sheet No. 11: Pending

IW RATE STATEMENT - INTERRUPTIBLE WHEELING SERVICE\*

RATE

UNITS

Interruptible Wheeling Market Based/

\$/Dth

Charge Negotiable

Payment shall be equal to the Interruptible Wheeling Charge multiplied by the Dth quantity SGRM shall have wheeled for Customer during a given invoice period, as specified in Customer's Hub Services Agreement.

Fuel Market Based/

\$/Dth

Reimbursement Negotiable or

in kind

This amount of Gas shall be reimbursed by Customer in kind or in dollars per Dth, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and Customer's Hub Services Agreement.

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

\* All quantities of Gas are measured in Dekatherms (Dth).

FERC Docket: RP08-184-000

Original Sheet No. 12 Original Sheet No. 12: Pending

# IL RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE\*

	RATE	UNITS
Interruptible Loan Charge	Market Based/ Negotiable	\$/Dth
Interruptible Loan Injection Charge	Market Based/ Negotiable	\$/Dth
Interruptible Loan Withdrawal Charge	Market Based/ Negotiable	\$/Dth

Payment shall be equal to the Interruptible Loan Charge multiplied by the Dth quantity of Customer's Loan Balance at the end of each Day, such amounts summed for all Days in a given Month, plus the Interruptible Loan Injection Charge multiplied by the quantity SGRM shall have tendered for Customer's account, plus the Interruptible Loan Withdrawal Charge multiplied by the quantity SGRM shall have withdrawn for Customer's account, as applicable and specified in Customer's Hub Services Agreement.

Market Based/ \$/Dth Reimbursement Negotiable or in kind

This amount of Gas shall be reimbursed by Customer in kind or in dollars per Dth, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and Customer's Hub Services Agreement.

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

All quantities of Gas are measured in Dekatherms (Dth).

FERC Docket: RP08-184-000

Original Sheet No. 13 Original Sheet No. 13: Pending

# IB RATE STATEMENT - INTERRUPTIBLE BALANCING SERVICE\*

	RATE	UNITS
Interruptible Balancing Charge	Market Based/ Negotiable	\$/Dth
Interruptible Balancing Injection Charge	Market Based/ Negotiable	\$/Dth
Interruptible Balancing Withdrawal Charge	Market Based/ Negotiable	\$/Dth

Payment shall be equal to the Interruptible Balancing Charge multiplied by the Dth quantity of Customer's Balancing Storage Inventory at the end of each Day, such amounts summed for all Days in a given Month, plus the Interruptible Balancing Injection Charge multiplied by the quantity SGRM shall have tendered for Customer's account, plus the Interruptible Balancing Withdrawal Charge multiplied by the quantity SGRM shall have withdrawn for Customer's account, as applicable and specified in Customer's Hub Services Agreement.

Fuel Market Based/ \$/Dth
Reimbursement Negotiable or in

kind

This amount of Gas shall be reimbursed by Customer in kind or in dollars per Dth, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and Customer's Hub Services Agreement.

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

\* All quantities of Gas are measured in Dekatherms (Dth).

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet Nos. 14-19 Original Sheet Nos. 14-19: Pending

SHEET NOS. 14-19 ARE RESERVED FOR FUTURE USE.

FERC Docket: RP09-414-000

First Revised Sheet No. 20 First Revised Sheet No. 20

Superseding: Original Sheet No. 20

FSS RATE SCHEDULE FIRM STORAGE SERVICE

#### AVATLABILITY

1.1 This Rate Schedule is available to any Customer for the purchase of firm Gas storage service from SGRM, provided that:

- (a) SGRM has determined that it has sufficient operationally available and uncommitted firm storage capacity and injection and withdrawal capacity to perform the service Customer has requested;
- (b) Customer and SGRM have executed a Firm Storage Service Agreement under this Rate Schedule;
- (c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule;
- (d) Availability of service under this Rate Schedule shall be subject to a determination by SGRM that its performance of the service requested hereunder shall not cause a reduction in SGRM's ability to provide Firm Storage Services under currently effective Storage Service Agreements; and
- (e) Service under this Rate Schedule may not be available to the extent that SGRM would be required to construct, modify, expand or acquire any facilities to enable SGRM to perform the requested services.
- 1.2 Multiple entities may contract for service collectively as the Customer through execution of a single Service Agreement under this Rate Schedule, and such entities may designate a party to act as their agent under the Service Agreement, provided the following conditions have been met:
- (a) The multiple entities seeking to be treated as Customer demonstrate to SGRM that they collectively will meet the Federal Energy Regulatory Commission's "shipper must have title" requirement, as set forth in Section 12 of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The multiple entities seeking to be treated as Customer provide written notice to SGRM identifying the agent under the Service Agreement and stating that the agent is authorized to act on their behalf and that each of the multiple entities which seek to be treated as the Customer under the Service Agreement is jointly and severally liable for all of the Customer's obligations under the Service Agreement; and
- (c) The multiple entities seeking to be treated as Customer acknowledge and agree that they shall be treated collectively as one Customer for nomination, allocation and billing purposes.

FERC Docket: RP09-414-000

Original Sheet No. 20A Original Sheet No. 20A

FSS RATE SCHEDULE FIRM STORAGE SERVICE (Continued)

#### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all firm storage service rendered by SGRM to Customer through use of SGRM's storage facility located in Mississippi and Alabama pursuant to an executed Firm Storage Service Agreement.

- 2.1 Firm Storage Service rendered to Customer under this Rate Schedule shall consist of:
- (a) Receipt on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Injection Quantity ("MDIQ") as stated in the executed Firm Storage Service Agreement, plus Fuel Reimbursement at the Point(s) of Receipt and the injection of Gas so received into storage, provided Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;
- (b) The storage of Gas in amounts up to Customer's firm Maximum Storage Quantity;

FERC Docket: RP08-184-000

Original Sheet No. 21 Original Sheet No. 21: Pending

FSS RATE SCHEDULE FIRM STORAGE SERVICE (Continued)

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

- 2.2 Provided that the receipt of Gas from Customer and the injection of such Gas into storage can be accomplished by SGRM without detriment to SGRM's facilities and/or SGRM's ability to meet its firm obligations to other Customers, SGRM may, upon Customer's request and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDRQ at a Point of Receipt, or at a Point of Receipt for which Customer's MDRQ is zero, including total injections in excess of Customer's MDIQ, provided that Customer's firm Storage Inventory has not exceeded Customer's Maximum Storage Quantity. Such excess quantities shall be deemed to be "Excess Injection Gas."
- 2.3 Provided that such withdrawal of Gas from storage and delivery of such Gas to Customer can be accomplished by SGRM without detriment to SGRM's facilities and/or SGRM's ability to meet its firm obligations to other Customers, SGRM may, upon Customer's request and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDDQ at a Point of Delivery, or at a Point of Delivery for which Customer's MDDQ is zero, including total withdrawals in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's firm Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Day. Such excess quantities shall be deemed to be "Excess Withdrawal Gas."
- 2.4 Customer shall be permitted to combine the firm injection, storage or withdrawal of Gas available under this rate schedule with any service available under any rate schedule set forth in this FERC Gas Tariff; provided, however, such combined service shall be subject to Section 5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

#### RATES AND CHARGES

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

- (a) Storage Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Storage Quantity.
- (b) Withdrawal Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Daily Withdrawal Quantity.

FERC Docket: RP08-184-000

Original Sheet No. 22 Original Sheet No. 22: Pending

FSS RATE SCHEDULE FIRM STORAGE SERVICE (Continued)

- (c) Injection Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Daily Injection Quantity.
- (d) Storage Injection Charge. A usage charge for each Dth of Customer's Gas tendered for injection into SGRM's facilities pursuant to Section 2.1(a) of this Rate Schedule for each Day during a given Month.
- (e) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from SGRM's facilities pursuant to Section 2.1(c) of this Rate Schedule for each Day during a given Month.
- (f) Excess Injection Charge. A usage charge for each Dth of Excess Injection Gas tendered for injection into SGRM's facilities pursuant to Section 2.2 of this Rate Schedule for each Day during a given Month.
- (g) Excess Withdrawal Charge. A usage charge for each Dth of Excess Withdrawal Gas withdrawn from SGRM's facilities pursuant to Section 2.3 of this Rate Schedule for each Day during a given Month.
- (h) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Firm Storage Service Agreement.
- (i) Regulatory Fees and Charges. Customer shall reimburse SGRM for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Firm Storage Service Agreement.
- (j) Taxes. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed SGRM, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Firm Storage Service Agreement.

#### 4. INVOICE

Each invoice for Firm Storage Service under this Rate Schedule shall reflect the applicable charges set forth under Section 3 of this Rate Schedule, at rates set forth in Customer's Firm Storage Service Agreement.

# 5. TERM

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

FERC Docket: RP08-184-001

Substitute Original Sheet No. 23 : Pending

FSS RATE SCHEDULE FIRM STORAGE SERVICE (Continued)

#### 6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

## 7. CURTAILMENT

If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, SGRM's capability to receive or deliver quantities is impaired so that SGRM is unable to receive or deliver the quantities provided for in its Storage Service Agreements with Customers for Firm Storage Services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

## 8. EXPIRATION OF TERM

8.1 Upon expiration without renewal or upon termination of Customer's Firm Storage Service Agreement, any of Customer's Gas remaining in the SGRM storage facility shall be deemed sold to SGRM at a price equal to the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff, less SGRM's actual costs incurred in conducting the auction. However, if Customer was unable to withdraw its FSS Gas quantities due to an interruption of Customer's withdrawal service by SGRM during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

FERC Docket: RP08-184-001

Substitute Original Sheet No. 24 Substitute Original Sheet No. 24: Pending

FSS RATE SCHEDULE FIRM STORAGE SERVICE (Continued)

8.2 Payment for the remaining quantities of Gas shall appear as a credit on the last statement rendered by SGRM to Customer. To the extent that the credit exceeds the total charges in that statement, the difference shall be paid by SGRM to Customer on or before the 25th day of the Month following the Month of such expiration or termination.

#### 9. GENERAL TERMS AND CONDITIONS

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

# 10. CHANGES TO RECEIPT AND DELIVERY POINTS

A Customer shall have the right, at any time, to request changes in its Point(s) of Receipt and/or Point(s) of Delivery, provided that SGRM shall not be required to grant a Customer's request unless (i) SGRM determines that it has adequate unsubscribed available capacity at the Point(s) of Receipt and/or Point(s) of Delivery to accommodate Customer's request, and (ii) Customer and SGRM reach agreement as to pricing applicable to Customer's Firm Storage Service reflecting the changes in Point(s) of Receipt and/or Point(s) of Delivery.

FERC Docket: RP09-414-000

First Revised Sheet No. 25 First Revised Sheet No. 25

Superseding: Original Sheet No. 25

SFS RATE SCHEDULE SECONDARY FIRM STORAGE SERVICE

#### AVATTABITATY

- 1.1 This Rate Schedule is available to any Customer for the purchase of secondary firm Gas storage service from SGRM, provided that:
- (a) SGRM has determined that it has sufficient operationally available and uncommitted firm storage capacity and injection and withdrawal capacity to perform the service Customer has requested;
- (b) SGRM has determined that the secondary firm storage service Customer has requested will not interfere with efficient operation of its system or with service to Customers under Rate Schedule FSS;
- (c) Customer and SGRM have executed a Secondary Firm Storage Service Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule;
- (e) Availability of service under this Rate Schedule shall be subject to a determination by SGRM that its performance of the service requested hereunder shall not cause a reduction in SGRM's ability to provide services to Customers under Rate Schedule FSS under currently effective Storage Service Agreements; and
- (f) Service under this Rate Schedule may not be available to the extent that SGRM would be required to construct, modify, expand or acquire any facilities to enable SGRM to perform the requested services.
- 1.2 Multiple entities may contract for service collectively as the Customer through execution of a single Service Agreement under this Rate Schedule, and such entities may designate a party to act as their agent under the Service Agreement, provided the following conditions have been met:
- (a) The multiple entities seeking to be treated as Customer demonstrate to SGRM that they collectively will meet the Federal Energy Regulatory Commission's "shipper must have title" requirement, as set forth in Section 12 of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The multiple entities seeking to be treated as Customer provide written notice to SGRM identifying the agent under the Service Agreement and stating that the agent is authorized to act on their behalf and that each of the multiple entities which seek to be treated as the Customer under the Service Agreement is jointly and severally liable for all of the Customer's obligations under the Service Agreement; and
- (c) The multiple entities seeking to be treated as Customer acknowledge and agree that they shall be treated collectively as one Customer for nomination, allocation and billing purposes.

FERC Docket: RP09-414-000

Original Sheet No. 25A Original Sheet No. 25A

SFS RATE SCHEDULE
SECONDARY FIRM STORAGE SERVICE
(Continued)

# 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all secondary firm storage service rendered by SGRM to Customer through use of SGRM's storage facility located in Mississippi and Alabama pursuant to an executed Secondary Firm Storage Service Agreement.

- 2.1 Secondary Firm Storage Service rendered to Customer under this Rate Schedule shall consist of:
- (a) Receipt on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Injection Quantity ("MDIQ") as stated in the executed Secondary Firm Storage Service Agreement, plus Fuel Reimbursement at the Point(s) of Receipt and the injection of Gas so received into storage, provided Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;
- (b) The storage of Gas in amounts up to Customer's secondary firm Maximum Storage Quantity;

FERC Docket: RP08-184-001

Substitute Original Sheet No. 26 : Pending

SFS RATE SCHEDULE SECONDARY FIRM STORAGE SERVICE (Continued)

- (c) The withdrawal from storage on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") as stated in Customer's executed Secondary Firm Storage Service Agreement and the delivery of such Gas to the Point(s) of Delivery, provided that Customer has a quantity of Gas in Customer's secondary firm Storage Inventory not less than the quantity Customer shall have nominated for withdrawal on such Day.
- 2.2 Provided that the receipt of Gas from Customer and the injection of such Gas into storage can be accomplished by SGRM without detriment to SGRM's facilities and/or SGRM's ability to meet its firm obligations to other Customers, SGRM may, upon Customer's request and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDRQ at a Point of Receipt, or at a Point of Receipt for which Customer's MDRQ is zero, including total injections in excess of Customer's MDIQ, provided that Customer's secondary firm Storage Inventory has not exceeded Customer's Maximum Storage Quantity. Such excess quantities shall be deemed to be "Excess Injection Gas."
- 2.3 Provided that such withdrawal of Gas from storage and delivery of such Gas to Customer can be accomplished by SGRM without detriment to SGRM's facilities and/or SGRM's ability to meet its firm obligations to other Customers, SGRM may, upon Customer's request and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDDQ at a Point of Delivery, or at a Point of Delivery for which Customer's MDDQ is zero, including total withdrawals in excess of Customer's MDDQ, provided that Customer has a quantity of Gas in Customer's secondary firm Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Day. Such excess quantities shall be deemed to be "Excess Withdrawal Gas."
- 2.4 To the extent secondary firm storage capacity which is being utilized by a secondary firm Customer hereunder is needed by SGRM in order to satisfy SGRM's obligations to Customers under Rate Schedule FSS, SGRM shall require Customer to withdraw all, or any portion of, Customer's secondary firm Gas quantities held in storage by SGRM as specified by SGRM. Unless SGRM otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw such secondary firm storage Gas, SGRM may take, free and clear of any adverse claims, title to such secondary firm Storage Inventory as Customer was instructed to withdraw. SGRM's notice to Customer may be given verbally, but shall be confirmed in writing via e-mail or facsimile to the Customer.

In the event that SGRM retains and takes title to any of Customer's Gas pursuant to this Section, SGRM shall dispose of such Gas by auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff and shall credit the price realized for such Gas at auction to Customer, less SGRM's actual costs incurred in conducting the auction.

FERC Docket: RP08-184-000

Original Sheet No. 27 Original Sheet No. 27: Pending

SFS RATE SCHEDULE SECONDARY FIRM STORAGE SERVICE (Continued)

In the event SGRM needs to require Customer to withdraw its Gas from storage pursuant to this Section, SGRM shall provide dayahead notice to Customer that it must withdraw Gas at its MDWQ during the next Gas Day. SGRM shall repeat this notice on a daily basis until all of Customer's Gas is withdrawn from storage or until the circumstances necessitating curtailment are alleviated. In the event Customer makes a timely nomination in response to a notification by SGRM pursuant to this paragraph, Customer's obligation to comply with that notification shall be tolled until such time as SGRM's operational conditions allow SGRM to schedule the nomination.

2.5 Customer shall be permitted to combine the secondary firm injection, storage or withdrawal of Gas available under this rate schedule with any service available under any rate schedule set forth in this FERC Gas Tariff; provided, however, such combined service shall be subject to Section 5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

#### RATES AND CHARGES

Customer shall pay rates and charges for Secondary Firm Storage Service under this Rate Schedule including the applicable storage rate components set forth in the SFS Rate Statement and as described below:

- (a) Storage Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Storage Quantity.
- (b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas tendered for injection into SGRM's facilities pursuant to Section 2.1(a) of this Rate Schedule for each Day during a given Month.
- (c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from SGRM's facilities pursuant to Section 2.1(c) of this Rate Schedule for each Day during a given Month.
- (d) Excess Injection Charge. A usage charge for each Dth of Excess Injection Gas tendered for injection into SGRM's facilities pursuant to Section 2.2 of this Rate Schedule for each Day during a given Month.
- (e) Excess Withdrawal Charge. A usage charge for each Dth of Excess Withdrawal Gas withdrawn from SGRM's facilities pursuant to Section 2.3 of this Rate Schedule for each Day during a given Month.

FERC Docket: RP08-184-000

Original Sheet No. 28 Original Sheet No. 28: Pending

#### SFS RATE SCHEDULE SECONDARY FIRM STORAGE SERVICE (Continued)

(f) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Secondary Firm Storage Service Agreement.

- (g) Regulatory Fees and Charges. Customer shall reimburse SGRM for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Secondary Firm Storage Service Agreement.
- (h) Taxes. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed SGRM, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Secondary Firm Storage Service Agreement.

#### INVOICE

Each invoice for Secondary Firm Storage Service under this Rate Schedule shall reflect the applicable charges set forth under Section 3 of this Rate Schedule, at rates set forth in Customer's Secondary Firm Storage Service Agreement.

## 5. TERM

The term for service under this Rate Schedule shall be as set forth in the executed Secondary Firm Storage Service Agreement.

# 6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

FERC Docket: RP08-184-001

Substitute Original Sheet No. 29 Substitute Original Sheet No. 29: Pending

SFS RATE SCHEDULE SECONDARY FIRM STORAGE SERVICE (Continued)

#### 7. CURTAILMENT

If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, SGRM's capability to receive or deliver quantities is impaired so that SGRM is unable to receive or deliver the quantities provided for in its Secondary Storage Service Agreements with Customers for Firm Storage Services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

#### 8. EXPIRATION OF TERM

- 8.1 Upon expiration without renewal or upon termination of Customer's Secondary Firm Storage Service Agreement, any of Customer's Gas remaining in the SGRM storage facility shall be deemed sold to SGRM at a price equal to the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff, less SGRM's actual costs incurred in conducting the auction. However, if Customer was unable to withdraw its SFS Gas quantities due to an interruption of Customer's withdrawal service by SGRM during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.
- $8.2\,$  Payment for the remaining quantities of Gas shall appear as a credit on the last statement rendered by SGRM to Customer. To the extent that the credit exceeds the total charges in that statement, the difference shall be paid by SGRM to Customer on or before the 25th day of the Month following the Month of such expiration or termination.

## 9. GENERAL TERMS AND CONDITIONS

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

FERC Docket: RP08-184-000

Original Sheet No. 30 original Sheet No. 30 : Pending

SFS RATE SCHEDULE
SECONDARY FIRM STORAGE SERVICE
(Continued)

# 10. CHANGES TO RECEIPT AND DELIVERY POINTS

A Customer shall have the right, at any time, to request changes in its Point(s) of Receipt and/or Point(s) of Delivery, provided that SGRM shall not be required to grant a Customer's request unless (i) SGRM determines that it has adequate unsubscribed available capacity at the Point(s) of Receipt and/or Point(s) of Delivery to accommodate Customer's request, and (ii) Customer and SGRM reach agreement as to pricing applicable to Customer's Secondary Firm Storage Service reflecting the changes in Point(s) of Receipt and/or Point(s) of Delivery.

FERC Docket: RP09-414-000

First Revised Sheet No. 31 First Revised Sheet No. 31

Superseding: Original Sheet No. 31

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE

#### AVAILABILITY

1.1 This Rate Schedule is available to any Customer for the purchase of Interruptible Gas storage service from SGRM, provided that:

- (a) SGRM has determined that it has sufficient operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform the service Customer has requested;
- (b) SGRM has determined that the Interruptible storage service Customer has requested will not interfere with efficient operation of its system or with Firm Storage Services;
- (c) Customer and SGRM have executed an Interruptible Storage Service Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that SGRM would be required to construct, modify, expand or acquire any facilities to enable SGRM to perform the requested services.
- 1.2 Multiple entities may contract for service collectively as the Customer through execution of a single Service Agreement under this Rate Schedule, and such entities may designate a party to act as their agent under the Service Agreement, provided the following conditions have been met:
- (a) The multiple entities seeking to be treated as Customer demonstrate to SGRM that they collectively will meet the Federal Energy Regulatory Commission's "shipper must have title" requirement, as set forth in Section 12 of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The multiple entities seeking to be treated as Customer provide written notice to SGRM identifying the agent under the Service Agreement and stating that the agent is authorized to act on their behalf and that each of the multiple entities which seek to be treated as the Customer under the Service Agreement is jointly and severally liable for all of the Customer's obligations under the Service Agreement; and
- (c) The multiple entities seeking to be treated as Customer acknowledge and agree that they shall be treated collectively as one Customer for nomination, allocation and billing purposes.

FERC Docket: RP09-414-000

Original Sheet No. 31A Original Sheet No. 31A

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(Continued)

#### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible storage service rendered by SGRM to Customer through use of SGRM's storage facility located in Mississippi and Alabama pursuant to an executed Interruptible Storage Service Agreement.

- 2.1 Interruptible storage service rendered to Customer under this Rate Schedule shall consist of:
- (a) The receipt on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Injection Quantity ("MDIQ") as stated in the executed Interruptible Storage Service Agreement, plus Fuel Reimbursement, at the Point(s) of Receipt and the injection of Gas so received into storage, provided that all Firm Storage Service nominations for injections have been satisfied and Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;
- (b) The storage of Gas in amounts up to Customer's Interruptible Maximum Storage Quantity, as stated in the executed Interruptible Storage Service Agreement, provided that all Firm Storage Service requests to utilize Storage Inventory have been satisfied; and

FERC Docket: RP08-184-001

Substitute Original Sheet No. 32 Substitute Original Sheet No. 32: Pending

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(Continued)

(c) The withdrawal from storage on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") as stated in the executed Interruptible Storage Service Agreement and the delivery of such Gas to the Point(s) of Delivery, provided that all Firm Storage Service nominations for withdrawal have been satisfied and Customer has a quantity of Gas in Customer's Interruptible Storage Inventory not less than the quantity Customer shall have nominated for withdrawal on such Day.

2.2 To the extent Interruptible storage capacity which is being utilized by an Interruptible Customer hereunder is needed by SGRM in order to satisfy SGRM's obligations to Firm Storage Service Customers, SGRM shall require Customer to withdraw all, or any portion of, the ISS Gas quantities held in storage by SGRM for the account of Customer as specified by SGRM. Unless SGRM otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw such ISS Gas from storage, SGRM may take, free and clear of any adverse claims, title to such ISS Storage Inventory as Customer was instructed to withdraw. SGRM's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer.

In the event that SGRM retains and takes title to any of Customer's Gas pursuant to this Section, SGRM shall dispose of such Gas by auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff and shall credit the price realized for such Gas at auction to Customer, less SGRM's actual costs incurred in conducting the auction.

In the event SGRM needs to require Customer to withdraw its Gas from storage pursuant to this Section, SGRM shall provide day-ahead notice to Customer that it must withdraw Gas at its MDWQ during the next Gas Day. SGRM shall repeat this notice on a daily basis until all of Customer's Gas is withdrawn from storage or until the circumstances necessitating interruption are alleviated. In the event Customer makes a timely nomination in response to a notification by SGRM pursuant to this paragraph, Customer's obligation to comply with that notification shall be tolled until such time as SGRM's operational conditions allow SGRM to schedule the nomination.

Customer shall be permitted to combine the Interruptible injection, storage, or withdrawal and delivery of Gas available under this rate schedule with any service available under any other rate schedule set forth in this FERC Gas Tariff; provided, however, such combined services shall be subject to Section 5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

FERC Docket: RP08-184-000

Original Sheet No. 33 Original Sheet No. 33: Pending

# ISS RATE SCHEDULE INTERRUPTIBLE STORAGE SERVICE (Continued)

#### 3. RATES AND CHARGES

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

- (a) Storage Inventory Charge. A usage charge for each Dth of Gas in Customer's Storage Inventory pursuant to Section 2.1(b) of this Rate Schedule at the end of each Day, for each Day during a given Month.
- (b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas tendered for injection into SGRM's facilities pursuant to Section 2.1(a) of this Rate Schedule.
- (c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from SGRM's facilities pursuant to Section 2.1(c) of this Rate Schedule.
- (d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Interruptible Storage Service Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse SGRM for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Interruptible Storage Service Agreement.
- (f) Taxes. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed SGRM, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Interruptible Storage Service Agreement.

# 4. INVOICE

Each invoice for Interruptible storage service shall reflect the applicable charges set forth under Section 3 of this Rate Schedule, at rates set forth in Customer's Interruptible Storage Service Agreement.

# 5. TERM

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

FERC Docket: RP08-184-001

Substitute Original Sheet No. 34 : Pending

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(Continued)

### 6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

## 7. CURTAILMENT

If, due to any cause whatsoever, SGRM's capability to receive or deliver quantities of Gas is impaired so that SGRM is unable to receive or deliver the quantities provided for in its Storage Service Agreements with Customers for Interruptible services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### 8. EXPIRATION OF TERM

8.1 Upon expiration without renewal or upon termination of Customer's Interruptible Storage Service Agreement, any of Customer's Gas remaining in the SGRM storage facility shall be deemed sold to SGRM at a price equal to the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff, less SGRM's actual costs incurred in conducting the auction. However, if Customer was unable to withdraw its ISS Gas quantities due to an interruption of Customer's withdrawal service by SGRM during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

FERC Docket: RP08-184-001

Substitute Original Sheet No. 35 Substitute Original Sheet No. 35: Pending

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(Continued)

8.2 Payment for the remaining quantities of Gas shall appear as a credit on the last statement rendered by SGRM to Customer. To the extent that the credit exceeds the total charges in that statement, the difference shall be paid by SGRM to Customer on or before the 25th day of the Month following the Month of such expiration or termination.

## 9. GENERAL TERMS AND CONDITIONS

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

FERC Docket: RP09-414-000

First Revised Sheet No. 36 First Revised Sheet No. 36

Superseding: Original Sheet No. 36

IP RATE SCHEDULE
INTERRUPTIBLE PARKING SERVICE

### AVATLABILITY

1.1 This Rate Schedule is available to any Customer for the purchase of Interruptible parking service from SGRM, provided

- (a) SGRM has determined that it has sufficient operationally available Interruptible storage capacity, injection or withdrawal capacity to perform the parking service Customer has requested;
- (b) SGRM has determined that the parking service Customer has requested will not interfere with efficient operation of its system or with Firm Storage Services;
- (c) Customer and SGRM have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the parking service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that SGRM would be required to construct, modify, expand or acquire any facilities to enable SGRM to perform the requested services.
- 1.2 Multiple entities may contract for service collectively as the Customer through execution of a single Service Agreement under this Rate Schedule, and such entities may designate a party to act as their agent under the Service Agreement, provided the following conditions have been met:
- (a) The multiple entities seeking to be treated as Customer demonstrate to SGRM that they collectively will meet the Federal Energy Regulatory Commission's "shipper must have title" requirement, as set forth in Section 12 of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The multiple entities seeking to be treated as Customer provide written notice to SGRM identifying the agent under the Service Agreement and stating that the agent is authorized to act on their behalf and that each of the multiple entities which seek to be treated as the Customer under the Service Agreement is jointly and severally liable for all of the Customer's obligations under the Service Agreement; and
- (c) The multiple entities seeking to be treated as Customer acknowledge and agree that they shall be treated collectively as one Customer for nomination, allocation and billing purposes.

FERC Docket: RP09-414-000

Original Sheet No. 36A Original Sheet No. 36A

IP RATE SCHEDULE
INTERRUPTIBLE PARKING SERVICE
(Continued)

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible parking service rendered by SGRM to Customer through use of SGRM's storage facility located in Mississippi and Alabama pursuant to an executed Hub Services Agreement.

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

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

FERC Docket: RP08-184-001

Substitute Original Sheet No. 37 Substitute Original Sheet No. 37: Pending

IP RATE SCHEDULE
INTERRUPTIBLE PARKING SERVICE
(Continued)

(b) The storage of Gas in amounts up to Customer's Maximum Park Quantity provided that all Firm Storage Service storage needs have been satisfied; and

(c) The withdrawal from storage on any Day and delivery of Customer's Gas per Customer's nomination to the Point(s) of Delivery up to the Maximum Daily Withdrawal Quantity ("MDWQ") stated in Customer's Hub Services Agreement with Customer, provided that all Firm Storage Service nominations or withdrawals have been satisfied, and that Customer has a quantity of Gas stored in Customer's Park Balance not less than the quantity the Customer shall have nominated for withdrawal on such Day.

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

In the event that SGRM retains and takes title to any of Customer's Gas pursuant to this Section, SGRM shall dispose of such Gas by auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff and shall credit the price realized for such Gas at auction to Customer, less SGRM's actual costs incurred in conducting the auction.

In the event SGRM needs to require Customer to withdraw its Gas from storage pursuant to this Section, SGRM shall provide dayahead notice to Customer that it must withdraw Gas at its MDWQ during the next Gas Day. SGRM shall repeat this notice on a daily basis until all of Customer's Gas is withdrawn from storage or until the circumstances necessitating interruption are alleviated. In the event Customer makes a timely nomination in response to a notification by SGRM pursuant to this paragraph, Customer's obligation to comply with that notification shall be tolled until such time as SGRM's operational conditions allow SGRM to schedule the nomination.

FERC Docket: RP08-184-000

Original Sheet No. 38 Original Sheet No. 38: Pending

# IP RATE SCHEDULE INTERRUPTIBLE PARKING SERVICE (Continued)

Customer shall be permitted to combine the Interruptible injection, storage, or withdrawal and delivery of Gas available under this rate schedule with any service available under any other rate schedule set forth in this FERC Gas Tariff; provided, however, such combined services shall be subject to Section 5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### 3. RATES AND CHARGES

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

- (a) Interruptible Parking Charge. A charge for each Dth of Gas in Customer's Park Balance at the end of each Day, for each Day during a given Month.
- (b) Interruptible Parking Injection Charge. A charge for each Dth of Customer's Gas tendered for injection into SGRM's facilities pursuant to Section 2(a) of this Rate Schedule during a given invoice period.
- (c) Interruptible Parking Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn from SGRM's facilities pursuant to Section 2(c) of this Rate Schedule during a given invoice period.
- (d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Hub Services Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse SGRM for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Hub Services Agreement.
- (f) Taxes. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed SGRM, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Hub Services Agreement.

### 4. INVOICE

Each invoice for Interruptible parking service shall reflect the applicable charges set forth under Section 3 of this Rate Schedule at rates and terms set forth in Customer's Hub Services Agreement.

FERC Docket: RP08-184-000

Original Sheet No. 39 Original Sheet No. 39: Pending

# IP RATE SCHEDULE INTERRUPTIBLE PARKING SERVICE (Continued)

### 5. TERM

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

### 6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

## 7. CURTAILMENT

If, due to any cause whatsoever, SGRM's capability to receive or deliver quantities of Gas is impaired so that SGRM is unable to receive or deliver the quantities provided for in its Storage Service Agreements with Customers for Interruptible services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

FERC Docket: RP08-184-001

Substitute Original Sheet No. 40 substitute Original Sheet No. 40: Pending

IP RATE SCHEDULE
INTERRUPTIBLE PARKING SERVICE
(Continued)

### 8. EXPIRATION OF TERM

- 8.1 Upon expiration without renewal or upon termination of Customer's Hub Services Agreement, any of Customer's Gas remaining in the SGRM storage facility shall be deemed sold to SGRM at a price equal to the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff, less SGRM's actual costs incurred in conducting the auction. However, if Customer was unable to withdraw its IP Gas quantities due to an interruption of Customer's withdrawal service by SGRM during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.
- 8.2 Payment for the remaining quantities of Gas shall appear as a credit on the last statement rendered by SGRM to Customer. To the extent that the credit exceeds the total charges in that statement, the difference shall be paid by SGRM to Customer on or before the 25th day of the Month following the Month of such expiration or termination.

### 9. GENERAL TERMS AND CONDITIONS

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

FERC Docket: RP09-414-000

First Revised Sheet No. 41 First Revised Sheet No. 41

Superseding: Original Sheet No. 41

IW RATE SCHEDULE INTERRUPTIBLE WHEELING SERVICE

### AVATLABILITY

1.1 This Rate Schedule is available to any Customer for the purchase of Interruptible Gas wheeling service from SGRM, provided that:

- (a) SGRM has determined that it has sufficient operationally available Interruptible wheeling, receipt and delivery capacity to perform service Customer has requested;
- (c) Customer and SGRM have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any upstream and/or downstream transportation service required for utilization of the wheeling service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that SGRM would be required to construct, modify, expand or acquire any facilities to enable SGRM to perform the requested services.
- 1.2 Multiple entities may contract for service collectively as the Customer through execution of a single Service Agreement under this Rate Schedule, and such entities may designate a party to act as their agent under the Service Agreement, provided the following conditions have been met:
- (a) The multiple entities seeking to be treated as Customer demonstrate to SGRM that they collectively will meet the Federal Energy Regulatory Commission's "shipper must have title" requirement, as set forth in Section 12 of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The multiple entities seeking to be treated as Customer provide written notice to SGRM identifying the agent under the Service Agreement and stating that the agent is authorized to act on their behalf and that each of the multiple entities which seek to be treated as the Customer under the Service Agreement is jointly and severally liable for all of the Customer's obligations under the Service Agreement; and
- (c) The multiple entities seeking to be treated as Customer acknowledge and agree that they shall be treated collectively as one Customer for nomination, allocation and billing purposes.

FERC Docket: RP09-414-000

Original Sheet No. 41A Original Sheet No. 41A

IW RATE SCHEDULE
INTERRUPTIBLE WHEELING SERVICE
(Continued)

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible wheeling service rendered by SGRM to Customer through use of SGRM's storage facility located in Mississippi and Alabama pursuant to an executed Hub Services Agreement.

Interruptible wheeling service rendered by SGRM to Customer under this Rate Schedule shall consist of the transportation of Gas, on an Interruptible basis, by SGRM for Customer on SGRM's system between agreed upon Point(s) of Receipt and Point(s) of Delivery.

SGRM shall, on an Interruptible basis, receive for Customer at Point(s) of Receipt and shall transport and deliver at the Point(s) of Delivery, less Fuel Reimbursement, daily quantities of Gas up to the Maximum Daily Wheeling Quantity ("MDTQ") as specified in Customer's Hub Services Agreement; provided, however, SGRM shall not be obligated to receive, transport and/or deliver quantities of Gas on any Day in excess of the quantity nominated and scheduled for that Day. Interruptible wheeling service shall be available only in the event that all Firm Storage Service needs have been satisfied.

FERC Docket: RP08-184-000

Original Sheet No. 42 Original Sheet No. 42: Pending

IW RATE SCHEDULE
INTERRUPTIBLE WHEELING SERVICE
(Continued)

Customer shall be permitted to combine the Interruptible wheeling service available under this rate schedule with any service available under any other rate schedule set forth in this FERC Gas Tariff; provided, however, such combined service shall be subject to Section 5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### 3. RATES AND CHARGES

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

- (a) Interruptible Wheeling Charge. A charge for each Dth of Customer's Gas wheeled by  $\mathsf{SGRM}$ .
- (b) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of this FERC Gas Tariff and as set forth in Customer's Hub Services Agreement per each Dth of Gas received from Customer for wheeling.
- (c) Regulatory Fees and Charges. Customer shall reimburse SGRM for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in the Hub Services Agreement.
- (d) Taxes. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Hub Services Agreement.

### 4. INVOICE

Each invoice for Interruptible wheeling service shall reflect the applicable charges set forth under Section 3 of this Rate Schedule at rates and terms set forth in Customer's Hub Services Agreement.

### 5. TERM

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

FERC Docket: RP08-184-000

Original Sheet No. 43 Original Sheet No. 43: Pending

IW RATE SCHEDULE
INTERRUPTIBLE WHEELING SERVICE
(Continued)

### 6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

### 7. CURTAILMENT

If, due to any cause whatsoever, SGRM's capability to receive or deliver quantities of Gas is impaired so that SGRM is unable to receive or deliver the quantities provided for in its Storage Service Agreements with Customers for Interruptible services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### 8. GENERAL TERMS AND CONDITIONS

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

FERC Docket: RP09-414-000

First Revised Sheet No. 44 First Revised Sheet No. 44

Superseding: Original Sheet No. 44

IL RATE SCHEDULE
INTERRUPTIBLE LOAN SERVICE

#### AVATTABITATY

1.1 This Rate Schedule is available to any Customer for the purchase of Interruptible Gas loan service from SGRM, provided that:

- (a) SGRM has determined that it has sufficient operationally available Interruptible storage capacity, injection or withdrawal capacity to perform service Customer has requested;
- (b) SGRM has determined that the loan service Customer has requested will not interfere with efficient operation of its system or with Firm Storage Services;
- (c) Customer and SGRM have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the loan service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that SGRM would be required to construct, modify, expand or acquire any facilities to enable SGRM to perform the requested services.
- 1.2 Multiple entities may contract for service collectively as the Customer through execution of a single Service Agreement under this Rate Schedule, and such entities may designate a party to act as their agent under the Service Agreement, provided the following conditions have been met:
- (a) The multiple entities seeking to be treated as Customer demonstrate to SGRM that they collectively will meet the Federal Energy Regulatory Commission's "shipper must have title" requirement, as set forth in Section 12 of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The multiple entities seeking to be treated as Customer provide written notice to SGRM identifying the agent under the Service Agreement and stating that the agent is authorized to act on their behalf and that each of the multiple entities which seek to be treated as the Customer under the Service Agreement is jointly and severally liable for all of the Customer's obligations under the Service Agreement; and
- (c) The multiple entities seeking to be treated as Customer acknowledge and agree that they shall be treated collectively as one Customer for nomination, allocation and billing purposes.

FERC Docket: RP09-414-000

Original Sheet No. 44A Original Sheet No. 44A

IL RATE SCHEDULE
INTERRUPTIBLE LOAN SERVICE
(Continued)

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible loan service rendered by SGRM to Customer through use of SGRM's storage facility located in Mississippi and Alabama pursuant to an executed Hub Services Agreement.

Interruptible loan service rendered by SGRM to Customer under this Rate Schedule shall consist of the advancement to Customer, upon nomination and subsequent confirmation, of daily quantities of Gas in storage up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ"), as stated in Customer's Hub Services Agreement, provided that all Firm Storage Service nominations for withdrawal have been satisfied and system needs allow. Customer agrees to replace the borrowed quantities of Gas to SGRM at a time to be agreed upon as set forth in the Hub Services Agreement by delivering Gas, including Fuel Reimbursement, to Point(s) of Receipt in quantities on any Day up to Customer's Maximum Daily Injection Quantity ("MDIQ"), as stated in Customer's Hub Services Agreement, provided that all Firm Storage Service nominations for injection have been satisfied and system needs allow.

FERC Docket: RP08-184-000

Original Sheet No. 45 Original Sheet No. 45: Pending

# IL RATE SCHEDULE INTERRUPTIBLE LOAN SERVICE (Continued)

To the extent Gas which is advanced to an Interruptible Customer hereunder is needed by SGRM in order to satisfy SGRM's obligations to Firm Storage Services or to meet system needs, SGRM may at its reasonable judgment and upon giving notice to Customer, interrupt the continuation of any or all services hereunder and require Customer to replace or replenish all, or any portion, of the IL Gas quantities borrowed by Customer at a time to be agreed upon. Unless SGRM otherwise agrees, Customer shall be required to make ratable injections.

If Customer fails to replace or replenish borrowed Gas to SGRM at the agreed upon time, SGRM may purchase replacement Gas and Customer shall pay SGRM the cost of the replacement Gas, which shall include the actual cost of replacement supplies and any costs or penalties incurred by SGRM or its Customers as a result of Customer's failure to deliver replacement Gas, plus all other costs incurred by SGRM to secure such replacement Gas, including, but not limited to, third-party marketing fees, transportation by third-party pipeline companies, and all other costs for securing replacement Gas.

In the event SGRM needs to require Customer to inject Gas into storage pursuant to this Section, SGRM shall provide day-ahead notice to Customer that it must inject Gas at its MDIQ during the next Gas Day. SGRM shall repeat this notice on a daily basis until all of Customer's borrowed Gas is replaced or until the circumstances necessitating interruption of Customer's loan are alleviated. In the event Customer makes a timely nomination in response to a notification by SGRM pursuant to this paragraph, Customer's obligation to comply with that notification shall be tolled until such time as SGRM's operational conditions allow SGRM to schedule the nomination.

Customer shall be permitted to combine the Interruptible loan service available under this rate schedule with any service available under any other rate schedule set forth in this FERC Gas Tariff; provided, however, such combined services shall be subject to Section 5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### RATES AND CHARGES

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

(a) Interruptible Loan Charge. A charge for each Dth of Gas in Customer's Loan Balance at the end of each Day, for each Day during a given Month.

FERC Docket: RP08-184-000

Original Sheet No. 46 original Sheet No. 46: Pending

# IL RATE SCHEDULE INTERRUPTIBLE LOAN SERVICE (Continued)

(b) Interruptible Loan Injection Charge. A charge for each Dth of Gas tendered for injection into SGRM's facilities pursuant to Section 2 of this Rate Schedule.

- (c) Interruptible Loan Withdrawal Charge. A charge for each Dth of Gas withdrawn from SGRM's facilities pursuant to Section 2 of this Rate Schedule.
- (d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Hub Services Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse SGRM for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Hub Services Agreement.
- (f) Taxes. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed SGRM, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in the Hub Services Agreement.

### 4. INVOICE

Each invoice for Interruptible loan service shall reflect the applicable charges set forth under Section 3 of this Rate Schedule at rates and terms set forth in Customer's Hub Services Agreement.

### 5. TERM

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

## 6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

FERC Docket: RP08-184-000

Original Sheet No. 47 Original Sheet No. 47: Pending

# IL RATE SCHEDULE INTERRUPTIBLE LOAN SERVICE (Continued)

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

### 7. CURTAILMENT

If, due to any cause whatsoever, SGRM's capability to receive or deliver quantities of Gas is impaired so that SGRM is unable to receive or deliver the quantities provided for in its Storage Service Agreements with Customers for Interruptible services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### 8. GENERAL TERMS AND CONDITIONS

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

FERC Docket: RP09-414-000

First Revised Sheet No. 48 First Revised Sheet No. 48

Superseding: Original Sheet No. 48

IB RATE SCHEDULE INTERRUPTIBLE BALANCING SERVICE

### AVATTABITATY

1.1 This Rate Schedule is available to any Customer for the purchase of Interruptible balancing service from SGRM, provided that:

- (a) SGRM has determined that it has sufficient operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform service Customer has requested;
- (b) SGRM has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Service;
- (c) Customer and SGRM have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the balancing service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that SGRM would be required to construct, modify, expand or acquire any facilities to enable SGRM to perform the requested services.
- 1.2 Multiple entities may contract for service collectively as the Customer through execution of a single Service Agreement under this Rate Schedule, and such entities may designate a party to act as their agent under the Service Agreement, provided the following conditions have been met:
- (a) The multiple entities seeking to be treated as Customer demonstrate to SGRM that they collectively will meet the Federal Energy Regulatory Commission's "shipper must have title" requirement, as set forth in Section 12 of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The multiple entities seeking to be treated as Customer provide written notice to SGRM identifying the agent under the Service Agreement and stating that the agent is authorized to act on their behalf and that each of the multiple entities which seek to be treated as the Customer under the Service Agreement is jointly and severally liable for all of the Customer's obligations under the Service Agreement; and
- (c) The multiple entities seeking to be treated as Customer acknowledge and agree that they shall be treated collectively as one Customer for nomination, allocation and billing purposes.

FERC Docket: RP09-414-000

Original Sheet No. 48A Original Sheet No. 48A

IB RATE SCHEDULE
INTERRUPTIBLE BALANCING SERVICE
(Continued)

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible balancing service rendered by SGRM to Customer through use of SGRM's storage facility located in Mississippi and Alabama pursuant to an executed Hub Services Agreement.

Interruptible balancing service rendered by SGRM to Customer under this Rate Schedule shall consist of the injection, storage, and withdrawal of quantities of Gas in order to manage imbalances created by Customer under the Rate Schedules set forth in this FERC Gas Tariff. Service under this Rate Schedule includes:

(a) The injection on any Day into storage of Customer's Gas (less Fuel Reimbursement) up to Customer's Maximum Daily Injection Quantity ("MDIQ") per Customer's nomination which is the excess of (i) the quantity of Gas received from Customer at any Point(s) of Receipt per Customer's nomination(s), minus (ii) the quantity of Gas delivered for Customer's account to any Point(s) of Delivery per Customer's nomination(s), provided that all Firm Service nominations for injection have been satisfied and that Customer has sufficient capacity available as part of its Interruptible balancing Maximum Storage Quantity to accommodate the nominated injection quantity.

FERC Docket: RP08-184-001

Substitute Original Sheet No. 49 Substitute Original Sheet No. 49: Pending

IB RATE SCHEDULE
INTERRUPTIBLE BALANCING SERVICE
(Continued)

(b) The storage of Gas in amounts up to Customer's Interruptible balancing Maximum Storage Quantity, provided that all Firm Storage Service storage and system needs have been satisfied; and

(c) The withdrawal from storage on any Day and delivery of SGRM's Gas (as loan Gas) or Customer's Gas per Customer's nomination to the Point(s) of Delivery which is the excess of (i) the quantity of Gas delivered to Customer at any Point(s) of Delivery per Customer's nomination(s), minus (ii) the quantity of Gas received from Customer at any Point(s) of Receipt per Customer's nomination(s), provided that all Firm Storage Service nominations for withdrawal and system needs have been satisfied, and that Customer has a quantity of Gas stored in Interruptible Storage Inventory or available under its Maximum Loan Quantity not less than the quantity the Customer shall have nominated for withdrawal on such Day.

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

In the event that SGRM retains and takes title to any of Customer's Gas pursuant to this Section, SGRM shall dispose of such Gas by auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff and shall credit the price realized for such Gas at auction to Customer, less SGRM's actual costs incurred in conducting the auction.

FERC Docket: RP08-184-000

Original Sheet No. 50 original Sheet No. 50: Pending

# IB RATE SCHEDULE INTERRUPTIBLE BALANCING SERVICE (Continued)

In the event SGRM needs to require Customer to either withdraw its Gas from storage or to inject loan repayment Gas into storage pursuant to this Section, SGRM shall provide day-ahead notice to Customer that it must withdraw or inject Gas at its MDWQ or MDIQ during the next Gas Day. SGRM shall repeat this notice on a daily basis until all of Customer's Gas is withdrawn from storage, or all of Customer's Loan Balance is returned, or until the circumstances necessitating interruption are alleviated. In the event Customer makes a timely nomination in response to a notification by SGRM pursuant to this paragraph, Customer's obligation to comply with that notification shall be tolled until such time as SGRM's operational conditions allow SGRM to schedule the nomination.

Customer shall be permitted to combine the Interruptible injection, storage, or withdrawal and delivery of Gas available under this rate schedule with any service available under any other rate schedule set forth in this FERC Gas Tariff; provided, however, such combined services shall be subject to Section 5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### 3. RATES AND CHARGES

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

- (a) Interruptible Balancing Charge. A usage charge for each Dth of Gas in Customer's Storage Inventory or Loan Balance under this Rate Schedule at the end of each Day, for each Day during a given Month.
- (b) Interruptible Balancing Injection Charge. A usage charge for each Dth of Gas tendered for injection into SGRM's facilities pursuant to Section  $2\,(a)$  of this Rate Schedule.
- (c) Interruptible Balancing Withdrawal Charge. A usage charge for each Dth of Gas withdrawn from SGRM's facilities pursuant to Section 2(c) of this Rate Schedule.
- (d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Hub Services Agreement.

FERC Docket: RP08-184-000

Original Sheet No. 51 Original Sheet No. 51: Pending

# IB RATE SCHEDULE INTERRUPTIBLE BALANCING SERVICE (Continued)

(e) Regulatory Fees and Charges. Customer shall reimburse SGRM for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Hub Services Agreement.

(f) Taxes. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed SGRM, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Hub Services Agreement.

### 4. INVOICE

Each invoice for Interruptible balancing service shall reflect the applicable charges set forth under Section 3 of this Rate Schedule at rates and terms set forth in Customer's Hub Services Agreement.

#### 5. TERM

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

### 6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

FERC Docket: RP08-184-001

Substitute Original Sheet No. 52 Substitute Original Sheet No. 52: Pending

IB RATE SCHEDULE
INTERRUPTIBLE BALANCING SERVICE
(Continued)

#### CURTATIMENT

If, due to any cause whatsoever, SGRM's capability to receive or deliver quantities of Gas is impaired so that SGRM is unable to receive or deliver the quantities provided for in its Storage Service Agreements with Customers for Interruptible services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

### 8. EXPIRATION OF TERM

- 8.1 Upon expiration without renewal or upon termination of Customer's Hub Services Agreement, any of Customer's Gas remaining in the SGRM storage facility shall be deemed sold to SGRM at a price equal to the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff, less SGRM's actual costs incurred in conducting the auction. However, if Customer was unable to withdraw its IB Gas quantities due to an interruption of Customer's withdrawal service by SGRM during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.
- 8.2 Payment for the remaining quantities of Gas shall appear as a credit on the last statement rendered by SGRM to Customer. To the extent that the credit exceeds the total charges in that statement, the difference shall be paid by SGRM to Customer on or before the 25th day of the Month following the Month of such expiration or termination.

### 9. GENERAL TERMS AND CONDITIONS

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

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet Nos. 53-99 Original Sheet Nos. 53-99 : Pending

SHEET NOS. 53-99 ARE RESERVED FOR FUTURE USE.

FERC Docket: RP08-184-000

Original Sheet No. 100 Original Sheet No. 100: Pending

### GENERAL TERMS AND CONDITIONS

#### 1. INTRODUCTORY STATEMENT

Except where expressly stated otherwise, the General Terms and Conditions of SGRM's currently effective FERC Gas Tariff shall apply to all Gas services rendered by SGRM under any Storage Service Agreement, including, but not limited to, service under the FSS, SFS, ISS, IP, IW, IL and IB Rate Schedules.

### 2. DEFINITIONS

- 2.1 "Action Alert" shall have the meaning set forth in Section  $5.5\left(f\right)$  .
  - 2.2 "Bcf" means billion (1,000,000,000) cubic feet.
- 2.3 "Btu" means one British Thermal Unit, and shall be the quantity of heat required to raise the temperature of one (1) pound of water from fifty-eight and five-tenths degrees (58.5 degrees) to fifty-nine and five-tenths degrees (59.5 degrees) Fahrenheit. The reporting basis for Btu is 14.73 dry psia and 60 degrees Fahrenheit (101.325 kPa and 15 degrees C, and dry).
- $2.4\,$  "Business Day" means Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico.
- 2.5 "Contract Year" means the twelve (12) month period beginning on the date storage service under a Storage Service Agreement commences and each subsequent twelve month period thereafter during the term of the Storage Service Agreement.
- $2.6\,$  "Critical Notices" shall mean information pertaining to SGRM conditions that affect scheduling or adversely affect scheduled Gas flow.
- 2.7 "A cubic foot of Gas" equals the volume of Gas that occupies one cubic foot at a temperature of 60 degrees Fahrenheit, a pressure of 14.73 psia, and dry. Mcf means one thousand (1,000) cubic feet and MMcf means one million (1,000,000) cubic feet.
- 2.8 "Customer" means the party that holds all lawful right and/or title to the Gas that is being stored, parked and/or wheeled and who executes a Storage Service Agreement with SGRM.
- 2.9 "Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 a.m. (Central Clock Time ("CCT")).
- 2.10 "Dekatherm" ("Dth") means the quantity of heat energy which is equivalent to 1,000,000 Btu. One "Dekatherm" of Gas means the quantity of Gas which contains one Dekatherm of heat energy

FERC Docket: RP08-184-000

Original Sheet No. 101 Original Sheet No. 101: Pending

- 2.11 "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.
- 2.12 "Elapsed-prorated-scheduled Quantity" shall mean that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.
- $2.13\,$  "FERC" or "Commission" means the Federal Energy Regulatory Commission or any successor agency.
- $2.14\,$  "Firm Storage Service" means any service under Rate Schedules FSS or SFS.
- 2.15 "Florida Gas Index" means the price listed in the "Daily Price Survey" of Platts Gas Daily under the MidPoint column opposite the "Florida Gas, Zone 3" reference line.
- 2.16 "Fuel Reimbursement" shall have the meaning set forth in Section 19 of the General Terms and Conditions of this FERC Gas Tariff.
- 2.17 "Gas" means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells and residue gas resulting from processing both casinghead gas and gas well gas.
- 2.18 "Internet Web Site" means SGRM's HTML site accessible via the Internet's World Wide Web and located at http://www.sgr-holdings.com.
- 2.19 "Interruptible" means that the storage, parking, wheeling, loaning or balancing service is subject to interruption at any time by SGRM. A Customer may be required to withdraw Gas held in storage pursuant to Customer's Storage Service Agreement for Interruptible service, or to return loaned Gas to SGRM, should such capacity or quantities be required by a Firm Storage Service.
- 2.20 "Intraday nomination" means a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Day and runs through the end of that Day.
- 2.21 "Loan Balance" means the quantity of Gas, expressed in Dth, that SGRM has loaned to Customer, provided that the Loan Balance shall never exceed Customer's Maximum Loan Quantity specified in Hub Services Agreement.

FERC Docket: RP08-184-000

Original Sheet No. 102 Original Sheet No. 102: Pending

- 2.22 "Maximum Daily Delivery Quantity" or "MDDQ" means the maximum quantity of Gas, expressed in Dths, specified in Customer's Storage Service Agreement, that Customer may nominate and that SGRM shall deliver at a Point of Delivery, subject to Section 8.3 of these General Terms and Conditions.
- 2.23 "Maximum Daily Injection Quantity" or "MDIQ" means the maximum quantity of Gas, expressed in Dth, specified in Customer's Storage Service Agreement, that Customer may nominate and that SGRM shall receive at all Point(s) of Receipt for injection into storage each Day, subject to Section 8.3 of these General Terms and Conditions.
- 2.24 "Maximum Daily Receipt Quantity" or "MDRQ" means the maximum quantity of Gas, expressed in Dths, specified in Customer's Storage Service Agreement, that Customer may nominate and that SGRM shall receive at a Point of Receipt, subject to Section 8.3 of these General Terms and Conditions.
- 2.25 "Maximum Daily Wheeling Quantity" or "MDTQ" means the maximum quantity of Gas, expressed in Dths, specified in Customer's Hub Services Agreement that Customer may nominate and that SGRM shall receive at a Point of Receipt and/or deliver to a Point of Delivery, subject to Section 8.3 of these General Terms and Conditions.
- 2.26 "Maximum Daily Withdrawal Quantity" or "MDWQ" means the maximum quantity of Gas, expressed in Dth, specified in Customer's Storage Service Agreement, that Customer may nominate and that SGRM shall withdraw from storage and tender to Customer at all Point(s) of Delivery, subject to Section 8.3 of these General Terms and Conditions.
- 2.27 "Maximum Loan Quantity" means the maximum quantity of Gas, expressed in Dth, that SGRM is obligated to loan to Customer at SGRM's storage facility located in Mississippi and Alabama, as specified in Customer's Hub Services Agreement.
- 2.28 "Maximum Park Quantity" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in SGRM's storage facility located in Mississippi and Alabama, at any given time as specified in Customer's Hub Services Agreement.

FERC Docket: RP08-184-000

Original Sheet No. 103 original Sheet No. 103: Pending

- 2.29 "Maximum Storage Quantity" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in SGRM's storage facility located in Mississippi and Alabama, at any given time as specified in the Storage Service Agreement.
- 2.30 "Month" means the period beginning at 9:00 a.m. Central Clock Time on the first Day of a calendar month and ending at 9:00 a.m. Central Clock Time on the first Day of the next succeeding month.
- 2.31 "North American Energy Standards Board" or "NAESB" means that accredited organization established to set standards for certain natural gas industry business practices and procedures. "WGQ" shall mean the Wholesale Gas Quadrant of NAESB. "NAESB Standards" shall mean the standardized business practices, procedures and criteria which have been adopted and published by the Wholesale Gas Quadrant of the North American Energy Standards Board and which have been adopted by reference by the Commission.
- 2.32 "Operational Flow Order" or "OFO" means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of SGRM's system or to maintain operations required to provide efficient and reliable firm service. Whenever SGRM experiences these conditions, any pertinent order will be referred to as an Operational Flow Order.
- 2.33 "Park Balance" means quantity of Gas, expressed in Dth, that Customer has in SGRM's storage facilities for Customer's account, provided that the Park Balance shall never exceed Customer's Maximum Park Quantity specified in Customer's Hub Services Agreement.
- 2.34 "Point(s) of Delivery" means the point or points located on SGRM's system, or a third party pipeline system used by SGRM to provide service to its Customers pursuant to Section 30 of these General Terms and Conditions, specified in Customer's Storage Service Agreement at which SGRM shall tender Gas to Customer.
- 2.35 "Point(s) of Receipt" means the point or points located on SGRM's system, or a third party pipeline system used by SGRM to provide service to its Customers pursuant to Section 30 of these General Terms and Conditions, specified in Customer's Storage Service Agreement at which SGRM shall receive Gas from Customer.

FERC Docket: RP08-184-000

Original Sheet No. 104 Original Sheet No. 104: Pending

- 2.36 "Pooling" means 1) the aggregation of Gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of Gas from a single physical or logical point to multiple physical and/or logical points.
  - 2.37 "Psig" means pounds per square inch gauge.
- 2.38 "Releasing Customer" means a Customer who has agreed to release some or all of its rights under its Storage Service Agreement for Firm Storage Service.
- 2.39 "Replacement Customer" means a Customer who has assumed any released rights to capacity of a Releasing Customer.
- $2.40\,$  "Storage Inventory" means the quantity of working Gas, expressed in Dths, that a Customer has in place in SGRM's storage facilities for Customer's account.
- 2.41 "Storage Service Agreement" means a Firm Storage Service Agreement, a Secondary Firm Service Agreement, an Interruptible Storage Service Agreement, a Hub Services Agreement or a Capacity Release Umbrella Agreement, including the Exhibits to those agreements as set forth in this FERC Gas Tariff.
- 2.42 "Transporter" means the Customer's transporter designated to deliver Gas to the Point(s) of Receipt or Customer's transporter designated to receive Gas from the Point(s) of Delivery.

FERC Docket: RP08-184-000

Original Sheet No. 105 Original Sheet No. 105: Pending

GENERAL TERMS AND CONDITIONS (Continued)

### REOUEST FOR SERVICE

- 3.1 Procedures for Sale of Capacity.
- (a) Sale of Capacity. Upon the availability of new storage capacity resulting from an expansion of SGRM's facilities, SGRM shall sell such capacity to prospective Customers either via the open season procedures described in Sections 3.1(b)-(f) below or via the first-come, first-served procedures described in Section 3.1(g) below, with the selection of the procedures being at SGRM's sole option. This Section 3.1 shall apply to sales of capacity under Rate Schedules FSS and SFS.
- (b) Notice of open season. If SGRM elects to conduct an open season pursuant to Section 3.1(a) above, SGRM shall post notice of the open season on its Internet Web Site. Such notice shall set forth when the open season begins and ends, the type of service being offered, how and where interested parties may submit requests for service, the criteria that will be used to evaluate bids ("Bid Evaluation Procedures"), and additional details about the open season.
- (c) Duration. An open season held pursuant to Section 3.1(b) above shall be held for a period of not less than five (5) Business Days. During this time, SGRM will accept bids from potential Customers for the service identified in the notice of the open season.
- (d) At the conclusion of the open season, the value of each submitted bid will be determined according to the Bid Evaluation Procedures. SGRM reserves the right to reject any bid which (i) may detrimentally impact the operational integrity of SGRM's facility, (ii) yields an economic value that is unacceptable to SGRM, (iii) does not satisfy all of the terms of a specific open season, (iv) does not contain all of the required information specified in the notice of the open season, (v) contains terms and conditions other than those contained in SGRM's FERC Gas Tariff, and/or (vi) does not meet SGRM's creditworthiness requirements set forth in Section 3.3 of these General Terms and Conditions. If SGRM rejects any request for available capacity posted pursuant to this Section 3.1(d), SGRM will notify the potential Customer that submitted the rejected bid of the reason(s) for such rejection via e-mail.
- (e) During the allocation process at the conclusion of an open season, storage capacity will be allocated to the acceptable  $\operatorname{bid}(s)$  in accordance with the Bid Evaluation Procedures.

FERC Docket: RP08-184-000

Original Sheet No. 106 original Sheet No. 106: Pending

GENERAL TERMS AND CONDITIONS (Continued)

(f) Execution of Agreements. A prospective Customer allocated storage capacity in an open season shall be required to execute one or more Storage Service Agreements for Firm Storage Service no later than 30 consecutive days following the close of the open season or forfeit the service that has been allocated to it.

- (g) Firm storage capacity that is or becomes available in SGRM's facilities outside of an open season or for which SGRM determines, pursuant to Section 3.1(a) above, that an open season will not be held shall be posted on SGRM's Internet Web Site pursuant to Section 284.13(d)(1) of the Commission's regulations and shall be allocated on a first-come, first-served basis to the first prospective Customer offering to pay a rate for service that SGRM finds acceptable. From time to time, SGRM may negotiate with Customers for prearranged storage service for a future period or for interim service. SGRM will post information regarding available storage capacity on its Internet Web Site before it provides such information to any potential Customer.
- 3.2 Requests for Service. Any prospective Customer wishing to obtain service from SGRM shall submit in writing to SGRM a request for service in substantially the same format as that shown in Section 34. Such request may be delivered in person or submitted by United States mail, overnight courier service, or facsimile transmission (fax). SGRM shall evaluate and respond to prospective Customer's request within five (5) Business Days of its receipt. If SGRM and prospective Customer mutually agree to the rates prospective Customer will pay for service, SGRM shall, subject to execution of a Storage Service Agreement, endeavor to provide service within the time specified in the written request. Prospective Customer's request for service shall be considered complete only if the information specified in Sections 3.3 and 3.4 of these General Terms and Conditions is provided in writing.

Requests for service may be sent to:

Mark D. Cook Vice President SG RESOURCES MISSISSIPPI, L.L.C. 28420 Hardy Toll Road North Suite 125 Spring, TX 77373 Telephone: 281-907-6311 x13 Facsimile: 281-907-6312

e-mail: mdcook@sgr-holdings.com

FERC Docket: RP08-184-000

Original Sheet No. 107 Original Sheet No. 107: Pending

- 3.3 Information Requirements. Each request for service shall include the following information:
- (a) Prospective Customer's name, address, representative and telephone number.
- (b) A statement as to whether the prospective Customer is a local distribution company ("LDC"), an intrastate pipeline company, an interstate pipeline company, a marketer/broker, a producer, an end user or an other type of entity (which other entity must be described).
- (c) Type of service requested, whether FSS, SFS, ISS, IP, IL, IW or IB.
  - (d) Quantity requested:
    - (1) MDIQ, MDWQ and, as applicable, MSQ, Maximum Park Quantity, and/or Maximum Loan Quantity (stated in Dth).
    - (2) MDRQ (stated in Dth/Day) for each Transporter (FSS and SFS only).
    - (3) MDDQ (stated in Dth/Day) for each Transporter (FSS and SFS only).
    - (4) For interruptible wheeling service, MDTQ.
- $\mbox{\ensuremath{\mbox{(e)}}}$  Price offered by the prospective Customer for each service requested.
- $\,$  (f) Term of service, including the date service is requested to commence and the date service is requested to terminate.
- (g) Evidence of creditworthiness. Acceptance of a service request and/or continuation of service is contingent upon SGRM's completion of a credit appraisal it deems satisfactory in accordance with the criteria set forth in this Section. To enable SGRM to conduct such credit appraisal, a prospective Customer shall submit the information enumerated below, to the extent such information is applicable to such prospective Customer; provided, however, that SGRM's receipt of such material shall not be deemed acceptance of a request for service, which acceptance shall be made only after SGRM's receipt of the material and information set forth below and a determination by SGRM that the prospective Customer is sufficiently creditworthy. A prospective Customer shall not be required to provide the foregoing information if prospective Customer can demonstrate to SGRM's reasonable satisfaction that prospective Customer has an Acceptable Credit Rating, as defined in Section 31 of these General Terms and Conditions, or if prospective Customer has agreed to provide Financial Assurances in accordance with Section 31. SGRM shall maintain the confidentiality of any non-public information received from a prospective Customer pursuant to this Section. A prospective Customer shall be deemed creditworthy if the prospective Customer has an Acceptable Credit Rating,

FERC Docket: RP08-184-000

Original Sheet No. 108 Original Sheet No. 108: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

as defined in Section 31 of these General Terms and Conditions, or if the prospective Customer satisfies SGRM's credit appraisal criteria based on an evaluation of the material provided by prospective Customer pursuant to this Section. If SGRM concludes that a prospective Customer is not creditworthy, SGRM shall provide written notice to the prospective Customer within ten (10) days after that determination is made. If requested by the prospective Customer, SGRM will provide a written explanation of the basis for its determination within five (5) days of such request. A prospective Customer may challenge SGRM's determination by providing a written rebuttal in accordance with Section 3.3(j)(6) of these General Terms and Conditions. SGRM shall respond to such a rebuttal in writing within five (5) business days in accordance with Section 3.3(j)(7). Any reevaluation of credit by SGRM in response to such a rebuttal by a prospective Customer shall be based on the creditworthiness criteria set forth in this Section.

- (1) Prospective Customer shall provide current audited financial statements, annual reports, 10-K reports, interim financial statements with attestation by the Chief Financial Officer (or equivalent) that such statements are a true, correct and fair representation of financial condition prepared in accordance with Generally Accepted Accounting Principles and other filings with regulatory agencies which discuss the prospective 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;
- (2) Prospective Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports must show that the prospective Customer's obligations are being paid on a reasonably prompt basis;
- (3) Prospective Customer shall confirm in writing that it is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures 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 prospective Customer that is a debtor in possession operating under Chapter XI of the U.S. Bankruptcy Code but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the bankruptcy court's jurisdiction;
- (4) Prospective Customer shall confirm in writing that it 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;

FERC Docket: RP08-184-000

Original Sheet No. 109 Original Sheet No. 109: Pending

- (5) If Prospective Customer has an on-going business relationship with SGRM, no delinquent balances shall be outstanding for services SGRM shall have previously performed and Customer shall have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract;
- (6) Prospective Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent;
- (7) For prospective Customers that are state-regulated local distribution companies, documentation provided by each state regulatory commission (or equivalent authority) having jurisdiction over the local distribution company's rates establishing the existence and effectiveness of an authorized gas cost recovery mechanism which (x) provides for full recovery of both gas commodity and transportation capacity costs and (y) is afforded regulatory asset accounting treatment in accordance with Generally Accepted Accounting Principles;
- (8) A Statement of prospective Customer's legal composition and a statement of the length of time Customer's business has been in operation; and
- (9) Such other information as may be mutually agreed to by  $\operatorname{SGRM}$  and prospective Customer.
- (h) In the event prospective Customer cannot provide the information specified in Section 3.3(g) above, it shall, if applicable, provide that information for its parent company.
- (i) SGRM shall not be required to perform or to continue service under any Rate Schedule on behalf of any Customer or prospective Customer which is or has become insolvent or which, at SGRM's request, fails to demonstrate creditworthiness in accordance with Section 3.3, and SGRM may take such action as is permitted in Section 28.2 of these General Terms and Conditions; provided, however, that such Customer or prospective Customer may receive service under any Rate Schedule if it provides Financial Assurances pursuant to Section 31. For purposes of this Section 3.3(i), the insolvency of a Customer or prospective Customer shall be conclusively demonstrated by the filing by Customer, or any parent entity thereof or guarantor of Customer, of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Customer, or any parent entity thereof or guarantor of Customer, bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Customer, or any parent entity thereof or guarantor of Customer, under the U.S. Bankruptcy Code or any other applicable federal or state

FERC Docket: RP08-184-000

Original Sheet No. 110 original Sheet No. 110: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Customer, or any parent entity thereof or guarantor of Customer, or of any substantial part of their property, or the ordering of the winding-up or liquidation of their affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days. SGRM may not take any action under this Section 3.3(i) which conflicts with any order of the U.S. Bankruptcy Court.

- $\,$  (j) SGRM's determination of a Customer's or prospective Customer's creditworthiness shall be subject to the following procedures:
- (1) If SGRM requests additional information to be used for credit evaluation after the initiation of service, SGRM, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Customer and designate to whom the response shall be sent. SGRM and Customer may mutually agree to waive the requirements of this standard.
- (2) Upon receipt of either an initial or follow-up request from SGRM for information to be used for creditworthiness evaluation, Customer's or prospective Customer's authorized representative(s) shall acknowledge receipt of SGRM's request. SGRM and the Customer or prospective Customer may mutually agree to waive the requirements of this standard.
- (3) Customer's or prospective Customer's authorized representative(s) shall respond to SGRM's request for credit information, as allowed by SGRM's tariff, on or before the due date specified in the request. Customer or prospective Customer shall provide all the credit information requested by SGRM or provide the reason(s) why any of the requested information was not provided.
- (4) Upon receipt from Customer or prospective Customer of all credit information provided pursuant to applicable NAESB WGQ standards, SGRM shall notify the Customer's or prospective Customer's authorized representative(s) that it has received such information. SGRM and Customer or Prospective Customer may mutually agree to waive the requirements of this standard.
- (5) (i) Customer or prospective Customer shall designate up to two representatives who are authorized to receive notices regarding the Customer's or prospective Customer's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and shall provide to SGRM the Internet e-mail addresses of such representatives prior to the initiation of service.

FERC Docket: RP08-184-000

Original Sheet No. 111 Original Sheet No. 111: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

Written requests and responses shall be provided via Internet e-mail, unless otherwise agreed to by the parties. The obligation of SGRM to provide creditworthiness notifications is waived until the above requirement has been met. Customer or prospective Customer shall manage internal distribution of any creditworthiness notices that are received.

- (ii) SGRM shall designate, on its Internet Web Site or in written notices to Customer or prospective Customer, the Internet e-mail addresses of up to two representatives who are authorized to receive notices regarding Customer's or prospective Customer's creditworthiness. Customer's or prospective Customer's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and SGRM shall manage internal distribution of any such confirmations.
- (6) At any time after Customer or prospective Customer is determined to be noncreditworthy by SGRM, Customer or prospective Customer may initiate a creditworthiness re-evaluation by SGRM. As part of Customer's or prospective Customer's reevaluation request, Customer or prospective Customer shall either update or confirm in writing the prior information provided to SGRM related to Customer's or prospective Customer creditworthiness. Such update shall include any event(s) that Customer or prospective Customer believes could lead to a material change in Customer's or prospective Customer's creditworthiness.
- (7) After SGRM's receipt of a Customer's or prospective Customer's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard 0.3.8 ("Customer's Request"), within five (5) Business Days, SGRM shall provide a written response to Customer's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for SGRM's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event shall such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of Customer's Request unless specified in SGRM's tariff or if the parties mutually agree to some later date.
- (8) In complying with the creditworthiness related notifications pursuant to the applicable NAESB WGQ standards, the Customer(s) and SGRM may mutually agree to other forms of communication in lieu of Internet e-mail notification.

FERC Docket: RP08-184-000

Original Sheet No. 112 Original Sheet No. 112: Pending

GENERAL TERMS AND CONDITIONS (Continued)

#### 3.4 Additional Information.

- (a) Customer shall also promptly provide such additional Customer credit information as may be reasonably required by SGRM, at any time during the term of service under a Storage Service Agreement, to enable SGRM to determine Customer's creditworthiness.
- (b) After receipt of a request for service, SGRM may require that prospective Customer furnish additional information as a prerequisite to SGRM offering to execute a Storage Service Agreement with such prospective Customer. Such information may include proof of prospective Customer's lawful right and/or title to cause the Gas to be delivered to SGRM for service under this FERC Gas Tariff and of prospective Customer's contractual or physical ability to cause such Gas to be delivered to and received from such prospective Customer's designated Point(s) of Delivery and/or Receipt.
- (c) Should a Customer or a prospective Customer desire SGRM to provide service pursuant to Section 311 of the Natural Gas Policy Act, it shall provide to SGRM a statement warranting that it complies with all requirements for receiving service pursuant to Section 311 and FERC's regulations thereunder, including, but not limited to, compliance with the "on-behalf-of" requirement then in effect.
- 3.5 Request Validity. If SGRM has tendered a Storage Service Agreement for execution to a prospective Customer and such prospective Customer fails to execute the agreement as tendered within 30 consecutive days from the date it receives the agreement, SGRM may consider prospective Customer's service request void. For service under Rate Schedule FSS or SFS, SGRM will not be required to tender a Storage Service Agreement to a prospective Customer for execution that relates to requests for service for which SGRM does not have sufficient available firm capacity.
- 3.6 Customer's Performance. Customer is required to provide to SGRM information identifying (1) the State of the source of Gas that is to be stored and/or transported and (2) such other information if required in order for SGRM to comply with any FERC reporting or other requirements.

FERC Docket: RP08-184-000

Original Sheet No. 113 Original Sheet No. 113: Pending

GENERAL TERMS AND CONDITIONS (Continued)

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

Mark D. Cook Vice President SG RESOURCES MISSISSIPPI, L.L.C. 28420 Hardy Toll Road North Suite 125 Spring, TX 77373 Telephone: 281-907-6311 x13 Facsimile: 281-907-6312

e-mail: mdcook@sgr-resporces.com

SGRM will respond initially within forty-eight (48) hours and in writing within 30 days of receipt of the complaint advising

Customer or a prospective Customer of the disposition of the complaint. In the event the required date of SGRM's response falls on a Saturday, Sunday or a holiday that affects SGRM, SGRM

shall respond by the next Business Day.

3.8 Information.

(a) Any person may request information on pricing, terms of storage, parking or wheeling service or capacity availability by contacting SGRM at the following:

Mark D. Cook
Vice President
SG RESOURCES MISSISSIPPI, L.L.C.
28420 Hardy Toll Road North
Suite 125
Spring, TX 77373
Telephone: 281-907-6311 x13
Facsimile: 281-907-6312
e-mail: mdcook@sgr-resources.com

- (b) Each Customer will be provided with a list of phone numbers for SGRM's Gas dispatch and control personnel, who are oncall  $24\text{-}\mathrm{hours}$  a day.
- 3.9 Construction of Facilities. SGRM shall not be required to provide any requested service under any Rate Schedule which would require construction or acquisition by SGRM of new facilities, or expansion of existing facilities.

FERC Docket: RP09-209-000

First Revised Sheet No. 114 First Revised Sheet No. 114

Superseding: Original Sheet No. 114

GENERAL TERMS AND CONDITIONS (Continued)

#### CAPACITY RELEASE

Any Customer under Rate Schedules FSS or SFS may seek to release to others any or all of its firm service entitlements on a full Day or an intraday basis, on a permanent or a temporary basis, and on a firm or recallable basis, subject to the following terms and conditions:

- 4.1 Notice of Offer. A Customer offering to release firm service entitlements shall post the terms of its proposed release on SGRM's Internet Web Site by the posting deadline as determined pursuant to Section 4.3 herein. If Customer is unable to post such information on SGRM's Internet Web Site, Customer shall notify SGRM via the Internet Web Site of the terms of its offer, by the posting deadline as determined pursuant to Section 4.3 herein, and SGRM will post this information on the Internet Web Site. The Customer may propose a designated Pre-arranged Replacement Customer to which the capacity would be released. Offers shall be binding unless written or electronic notice of withdrawal is received by SGRM prior to the close of the applicable bid period; provided, however, such withdrawal shall only be valid if such Customer has an unanticipated requirement for such capacity and no minimum bid has been made. The notice must contain the reason for withdrawal which SGRM shall post on the Internet Web Site. The offer shall contain the following minimum information:
- (a) Customer's legal name and the name/title of individual who has authorized the offer to release;
  - (b) SGRM's Storage Service Agreement number;
- (c) A description of the capacity to be released, including the Maximum Storage Quantity, and the Maximum Daily Receipt Quantity, the Maximum Daily Delivery Quantity, the Maximum Daily Injection Quantity, and the Maximum Daily Withdrawal Quantity and the associated Point(s) of Receipt and Point(s) of Delivery (Replacement Customer may request changes to such Receipt and Delivery Point(s) subject to the proposed release, in accordance with the applicable Rate Schedule, and subject to the daily quantity limitations described in Section 4.2 below);
- $\hbox{(d)} \quad \hbox{The proposed effective date and term of the release;} \quad$
- (e) The identity of any designated Pre-arranged Replacement Customer (pursuant to Section 4.4), a statement as to whether the Pre-arranged Replacement Customer is an asset manager (as defined by FERC regulations at 18 C.F.R. 284.8(h)(3)) or marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. 284.8(h)(4)), and the full terms of such pre-arranged release;
- (f) The method to be applied in evaluating bids, allocating capacity and breaking ties, as described below;

FERC Docket: RP09-209-000

First Revised Sheet No. 115 First Revised Sheet No. 115

Superseding: Original Sheet No. 115

- (g) Whether, to what extent, and the conditions pursuant to which capacity will be subject to recall for a full Day or a partial Day; if recallable, (1) whether the Releasing Customer's recall notification must be provided exclusively on a Business Day, and (2) any reput methods and rights associated with returning the previously released capacity to the Replacement Customer.
- (h) Whether bids on a volumetric rate basis may be submitted, and, if so, the method for evaluating any such bids, including how to rank bids if bids are also to be accepted on a demand charge basis, and any other special conditions;
- (i) Whether contingent bids that extend beyond the bid period may be submitted, how to evaluate and prioritize such bids against non-contingent bids, and the terms and conditions under which, and/or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder withdraw its bid;
  - (j) Any extensions of the minimum posting/bid periods;
- (k) Whether Releasing Customer desires to utilize the first-come, first-served option for short-term releases described in Section 4.6 below and any minimum terms applicable thereto;
- (1) Other special terms and conditions Releasing Customer imposes on the release of its capacity, including, but not limited to, minimum rates, term and quantity;
- $\mbox{\ensuremath{(m)}}$  Whether to specify dollars and cents or percents of rates in the denomination of bids;
- (n) For purposes of bidding and awarding, any minimum rates specified by the Releasing Customer shall include the tariff reservation rate and all demand surcharges, as a total number or as stated separately;
- (o) Whether the release is on a permanent or a temporary basis;
- (p) An e-mail address for the Releasing Customer contact person. It is Customer's responsibility to update e-mail address information provided to SGRM, as necessary;
- (q) The recall notification period(s), as identified in Section 4.13(e) below, that will be available for use by the parties; and
- $\,$  (r) a detailed description of any storage inventory that must be transferred with released storage capacity.

FERC Docket: RP08-184-000

Original Sheet No. 116 original Sheet No. 116: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

- 4.2 Intraday Release Quantity. The daily contractual entitlement that can be released by a Releasing Customer for an intraday release is limited to the lesser of:
- (a) the quantity contained in the offer submitted by the Releasing Customer; or
- (b) a quantity equal to 1/24th of the Releasing Customer's MDIQ and MDWQ for the contract to be released multiplied by the number of hours between the effective time of the release and the end of the Day.

This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable, for overrun calculations.

The MSQ, that can be released by a Releasing Customer for an intraday release is limited to a quantity not in excess of the Releasing Customer's MSQ, less the Releasing Customer's Storage Inventory or Loan Balance.

FERC Docket: RP08-184-000

Original Sheet No. 117 Original Sheet No. 117: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

4.3 Posting and Bidding Timeline. For the Capacity Release business process timing model, only the following methodologies shall be supported by SGRM and provided to Releasing Customers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) can be accorded similar timeline evaluation treatment at SGRM's discretion; however, SGRM is not required to offer other choices or similar timeline treatment for other choices. Further, SGRM shall not be held to the timeline specified in Sections 4.3(a) and 4.3(b) below should the Releasing Customer elect another method of evaluation. Should the Releasing Customer elect another method of evaluation, the timeline specified in Section 4.3(c) below shall apply. The proposed duration of Customer's release determines the minimum bid period for the Customer's offer pursuant to this Section 4. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if (i) all information provided by the parties to the transaction is valid and the Replacement Customer has been determined to be creditworthy before the capacity release bid is tendered and (ii) there are no special terms or conditions of the release.

The Capacity Release timeline is as follows:

- (a) For standard releases of less than one (1) year:
  - Offers shall be tendered by 12:00 p.m. CCT on a Business Day;
  - The bid period shall end at 1:00 p.m. CCT on the same Business Day or at 1:00 p.m. CCT on any subsequent Business Day as specified in Releasing Customer's offer, whichever is elected by Releasing Customer;
  - Evaluation period begins at 1:00 p.m. CCT on the Day the bid period ends, during which contingency is eliminated, determination of best bid is made, and ties are broken;
  - Evaluation period ends and award is posted if no match is required at 2:00 p.m. CCT the same Day;
  - If the Prearranged Replacement Customer's bid is not the "best bid", SGRM shall allow such Prearranged Replacement Customer a Matching Period of thirty (30) minutes from 2:00 p.m. until 2:30 p.m. CCT on the Day the Bid Period ends, or such later time as specified in the Releasing Customer's offer, to determine whether to match the "best bid" and to notify SGRM of its decision.
  - If a match is required, the award will be posted by 3:00 p.m. CCT.

FERC Docket: RP08-184-000

Original Sheet No. 118 Original Sheet No. 118: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

SGRM will issue a contract within one hour of the award posting (with a new contract number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 8 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

- (b) For standard releases of one year or longer:
  - Offers shall be tendered by 12:00 p.m. CCT four Business Days before the award;
  - The bid period shall end at 1:00 p.m. CCT on the Day before timely nominations are due (open season is three Business Days) or at 1:00 p.m. CCT on any subsequent Business Day as specified in Releasing Customer's offer, whichever is elected by Releasing Customer;
  - Evaluation period begins at 1:00 p.m. CCT on the Day the bid period ends, during which contingency is eliminated, determination of best bid is made, and ties are broken;
  - Evaluation period ends and award is posted if no match is required at 2:00 p.m. CCT the same Day;
  - If the Prearranged Replacement Customer's bid is not the "best bid," SGRM shall allow such Prearranged Replacement Customer a Matching Period of thirty (30) minutes from 2:00 p.m. CCT until 2:30 p.m. CCT on the Day the Bid Period ends, or such later time as specified in the Releasing Customer's offer, to determine whether to match the "best bid" and to notify SGRM of its decision.
  - If a match is required, the award will be posted by 3:00 p.m. CCT.

SGRM will issue a contract within one hour of the award posting (with a new contract number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 8 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

(c) Timeline for Non-standard Releases. If Customer specifies a bid evaluation methodology other than those stated in Section 4.7 or specifies any special terms or conditions, the above timelines shall apply; provided, however, one additional Business Day will be added to the evaluation period. Subsequent deadlines will be delayed by such additional Business Day, causing Gas flow to occur at least one Day later than under the standard timelines set forth in Sections 4.3(a) and 4.3(b).

FERC Docket: RP09-209-000

First Revised Sheet No. 119 First Revised Sheet No. 119

Superseding: Original Sheet No. 119

# GENERAL TERMS AND CONDITIONS (Continued)

(d) Releases Not Subject to Bidding. Prearranged capacity releases of a duration of thirty-one (31) Days or less, to an asset manager (as defined by FERC regulations at 18 C.F.R. 284.8(h)(3)) or to a marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. 284.8(h)(4)) are not required to be posted for bidding pursuant to Section 4.3. Nonetheless, Releasing Shipper may elect to post one of the foregoing releases for bidding pursuant to Section 4.3. Releasing Customer shall notify SGRM of the foregoing releases by providing the information pursuant to Section 4.1, which information will be posted on the Internet Web Site (as required by Section 4.5) in accordance with the following timelines:

#### Timely Cycle:

Posting of prearranged deals not subject to bid are due by 10:30 a.m. CCT.

#### Evening Cycle:

Posting of prearranged deals not subject to bid are due by 5:00 p.m. CCT.

#### Intraday 1 Cycle:

Posting of prearranged deals not subject to bid are due by 9:00 a.m. CCT.

#### Intraday 2 Cycle:

Posting of prearranged deals not subject to bid are due by 4:00 p.m. CCT.

Prior to the nomination deadline for the chosen cycle for the begin date specified in the Releasing Customer's notice, the Prearranged Replacement Customer must initiate confirmation of prearranged deals electronically. SGRM will issue a contract within one hour of notification of the release (with a new contract number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 8 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer. If a release of capacity is exempt from bidding because it is for a term of thirty-one (31) days or less, a Releasing Shipper may not roll-over, extend, or in any way continue the release to the same Replacement Shipper using the thirty-one (31) day or less bidding exemption, unless the Releasing Shipper complies with the posting and bidding requirements of Section 4.3 or not less than twenty-eight (28) days have elapsed since the conclusion of the prior release period.

FERC Docket: RP09-209-000

First Revised Sheet No. 120 First Revised Sheet No. 120

Superseding: Original Sheet No. 120

GENERAL TERMS AND CONDITIONS (Continued)

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

- $4.4\,$  Pre-arranged Releases. Releasing Customer may designate an entity (a designated "Pre-arranged Replacement Customer") to which it has agreed to release the capacity upon specified terms and conditions. Customer's offer to release under such a pre-arranged transaction shall be subject to the prior posting and bidding procedures described in Sections 4.5 and 4.6, herein, with the designated Pre-arranged Replacement Customer being given a right to match the best bid submitted during the bid period; provided, however, if a pre-arranged transaction with a Pre-arranged Replacement Customer is for a period of thirty-one (31) Days or less, to an asset manager (as defined by FERC regulations at 18 C.F.R. 284.8(h)(3)) or to a marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. 284.8(h)(4)), the Releasing Customer shall provide notice to SGRM in accordance with this Section and may implement the release without complying with such prior posting and bidding procedures. Notices of such exempted releases shall be posted on the Internet Web Site in accordance with Section 4.3 herein.
- 4.5 Posting. Following receipt of a notice of offer to release capacity which satisfies the requirements set forth in this Section, SGRM will post such information on its Internet Web Site in accordance with the timeline set forth in Section 4.3 herein. SGRM shall also post offers to purchase capacity from those who desire current Customers to release capacity upon receipt of the applicable information as set forth in this Section.
  - 4.6 Bidding and Selection of Replacement Customer.
- (a) If Releasing Customer desires to solicit bids for releases of thirty-one (31) Days or less, it may direct SGRM to post notice of the availability of such capacity and, in lieu of permitting bids during the otherwise applicable posting period, Releasing Customer may direct SGRM to award the capacity to the bidder which submits first in time a valid bid meeting any minimum terms specified by the Releasing Customer.
- (b) Any bid submitted by a prospective Replacement Customer shall include an e-mail address for at least one contact person, and it is the Customer's responsibility to update e-mail address information provided to SGRM, as necessary. A bidder may not have more than one eligible bid for the same release offer at any time. Bids shall be binding until written or electronic notice of withdrawal is received by SGRM before the end of the bid period. Bids cannot be withdrawn after the bid period ends. Once a bid is withdrawn, that bidder may only submit a new bid pursuant to that release offer if it is at a higher rate than the withdrawn bid.

FERC Docket: RP08-184-000

Original Sheet No. 121 Original Sheet No. 121: Pending

- SGRM shall evaluate the bids in accordance (c) with the provisions of Section 4.7 and determine the best bid in accordance with the timelines set forth in Section 4.3 herein. SGRM shall notify Releasing Customer, the best bidder, and any designated Pre-arranged Replacement Customer of such determination in accordance with the timelines set forth in Section 4.3 herein. If there is a designated Pre-arranged Replacement Customer, it may exercise its right to match such best bid by providing written notice of such exercise to SGRM and Releasing Customer in accordance with the timelines set forth in Section 4.3 herein. After the Replacement Customer is selected, SGRM will finalize an appropriate Addendum to the Capacity Release Umbrella Agreement in the form contained in this FERC Gas Tariff. SGRM will provide a copy of this Addendum to the Replacement Customer via facsimile, at which time the Replacement Customer will have the same rights and obligations as any other existing Customer on SGRM's system. Following implementation of the release, SGRM shall post notice of the winning bidder on the Internet Web Site.
- 4.7 Best Bid. When SGRM makes awards of capacity for which there have been multiple bids meeting minimum conditions, SGRM shall award the bids, best bid first, until all offered capacity is awarded. The capacity being awarded represents the Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, or Maximum Storage Quantity. These quantities are separate parts of the capacity and are awarded until one of the quantities is fully awarded, at which point all capacity is deemed to be fully awarded. SGRM shall evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by the Releasing Customer as follows:
- (a) SGRM shall apply the standard or criteria for such determination specified by the Releasing Customer, including the standard to be used for breaking ties. Any standard or criteria so specified must be objective, economic, not unduly discriminatory, not contrary to applicable provisions of this FERC Gas Tariff, applicable to all prospective Replacement Customers and require SGRM in applying such standard to exercise no more than a ministerial function. The Releasing Customer shall indemnify and hold SGRM harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by SGRM arising out of or related to any determination of a "best bid" pursuant to a standard specified, supplied, approved or provided by Releasing Customer.
- (b) In default of Releasing Customer specifying a bid evaluation standard, SGRM shall determine the bid or bids generating the highest net present value, using a 10% discount factor, based on the rate bid (reservation or demand component), the applicable quantity(ies) and term or period bid upon. In default of Releasing Customer specifying a method to break ties priority will be given first to the bid with the shortest term, and next to the bid submitted first in time.

FERC Docket: RP08-184-000

Original Sheet No. 122 Original Sheet No. 122: Pending

- 4.8 Qualification of Prospective Replacement Customer. A prospective Replacement Customer must be on SGRM's approved bidders list before bids may be posted on the Internet Web Site, must satisfy all requirements of the applicable Rate Schedule and the General Terms and Conditions of this FERC Gas Tariff and must have executed a Capacity Release Umbrella Agreement. To be on the approved bidders list, the prospective Replacement Customer must satisfy SGRM's credit requirements as outlined in Section 3 of the General Terms and Conditions, and, if applicable, provide the information required by Section 3 of the General Terms and Conditions. SGRM will apply its creditworthiness criteria to assess the submission. Such credit appraisal shall be reevaluated and updated every three (3) months. The prospective Replacement Customer shall remain on the approved bidders list until such prospective Replacement Customer (i) notifies SGRM to the contrary, (ii) no longer meets the credit qualifications established in Section 3 of the General Terms and Conditions, or (iii) is suspended from the approved bidders list in the event, and for such time as, such Replacement or Prearranged Replacement Customer fails to pay part or all of the amount of any bill for service in accordance with Section 14 of the General Terms and Conditions. SGRM will waive the creditworthiness requirement on a non-discriminatory basis for Replacement Customers and permit them to submit bids, if the Releasing Customer provides SGRM with a guarantee or other form of credit assurance in form and substance satisfactory to SGRM of all financial obligations of the Replacement Customer with respect to the capacity being released by Releasing Customer prior to the commencement of service to the Replacement Customer. SGRM shall not award capacity release offers to a prospective Replacement Customer until and unless the Customer meets SGRM's creditworthiness requirements applicable to all services that it receives from SGRM, including the service represented by the capacity release.
- 4.9 Nominations. Following its selection, and prior to the flow of Gas, the Replacement Customer shall be permitted to submit nominations pursuant to the terms and conditions of the applicable Rate Schedule and the General Terms and Conditions of this FERC Gas Tariff.
- 4.10 Billing. The Replacement Customer shall be billed and make payments to SGRM in accordance with the applicable Rate Schedule, other provisions of this FERC Gas Tariff and of its Storage Service Agreement incorporating its bid terms. In accordance with the terms of the release, the Replacement Customer shall pay or be liable for the usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) applicable under the relevant Rate Schedule attributable to its usage of the released capacity. SGRM shall continue to bill the Releasing Customer all applicable charges under its existing Storage Service Agreement, excluding usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to Replacement Customer's usage of the released capacity. Invoices sent to the Releasing Customer shall reflect a credit equal to any reservation charges (plus all surcharges applicable thereto) being billed

FERC Docket: RP08-184-000

Original Sheet No. 123 Original Sheet No. 123: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

to the Replacement Customer for the released capacity rights, or as otherwise agreed. If the Replacement Customer fails to pay when due all or part of the amounts credited to the Releasing Customer, SGRM shall pursue payment from the Replacement Customer by notifying such Customer by registered letter, return receipt requested, that it has five (5) days from receipt of such letter to pay the amount due including any applicable interest. If the Replacement Customer fails to pay such amount by the end of the fifth day, SGRM shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest.

#### 4.11 Rights and Obligations of the Parties.

(a) The Storage Service Agreement between the Releasing Customer and SGRM shall remain in full force and effect with the Releasing Customer to receive a credit to its invoice as described in Section 4.10 above. If the Replacement Customer fails to pay all or part of the amounts credited to the Releasing Customer after the five Day notification period specified in Section 4.10, SGRM shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. The Storage Service Agreement executed by the Replacement Customer shall be fully effective and enforceable by and against the Replacement Customer. The Replacement Customer may also release capacity pursuant to this Section, and in such event and for such purposes, shall be considered the Releasing Customer.

(b) SGRM shall accept nominations, schedule service, afford priority of service and interrupt service based on instructions and communications from the Releasing Customer and the Replacement Customer which are consistent with one another and with the terms and conditions of SGRM's FERC Gas Tariff and their respective Storage Service Agreements. In the event that instructions or nominations from the Releasing Customer and Replacement Customer are, in SGRM's opinion, inconsistent or conflicting, SGRM shall comply with the instructions of the Releasing Customer; provided, however, that such instructions must not be inconsistent with SGRM's FERC Gas Tariff or the terms of either the Releasing Customer's or Replacement Customer's Storage Service Agreement, in SGRM's opinion. The Releasing Customer will indemnify SGRM against any claim or suit by the Replacement Customer, its successors or assigns arising from any action taken by SGRM in reliance upon the Releasing Customer's nominations and instructions and will hold SGRM harmless for any action taken by SGRM in reliance upon the nominations and scheduling instructions of the Replacement Customer; provided, however, that the Releasing Customer shall not be liable for the Replacement Customer's failure to pay the usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to its usage of the released capacity. The Replacement Customer will indemnify SGRM against any claim or suit by the Releasing Customer, its successors or assigns, arising from any action taken by SGRM in reliance upon the nominations and scheduling instructions of the Replacement Customer and will hold SGRM harmless for any actions taken by SGRM in reliance upon the instructions of the Releasing Customer.

FERC Docket: RP08-184-000

Original Sheet No. 124 Original Sheet No. 124: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

 $4.12\,$  Marketing Fee. If SGRM and the Releasing Customer so agree, SGRM may receive a negotiated fee for its marketing efforts.

#### 4.13 Limitations.

- (a) Releases and assignments hereunder shall be for period(s) of one or more  $\operatorname{Day}(s)$  and the maximum term shall not extend beyond the expiration of this FERC Gas Tariff provision or beyond the expiration of the Releasing Customer's Storage Service Agreement.
- (b) SGRM may invalidate any offer to release or any bid subsequent to its posting on the Internet Web Site which does not conform to the requirements of this Section and the other provisions of this FERC Gas Tariff and such invalidated offer or bid shall be deemed null and void.
- (c) Any terms and conditions imposed on the offer to release by the Releasing Customer as provided for in this Section 4 must be objectively stated, reasonable, capable of administration or implementation by SGRM without any material increase in burden or expense, applicable to all potential bidders, not unduly discriminatory, and consistent with the terms and conditions of this FERC Gas Tariff and Releasing Customer's Storage Service Agreement.
- (d) A Releasing Customer may re-release to the same Replacement Customer, where such first release was not subject to posting and bidding pursuant to Section 4.4, for a term of 31 Days or less, only if: 1) a period of 28 Days has elapsed after the first release for 31 Days or less has expired or 2) the Point(s) of Receipt and/or Point(s) of Delivery for the re-release is (are) different from the Point(s) of Receipt and/or Point(s) of Delivery of the first release or 3) the Releasing Customer causes the posting of an offer to release capacity or of a pre-arranged transaction to be made, and capacity is allocated on the basis of bids submitted.
- (e) Recall Provisions. If the Releasing Customer retains recall rights, Releasing Customer's offer to release capacity shall clearly specify the conditions precedent to such recall and whether the recall right retained by Releasing Customer is on a full Day or partial Day basis. The Releasing Customer shall provide capacity recall notification to SGRM via the Internet Web Site. The recall notification shall specify the recall notification period for the specified effective Day, as well as any other information needed to uniquely identify the capacity being recalled. SGRM shall support the following recall notification periods for all released capacity subject to recall rights:
  - (1) Timely Recall Notification:
    - (A) A Releasing Customer recalling capacity should provide notice of such recall to SGRM and the first Replacement Customer no later than 8:00 A.M. CCT on the Day that Timely Nominations are due;

FERC Docket: RP08-184-000

Original Sheet No. 125 Original Sheet No. 125: Pending

- (B) SGRM shall provide notification of such recall to all affected Replacement Customers no later than 9:00 A.M. CCT on the Day that Timely Nominations are due;
- (2) Early Evening Recall Notification:
  - (A) A Releasing Customer recalling capacity should provide notice of such recall to SGRM and the first Replacement Customer no later than 3:00 P.M. CCT on the Day that Evening Nominations are due;
  - (B) SGRM shall provide notification of such recall to all affected Replacement Customers no later than 4:00 P.M. CCT on the Day that Evening Nominations are due;
- (3) Evening Recall Notification:
  - (A) A Releasing Customer recalling capacity should provide notice of such recall to SGRM and the first Replacement Customer no later than 5:00 P.M. CCT on the Day that Evening Nominations are due;
  - (B) SGRM shall provide notification of such recall to all affected Replacement Customers no later than 6:00 P.M. CCT on the Day that Evening Nominations are due;
- (4) Intraday 1 Recall Notification:
  - (A) A Releasing Customer recalling capacity should provide notice of such recall to SGRM and the first Replacement Customer no later than 7:00 A.M. CCT on the Day that Intraday 1 Nominations are due;
  - (B) SGRM shall provide notification of such recall to all affected Replacement Customers no later than 8:00 A.M. CCT on the Day that Intraday 1 Nominations are due; and
- (5) Intraday 2 Recall Notification:
  - (A) A Releasing Customer recalling capacity should provide notice of such recall to SGRM and the first Replacement Customer no later than 2:30 P.M. CCT on the Day that Intraday 2 Nominations are due;

FERC Docket: RP08-184-000

Original Sheet No. 126 original Sheet No. 126: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

(B) SGRM shall provide notification of such recall to all affected Replacement Customers no later than 3:30 P.M. CCT on the Day that Intraday 2 Nominations are due.

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

SGRM's notices of recalled capacity to all affected Replacement Customers shall be provided via the Internet Web Site, along with written notice via e-mail communication to those Replacement Customer contact person(s) identified in the Replacement Customer's bid submitted pursuant to Section 4.6 of these General Terms and Conditions. Such notices shall contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from SGRM, each affected Replacement Customer shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Customer will be solely responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall. Replacement Customers involved in rerelease transactions may receive notice slightly after the first Replacement Customer receives notice. The recalling Releasing Customer may nominate the recalled capacity consistent with the applicable nomination cycle, as defined in Section 8.2(f) of these General Terms and Conditions.

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

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

FERC Docket: RP08-184-000

Original Sheet No. 127 Original Sheet No. 127: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

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

- (g) Reput Provisions. SGRM shall support the function of reputting by the Releasing Customer. The Releasing Customer may reput previously recalled capacity to the Replacement Customer pursuant to the reput rights and methods identified in the Releasing Customer's Notice to release capacity, as required by Section 4.1(g). When capacity is recalled, such capacity may not be reput for the same Day. The deadline for the Releasing Customer to notify SGRM of a reput of capacity is 8:00 A.M. CCT to allow the Replacement Customer to submit timely nominations for gas to flow on the next Day.
- (h) Following the awarding of capacity to a Replacement Customer in accordance with the procedures provided in this Section 4, the Releasing Customer's rights and SGRM's obligations under the Releasing Customer's Storage Service Agreement shall be modified and subject to the capacity rights released and assigned to the Replacement Customer for the term of such release. Effecting a release pursuant to the provisions of this Section 4 shall constitute Releasing Customer's consent and agreement to such amendment or modification of its existing Storage Service Agreement.
- (i) The offer to release by a Customer under Rate Schedules FSS or SFS must specify the quantities of MDDQ, MDRQ, MSQ, MDIQ, MDWQ or rights offered, and actually available on the effective date of the assignment, and the exercise of which rights, in conjunction with Releasing Customer's exercise of its retained rights, will not violate any maximum or minimum quantity requirements or limitations applicable under the Rate Schedule or the respective Storage Service Agreements. Releasing Customer shall be responsible for ensuring that the Firm Storage Service quantities offered for release shall be available upon the commencement of the release, in accordance with the terms and conditions of the applicable Rate Schedule. A Replacement Customer under Rate Schedules FSS or SFS shall be responsible for arranging transportation to and from the Point(s) of Receipt and Point(s) of Delivery consistent with its rights and obligations under its Storage Service Agreement and Rate Schedules FSS or SFS. The Replacement Customer must comply with all obligations imposed under such Rate Schedule and its rights to store, withdraw and/or inject Gas will be subject to the provisions thereof. If the Releasing Customer proposes to, or requires a transfer-in-place of the portion of its Storage Inventory in conjunction with its release and assignment of storage capacity rights, it shall so specify in its offer to release and such transfer shall be implemented contemporaneously with

FERC Docket: RP08-184-000

Original Sheet No. 128 Original Sheet No. 128: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

the release and assignment subject to compliance with the provisions of Section 20 of these General Terms and Conditions. The Replacement Customer must withdraw the portion of its Maximum Storage Quantity by the end of the term of the release. In lieu of withdrawing the portion of its Storage Inventory, the Replacement Customer can also attempt to effect a transfer of the portion of its Storage Inventory to another storage service Customer as provided in Section 20 of these General Terms and Conditions. If the Replacement Customer fails to withdraw or transfer the portion of its Storage Inventory by the end of the term of its release, title to the portion of Customer's remaining Storage Inventory will be vested, at no cost, in the Releasing Customer which released its capacity to the Replacement Customer on a temporary basis.

4.14 SGRM's Rights to Terminate Temporary Capacity Releases.

(a) In the event of a temporary release for which (1) SGRM has given notice of termination of the Releasing Customer's Storage Service Agreement pursuant to Section 28 of these General Terms and Conditions and (2) the reservation charge specified in the effective Addendum to the Replacement or Prearranged Replacement Customer's Capacity Release Umbrella Agreement is less than the level of the reservation charge which the Releasing Customer was obligated to pay SGRM, then SGRM shall be entitled to terminate the Addendum, upon 30 days' written notice to the Replacement or Prearranged Replacement Customer, unless the Replacement or Prearranged Replacement Customer agrees prior to the end of said 30-day notice period to pay for the remainder of the term of the Addendum either (i) the reservation and commodity charges at levels which the Releasing Customer was obligated to pay SGRM, or (ii) such rate as mutually agreed by SGRM and Replacement or Prearranged Replacement Customer. Customer may elect to pay the lesser of the two foregoing options. SGRM's right to terminate the Addendum is subject to SGRM providing written notice of termination to the Replacement or Prearranged Replacement Customer within 30 days of the determination by SGRM that the Releasing Customer no longer satisfies SGRM'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 4.14(a) above for storage service and there is Gas in storage for Customer's account at the end of such 30-day period, the Addendum shall continue in force and effect for the sole purpose of withdrawal of said Gas by Customer until Customer's Storage Inventory is zero. SGRM shall require Customer to withdraw each Day a quantity equal to the MDWQ, or such other lesser quantity acceptable to SGRM. The requirement to withdraw storage quantities shall be suspended on any Day to the extent that SGRM cannot accommodate a nomination or withdraw such storage quantities on such Day. Customer may also transfer title of Gas remaining in Customer's Storage Inventory to another Customer pursuant to Section 20 of SGRM's General Terms and Conditions. In the event Customer fails to withdraw its entire Storage Inventory within the time

FERC Docket: RP08-184-000

Original Sheet No. 129 Original Sheet No. 129: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

required by this Section, SGRM shall auction any remaining Storage Inventory and credit the proceeds of such sale to Customer, net of withdrawal charges and fuel, if applicable. Customer shall indemnify SGRM and hold it harmless from all costs, damages and liabilities arising out of the failure of Customer to remove such Storage Inventory and the disposal of such Storage Inventory by sale by SGRM. SGRM shall post such quantities on the Internet Web Site as soon as reasonably practicable. SGRM shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second Business Day following such posting. Prior to 4:00 p.m., CCT of the same Day, SGRM shall notify the Customer submitting the highest bid. When the Gas is purchased at auction, Customer purchasing the Gas must provide identification of the existing Storage Service Agreement with SGRM under which Customer shall store all such Gas purchased. Customer purchasing the Gas agrees to pay the applicable storage rate on the Gas purchased beginning on the date the bid was accepted at auction.

- (c) SGRM shall provide the original Releasing Customer with Internet e-mail notification reasonably proximate in time with any of the following formal notices given by SGRM to the Releasing Customer's Replacement Customer(s), of the following:
- (1) Notice to the Replacement Customer regarding the Replacement Customer's past due, deficiency, or default status pursuant to SGRM's tariff;
- (2) Notice to the Replacement Customer regarding the Replacement Customer's suspension of service notice;
- (3) Notice to the Replacement Customer regarding the Replacement Customer's contract termination notice due to default or credit-related issues; and
- (4) Notice to the Replacement Customer that the Replacement Customer(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to SGRM's tariff.

FERC Docket: RP08-184-000

Original Sheet No. 130 original Sheet No. 130 : Pending

- 5. PRIORITY, INTERRUPTION OF SERVICE AND OPERATIONAL FLOW ORDERS
- 5.1 Priority of Service. Any Customer executing a Storage Service Agreement with SGRM shall be entitled to the storage, parking, wheeling, or loaning of Gas in the following order of declining priority:
- (a) (i) Firm Storage Service under Rate Schedule FSS at Primary Point(s) of Receipt, not in excess of MDRQ, and at Primary Point(s) of Delivery, not in excess of MDDQ, or (ii) for constraints that develop after Gas is scheduled, Firm Storage Services under Rate Schedule SFS at Secondary Point(s) of Receipt, not in excess of MDRQ, and at Secondary Point(s) of Delivery, not in excess of MDDQ.
- (b) For constraints that develop before Gas is scheduled, Firm Storage Services under Rate Schedule SFS at Secondary Point(s) of Receipt, not in excess of MDRQ, and at Primary Point(s) of Delivery, not in excess of MDDQ.
- (c) Interruptible service, including Excess Injection Gas and Excess Withdrawal Gas (pursuant to Section 2 of Rate Schedules FSS or SFS), storage, parking, wheeling, and/or loaning pursuant to Section 5.2 below.
- (d) Make-up volumes to correct prior variances between
  (i) Transporter and the counterparty to a balancing agreement
  (pursuant to such agreement), (ii) Customer and SGRM, and (iii)
  Customer and Transporter if the variance was due to SGRM's failure to receive or deliver Customer's scheduled volumes.
- (e) Extended injections for Firm Storage Service in excess of MDRQ/24 or extended withdrawals for Firm Storage Service in excess of MDDQ/24.
- If a capacity constraint is anticipated or planned (for example, due to system maintenance), SGRM shall post a notice of the anticipated constraint on its Internet Web Site at least 48 hours in advance of the start of the constraint period.
- 5.2 The order of priority relating to service requests for Excess Injection Gas and Excess Withdrawal Gas (pursuant to Section 2 of Rate Schedules FSS or SFS) and service under Rate Schedules ISS, IP, IW, IL and IB shall be allocated to each Customer in the same manner as specified in Section 5.3.

FERC Docket: RP08-184-000

Original Sheet No. 131 Original Sheet No. 131: Pending

GENERAL TERMS AND CONDITIONS (Continued)

#### 5.3 Interruption.

- (a) If on any Day SGRM's capability to receive or deliver quantities is impaired so that SGRM is unable to receive or deliver all the quantities which are scheduled, then interruption of service shall be implemented in the reverse order of priority set forth in Section 5.1. If Firm Storage Service must be interrupted, interruption of service to firm storage Customers shall be pro rata based on MDWQ, MDIQ, MSQ, as applicable. If secondary firm storage service must be interrupted, interruption of service to secondary firm storage Customers shall be pro rata based on MDWQ, MDIQ or MSQ, as applicable. Interruption of service to Interruptible Customers under Rate Schedules ISS, IP, IW, IL and IB and to firm Customers utilizing Excess Injection Gas and/or Excess Withdrawal Gas (pursuant to Section 2 of Rate Schedules FSS or SFS) shall be based on the charges applicable to each Customer for the portion(s) of service subject to interruption, with the transaction with the lowest net revenue to SGRM being interrupted first. Any ties shall be interrupted on a pro rata basis.
- (b) SGRM shall provide Customer as much advance notice of any interruption as is practicable under the circumstances. Such notice shall be made by telephone, fax, e-mail or via the Internet Web Site, as appropriate, and shall state the reduced quantities of Gas that SGRM estimates it will be able to park, wheel, loan, store, inject, withdraw, receive or deliver, as applicable, and the estimated duration of the interruption.
- (c) If interruption is required, SGRM and Customer shall cooperate to the extent possible in making adjustments to receipts, deliveries, injections or withdrawals to minimize injury to any property or facilities.
- 5.4 Interruption Liability. SGRM shall not be liable for any loss or damage to any person or property caused, in whole or in part, by any interruption of service, except to the extent caused solely by SGRM's negligence or willful misconduct.
  - 5.5 Action Alerts and Operational Flow Orders.
- (a) Circumstances Warranting Issuance: As specified in this Section 5.5, SGRM shall have the right to issue Action Alerts or Operational Flow Orders ("OFOS") that require actions by Customers in order (1) to alleviate conditions that threaten to impair reliable service, (2) to maintain operations at the pressures required to provide efficient and reliable services, (3) to have adequate Gas supplies in the system to deliver on demand, (4) to maintain service to all firm shippers and for all firm services, and (5) to maintain the system in balance for the foregoing purposes.

FERC Docket: RP08-184-000

Original Sheet No. 132 Original Sheet No. 132: Pending

- (b) Actions to be Taken to Avoid Issuance: SGRM shall, to the extent practicable, take all reasonable actions necessary to avoid issuing an Action Alert or OFO. Such actions shall include, in order of priority (1) working with point operators to temporarily adjust receipts and/or deliveries at relevant Point(s) of Receipt or Point(s) of Delivery, (2) working with Customers and point operators to adjust scheduled flows on the system, or (3) taking any other reasonable action designed to mitigate the system problem. After taking all such reasonable actions to avoid issuing an Action Alert or OFO, SGRM will have the right to issue Action Alerts or OFOs, if necessary, in the circumstances described in Section 5.5(a).
- (c) Preliminary Notifications/Follow-up Reports: SGRM shall provide, via posting on the Internet Web Site and to affected parties through the affected party's choice of electronic notice delivery mechanism(s), prior notice to all Customers and point operators of upcoming system events such as anticipated weather patterns and operational problems that may necessitate the issuance of an Action Alert or OFO.
- (d) Applicability of Action Alert or OFO: SGRM shall make an Action Alert or OFO as localized as is reasonably practicable based on SGRM's good faith and reasonable judgment concerning the situations requiring remediation such that an Action Alert or OFO will be directed first to Customers and point operators causing the problem necessitating the Action Alert or OFO and second, if necessary, to all Customers and point operators. SGRM will tailor the Action Alert or OFO to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsections 5.5(f) and 5.5(g). The declaration to the affected parties of OFOs, critical periods and/or Critical Notices shall describe the conditions and the specific responses required from the affected parties.
- (e) Notice: All Action Alerts and OFOs will be issued via telephone to be followed by a facsimile to the affected Customer(s) or point operator(s), with subsequent posting on the Internet Web Site, and notification to the affected parties through the affected party's choice of electronic notice delivery mechanism(s). SGRM shall also provide such notification via email communication to those Customers and point operators that have provided e-mail address information for at least one contact person, and have requested via SGRM's Internet Web Site, e-mail notification of Critical Notices issued by SGRM. The Action Alert or OFO will set forth (1) the time and date of issuance, (2) the actions Customer or point operator is required to take, (3) the time by which Customer or point operator must be in compliance with the Action Alert or OFO, (4) the anticipated duration of the Action Alert or OFO, and (5) any other terms that SGRM may reasonably require to ensure the effectiveness of the Action Alert or OFO. In addition to the other information contemplated by this Section

FERC Docket: RP08-184-000

Original Sheet No. 133 Original Sheet No. 133: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

5.5(e), such notice shall also include information about the status of operational variables that determine when an Action Alert or OFO will begin and end, and SGRM shall post periodic updates of such information, promptly upon occurrence of any material change in the information.  ${\tt SGRM}$  will post a notice on the Internet Web Site informing the Customers and point operators when any Action Alert or OFO in effect will be lifted and specifying the factors that caused the Action Alert or OFO to be issued and then lifted, to the extent such factors are known. SGRM shall post a notice on its Internet Web Site specifying the factors that caused the Action Alert or OFO to be issued, to the extent such factors are known. SGRM shall also provide such notification via e-mail communication to those Customers who have submitted a request and provided e-mail address information for at least one contact person, via SGRM's Internet Web Site to receive e-mail notification of Critical Notices issued by SGRM.

- (f) Action Alerts: In the event that SGRM determines that due to (1) an ongoing or anticipated weather event, (2) a known equipment problem, or (3) the anticipated continuation of a current system operational problem, action is necessary to avoid a situation in which the system integrity is jeopardized or SGRM's ability to render firm service is threatened, SGRM may issue an Action Alert as set out herein to forestall the development of the situation.
- (1) Issuance of Alerts: Action Alerts will be noticed in accord with the procedures set forth in Section  $5.5\,(e)$  and SGRM will endeavor to provide a minimum of four hours notice.
- (2) Action Alerts can be issued to effect any of the following:
- (A) restriction of Interruptible services;
- (B) restrictions of deliveries or receipts at specific Point(s) of Receipt or Point(s) of Delivery covered by an operational balancing agreement to the aggregate MDRQ or MDDQ under the Storage Service Agreements for Firm Storage Services whose Primary Point(s) of Delivery/Receipt, which are specified in the Storage Service Agreement, are at the affected locations; and/or
- (C) forced balancing such that point operators will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Action Alert.

FERC Docket: RP08-184-000

Original Sheet No. 134 Original Sheet No. 134: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

(g) OFOs: In the event that, in SGRM's judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain operations at the pressures required to provide efficient and reliable service, to have adequate Gas supplies in the system to deliver on demand, to maintain services to all firm Customers and for all firm services, and/or to maintain the system in balance for the foregoing purposes, SGRM may forgo the action described in Section  $% \left( 1\right) =\left( 1\right) \left( 1\right) +\left( 1\right) \left( 1\right) \left( 1\right) +\left( 1\right) \left( 1\right$ 5.5(f) and immediately issue an OFO. In the event that (1) Customer or point operator does not respond to an Action Alert, (2) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or (3) there is insufficient time to carry out the procedures with respect to Action Alerts, SGRM may issue an OFO pursuant to this Section 5.5(g) or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of SGRM's system. For purposes of this Section, the operational integrity of SGRM's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered.

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

FERC Docket: RP08-184-000

Original Sheet No. 135 Original Sheet No. 135: Pending

GENERAL TERMS AND CONDITIONS (Continued)

Any penalty revenue collected by SGRM pursuant to this Section 5.5(i) shall be credited to those firm and Interruptible Customers that did not incur Action Alert or OFO penalties pursuant to this Section 5.5(i) in the Month for which Action Alert or OFO penalty revenues were received ("Non-Offending Customers"), based on the ratio of the total charges paid during that Month by the Non-Offending Customer to the sum of the total charges paid during that Month by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month following the date of the final Commission order approving SGRM's penalty disbursement report; provided, however, that SGRM will calculate and include such credits on Non-Offending Customer's invoices for a period shorter than twelve Months in the event and to the extent that the total accumulated amount of Action Alert or OFO penalty revenue collected pursuant to this Section 5.5(i) by SGRM as of the end of any Month exceeds \$1,000,000. SGRM will file with the Commission a penalty disbursement report within sixty days of July 31 or sixty days after the end of the Month for which revenue collected exceeds \$1,000,000. Any penalty revenue credited to Non-Offending Customers pursuant to this Section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

- (j) Liability of SGRM: SGRM shall not be liable for any costs incurred by any Customer or point operator in complying with an Action Alert or OFO. SGRM shall not be responsible for any damages that result from any interruption in service that is a result of a Customer's or point operator's failure to comply promptly and fully with an Action Alert or OFO, and the non-complying Customer or point operator shall indemnify SGRM against any claims of responsibility. However, SGRM shall use reasonable efforts to minimize any such costs or damages.
- (k) Unilateral Action: In the event that (1) Customer(s) or point operator(s) does (do) not respond to an OFO, or (2) the actions taken thereunder are insufficient to correct the system problem for which the OFO was issued, or (3) there is insufficient time to carry out the procedures with respect to OFOS, SGRM may take unilateral action, including the curtailment of firm service, to maintain the operational integrity of SGRM's system. For purposes of this Section, the operational integrity of SGRM's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance, the overall operating performance of the entire physical system, as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered.

FERC Docket: RP08-184-000

Original Sheet No. 136 original Sheet No. 136: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

#### STORAGE OPERATIONS

- 6.1 Customer shall tender or cause to be tendered to SGRM at the Point(s) of Receipt any Gas which Customer desires to have injected into storage plus applicable Fuel Reimbursement volumes. Customer shall also receive or cause to be received Gas requested to be withdrawn from storage at the Point(s) of Delivery.
- 6.2 Subject to the operating conditions then existing on the delivering or receiving pipelines, SGRM shall receive Gas for injection from Customer at the Point(s) of Receipt and deliver Gas to Customer at the Point(s) of Delivery as scheduled by Customer from time to time; provided that SGRM shall not be obligated to receive for injection any quantity of Gas if the injection of the same would cause the quantity of Gas stored for Customer's account to exceed Customer's Maximum Storage Quantity; nor shall SGRM be obligated at any time to deliver more Gas to Customer than Customer has stored in its Storage Inventory or Park Balance, as applicable, or to receive from Customer more Gas than Customer has outstanding in its Loan Balance.

#### 7. WHEELING OPERATIONS

7.1 Customer shall tender or cause to be tendered to SGRM at the Point(s) of Receipt any Gas which Customer desires to have wheeled plus applicable Fuel Reimbursement volumes. Customer shall also receive or cause to be received Gas requested to be wheeled at the Point(s) of Delivery.

FERC Docket: RP08-184-000

Original Sheet No. 137 Original Sheet No. 137: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

#### 8. NOMINATIONS AND SCHEDULING

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

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

Overrun quantities shall be requested on a separate transaction.

8.2 SGRM will accept nominations for service as follows:

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

11:30 a.m.	Nomination leaves control of the Customer
11:45 a.m.	Receipt of nomination by the Transporters (including from Title Transfer Tracking Service Providers ("TTTSPs"))
12:00 p.m.	$\ensuremath{SGRM}$ provides quick response for validity of data elements
3:30 p.m.	Completed confirmations from upstream and downstream connected parties provided to SGRM
4:30 p.m.	Receipt of scheduled quantities by Customer and

point operator

FERC Docket: RP08-184-000

Original Sheet No. 138 Original Sheet No. 138: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

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

(b) Intraday Nominations. Any nomination received during a Day for the same Day of Gas flow, or any nomination  $% \left( 1\right) =\left( 1\right) +\left( 1\right) +\left($ received after the nominations deadline set forth in Section 8.2(a) above for the following Day flow shall be an intraday nomination. Intraday nominations can be used to request increases or decreases in total flow, changes to Point(s) of Receipt, or changes to Point(s) of Delivery of scheduled Gas. Intraday nominations do not roll over (i.e. intraday nominations span one Day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an intraday nomination modifies an existing nomination. Intraday nominations may be used to nominate new injections or withdrawals. All nominations, including intraday nominations, shall be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday nominations shall include an effective date and time. The interconnected parties shall agree on the hourly flows of the intraday nomination, if not otherwise addressed in Transporter's contract or tariff.

In the event Customer does not submit a timely nomination or desires to alter an existing nomination, Customer shall have the right to submit an intraday nomination to revise Customer's scheduled quantities, Point(s) of Receipt and/or Point(s) of Delivery on a prospective basis prior to the end of the Day; provided, however, that such intraday nomination will be processed after all timely nominations have been scheduled. Such intraday nomination shall be implemented by SGRM to the extent and only to the extent that SGRM is able to confirm the receipt and delivery of such Gas at the Point(s) of Receipt and Point(s) of Delivery.

- (c) Elapsed-Prorated-Scheduled Quantity. With respect to intraday nominations for reductions in previously scheduled quantities, SGRM may accept any explicitly confirmed quantity, down to and including zero, for such intraday nomination; provided, however, if such intraday nomination requires confirmation from an upstream and/or downstream interconnected pipeline, then any intraday nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.
- (d) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 5 of the General Terms and Conditions of this FERC Gas Tariff. Nominations received after nomination deadline shall be scheduled after the nominations received before the nomination deadline.

FERC Docket: RP08-184-000

Original Sheet No. 139 Original Sheet No. 139: Pending

- (e) Notices provided under this Section 8.2 must be submitted in writing via fax or the Internet Web Site. Customer shall provide notice of any changes in deliveries to or receipt from SGRM to all transporters and shall be responsible for, and shall hold SGRM harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of SGRM.
- (f) Minimum NAESB Nomination Standards. In the event the more flexible nomination procedures set forth in Section 8.2(b) above are inapplicable for any reason, nominations shall be submitted and processed in accordance with the minimum standards set forth in this Section 8.2(f). SGRM shall support the following standard nomination cycles:
- (1) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by SGRM (including from Title Transfer Tracking Service Providers ("TTTSPs")); noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by SGRM from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Customer and point operator (Central Clock Time on the Day prior to flow).
- (2) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by SGRM (including from TTTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by SGRM from upstream and downstream connected parties; 10:00 p.m. for SGRM to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties) (Central Clock Time on the Day prior to flow). Scheduled quantities resulting from an Evening Nomination should be effective at 9:00 a.m. on the Day.
- (3) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by SGRM (including from TTTSPs); 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by SGRM from upstream and downstream connected parties; 2:00 p.m. for SGRM to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (Central Clock Time on the Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on the Day.

FERC Docket: RP08-184-000

Original Sheet No. 140 original Sheet No. 140: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

(4) The Intraday 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by SGRM (including from TTTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by SGRM from upstream and downstream connected parties; 9:00 p.m. for SGRM to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties) (Central Clock Time on the Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on the Day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

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

#### 9. POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

- 9.1 Point(s) of Receipt. Customer shall tender all Gas for wheeling or injection into storage to SGRM at the Point(s) of Receipt as specified in Customer's Storage Service Agreement. The quantity of Gas tendered by Customer to SGRM for wheeling or injection into storage shall (i) not exceed at each Point of Receipt the MDTQ or MDRQ, as applicable, for such Point of Receipt in effect from time to time, or (ii) not exceed the MDIQ plus the applicable Fuel Reimbursement at all Point(s) of Receipt in effect from time to time, without the consent of SGRM.
- 9.2 Point(s) of Delivery. SGRM shall tender all Gas to be wheeled or withdrawn from storage to Customer at the Point(s) of Delivery as specified in Customer's Storage Service Agreement. The quantity of Gas delivered to Customer shall (i) not exceed at each Point of Delivery the MDTQ or MDDQ, as applicable, for such Point of Delivery in effect from time to time, or (ii) not exceed the MDWQ at all Point(s) of Delivery in effect from time to time, without the consent of SGRM.
- 9.3 Transportation Guidelines. For each Point of Receipt and Point of Delivery, the interconnected Transporter's rules, guidelines, operational procedures and policies, as they may be changed from time to time, shall define and control the manner in which Gas is delivered or received. SGRM and Customer each agree to provide to the other, in as prompt a manner as reasonable,

FERC Docket: RP08-184-000

Original Sheet No. 141 Original Sheet No. 141: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

all information necessary to permit scheduling pursuant to such requirements. In addition, SGRM will not be required to begin wheeling, injections or withdrawals for a Customer's account unless and until the data required for nominations, provided for in Section 8, have been confirmed by the applicable Transporter to SGRM's Gas dispatcher.

- 9.4 Transportation Imbalances. In the event that SGRM or Customer delivers or causes to be delivered to Transporter at the Point(s) of Receipt or Delivery a quantity of Gas not equal to the quantity of Gas received or taken by Customer or SGRM, a "Transportation Imbalance" may occur. Provided that SGRM has taken or delivered the quantity of Gas nominated by Customer and scheduled by Transporter, Customer shall be liable for all imbalances under its transportation agreement with Transporter. Upon notification by Customer or Transporter that a Transportation Imbalance exists because SGRM failed to deliver or receive the quantity of Gas nominated by Customer and scheduled by Transporter, SGRM will endeavor to correct the Transportation Imbalance subject to any restrictions imposed by Transporter but SGRM shall be solely responsible and liable for any charges, penalties, costs and expenses incurred or payable by either party as a result of the Transportation Imbalance. Customer agrees to use its best efforts to prevent or diminish any occurrences of imbalances.
- $9.5\,$  Measurement. Customer and SGRM agree that the quantity of Gas delivered hereunder shall be measured by SGRM in accordance with the Transporter's pipeline tariff applicable to each Point of Delivery/Receipt, and, as such, may be allowed to fluctuate within the applicable measurement or flow tolerances on a daily and Monthly basis.
- 9.6 Costs and Penalties. Customer shall hold SGRM harmless for all costs and penalties which may be assessed by Transporter(s) under Customer's transportation agreement(s) with Transporter(s), unless the costs and penalties are due to the negligence of SGRM. Customer and SGRM shall cooperate with each other and with the Transporter(s) to verify delivery and receipt of the volumes of Gas delivered hereunder on a timely basis.
- $9.7\,$  Downstream and Upstream Transportation. Customer shall be responsible for transportation from the Point(s) of Delivery and payment of all transportation charges relating thereto. Customer shall be responsible for transportation to the Point(s) of Receipt and payment of all transportation charges relating thereto.

#### 10. QUALITY

10.1 Specifications. The Gas delivered by either party to the other hereunder shall meet the quality specifications of the Transporter which receives or delivers such Gas at the Point of Receipt or Delivery, as applicable, and, unless such Transporter's quality specifications are more stringent, shall be of such quality that it shall meet at least the following specifications:

FERC Docket: RP08-184-000

Original Sheet No. 142 Original Sheet No. 142: Pending

- (a) Be commercially free from objectionable odors, dirt, dust, iron particles, gums, gum-forming constituents, gasoline, PCBs, and other solid and/or liquid matter, including but not limited to water, Gas treating chemicals and well completion fluids and debris, which may become separated from the Gas during the transportation thereof.
- (b) Contain not more than one fourth (1/4) of one grain of hydrogen sulfide per one hundred (100) cubic feet, as determined by the cadmium sulfate quantitative test, nor more than twenty (20) grains of total sulfur per one hundred (100) cubic feet
- (c) The Gas delivered hereunder shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, shall not contain more than three percent (3%) by volume of carbon dioxide, shall not contain more than three (3%) by volume of nitrogen, and shall not contain a combined total of carbon dioxide and nitrogen components of more than four (4%) by volume.
- (d) Have a heating value of not less than nine hundred and sixty-seven (967) Btus per cubic feet and not more than eleven hundred (1100) Btus per cubic feet.
- (e) Have a temperature of not more than 120 degrees Fahrenheit (120 degrees F), nor less than forty degrees Fahrenheit (40 degrees F).
- (f) Have been dehydrated by the tendering party, by any method other than the use of a calcium chloride as desiccant, for removal of entrained water in excess of seven (7) pounds of water per million (1,000,000) cubic feet of Gas as determined by dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon.
- 10.2 Rejection of Gas. Either party shall be entitled to reject any Gas tendered to it by the other party which does not meet the minimum specifications of Section 10.1 hereunder. Acceptance of such Gas does not constitute any waiver of SGRM's right to refuse to accept similarly nonconforming Gas.

FERC Docket: RP08-184-000

Original Sheet No. 143 Original Sheet No. 143: Pending

GENERAL TERMS AND CONDITIONS (Continued)

#### 11. PRESSURE AND INJECTION/WITHDRAWAL RATES

11.1 Delivery Pressures. SGRM shall deliver Gas to Customer at pressures sufficient to enter the pipeline facilities at the Point(s) of Delivery against the operating pressures maintained by Transporter(s) from time to time. SGRM shall not be required to deliver Gas at pressures in excess of those required by Transporter(s) or in excess of Transporter(s) maximum allowable operating pressure (MAOP), not to exceed 1,000 psig. Customer shall deliver or cause to be delivered to SGRM all Gas for wheeling, parking or injection at the Point(s) of Receipt at pressures not less than 800 psig and not in excess of the MAOP of SGRM's facilities at the Point(s) of Receipt. SGRM shall be responsible for maintaining facilities at such Point(s) of Receipt to permit Customer to deliver Gas to SGRM at such allowed pressures.

11.2 Receipt and Delivery Rates. SGRM has designed the facilities required to wheel, store, inject and withdraw Gas based on "normal" operating pressures maintained by the Transporter(s) at the Point(s) of Receipt/Delivery with allowances for reasonable fluctuations. In the event that conditions on the Transporter's system vary substantially from this "normal" design condition coincident with high levels of Customer receipt or delivery activity, SGRM's capability to receive or deliver the quantities set forth in its Storage Service Agreements may be impaired, resulting in an interruption in service. If this happens, capacity will be allocated pursuant to Section 5 of the General Terms and Conditions of this FERC Gas Tariff. Customer agrees to indemnify and hold SGRM harmless for any loss caused by any such interruption in service.

FERC Docket: RP08-184-000

Original Sheet No. 144 Original Sheet No. 144: Pending

GENERAL TERMS AND CONDITIONS (Continued)

#### 12. TITLE AND RISK OF LOSS

12.1 Customer warrants for itself, its successors and assigns, that it will have at the time of delivery of Gas for injection, storage, parking, wheeling or loan repayment hereunder either good title to or the right to have the Gas transported or stored. Customer warrants for itself, its successors and assigns, that the Gas it delivers hereunder shall be free and clear of all liens, encumbrances, or claims whatsoever; and that it will indemnify SGRM and save it harmless from all claims, suits, actions, damages, costs and expenses arising directly or indirectly from or with respect to the title and/or right to Gas tendered to SGRM hereunder. Title to Gas transported or stored under all Rate Schedules other than Rate Schedule IL and Gas loaned under Rate Schedule IB, shall remain at all times with Customer. Title to gas loaned under Rate Schedules IL and IB shall pass from SGRM to Customer when loaned gas is delivered for Customer's account to a Point of Delivery and title shall pass from Customer to SGRM when loaned gas is returned by Customer to a Point of Receipt.

- 12.2 As between Customer and SGRM, (x) Customer shall be deemed to be in control and possession of the  $\ensuremath{\mathsf{Gas}}$  prior to delivery to SGRM for wheeling, parking, storage or injection at the Point(s) of Receipt and after redelivery by SGRM to Customer at the Point(s) of Delivery, and shall indemnify and hold SGRM harmless from any damage or injury caused thereby, and (y) SGRM shall be deemed to be in control and possession of the Gas after the receipt of Gas at the Point(s) of Receipt and until SGRM's redelivery of an equivalent quantity of Gas to Customer at the Point(s) of Delivery, and shall indemnify and hold Customer harmless from any damage or injury caused thereby, except for damages and injuries caused by the sole negligence of Customer. Notwithstanding anything to the contrary set forth in this Section 12.2, the risk of loss of any quantity of Gas wheeled through, injected into, parked or stored in and withdrawn from the SGRM storage facilities shall remain with Customer, and SGRM shall not be liable to Customer for any loss of Gas, except as may be the consequence of the intentional or negligent acts or omissions of SGRM. Any losses of Gas, unless resulting from the intentional or negligent acts or omissions of SGRM, shall be apportioned among and shared proportionally by all Customers under Rate Schedules FSS, SFS, ISS, IP and IB on the basis of the percentage which each Customer's Storage Inventory as of the Day immediately preceding the Day on which a loss occurs bore to the total amount of Gas in all Customers' Storage Inventories on such Day.
- 12.3 SGRM will not grant, or take any action that would result in the imposition of, any security interest (other than a security interest as may be permitted under the Creditworthiness and other express provisions of this FERC Gas Tariff) in, or other encumbrance of, its Customers' title to or interest in Gas while in SGRM's possession.

FERC Docket: RP08-184-000

Original Sheet No. 145 Original Sheet No. 145: Pending

GENERAL TERMS AND CONDITIONS (Continued)

#### 13. MEASUREMENT

13.1 The unit of volume for measurement of all quantities of Gas wheeled, parked, loaned or stored by SGRM or delivered to and received from storage hereunder shall be one (1) cubic foot of Gas at the base temperature of sixty degrees Fahrenheit (60 degrees F) and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch and dry. All fundamental constants, observations, records, and procedures involved in determining and/or verifying the quantity and other characteristics of Gas delivered hereunder shall, unless otherwise specified herein, be in accordance with the standards prescribed in Report No. 3 of the American Gas Association, as now in effect and from time to time amended or supplemented. All measurements of Gas shall be determined by calculation into terms of such unit. All quantities given herein, unless expressly stated otherwise, are in terms of such unit. Notwithstanding the foregoing, it is agreed that, for all purposes, the Btu content of the Gas received and delivered by SGRM hereunder shall be measured on a "dry" basis rather than a fully saturated or "wet" basis. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

13.2 SGRM shall install, maintain and operate, or cause to be installed, maintained and operated, the measurement facilities required hereunder. Said measurement facilities shall be so equipped with meters, recording gauges, chromatographs or other types of related and/or similar equipment of standard make and design commonly acceptable in the industry, as to accomplish the accurate measurement of Gas delivered hereunder. The retrieval of data and calibrating and adjustment of meters shall be done by SGRM or its agent.

#### 14. BILLINGS AND PAYMENTS

14.1 Invoice. Not later than the ninth (9th) Business Day of each month, SGRM shall provide Customer (including a Replacement Customer) an invoice and any required backup data (which may be transmitted by fax) setting forth (i) the charges due for the current Month; (ii) the total quantity of Gas, stated in Dekatherms, received from and delivered to Customer hereunder during the preceding Month(s), with applicable Point(s) of Receipt and Point(s) of Delivery properly identified, and the amount due therefor; and if applicable, (iii) the amount of Customer's Gas in storage as of the close of the preceding Month and information sufficient to explain and support any adjustments made by SGRM in determining the amount billed. If actual quantities are not available by the ninth (9th) Business Day of the month, SGRM may invoice based on best available data subject to adjustment to actual at a later date. Quantities at points where Operational Balancing Agreements exist shall be invoiced based on scheduled quantities.

FERC Docket: RP08-184-000

Original Sheet No. 146 original Sheet No. 146: Pending

- 14.2 Application of Payments for Released Capacity. Payments to SGRM by a Replacement Customer for released capacity shall be applied as follows: (i) SGRM shall retain amounts equal to the Replacement Customer's usage charges; (ii) SGRM will credit the balance to reservation charges due from the Replacement Customer; and (iii) SGRM shall remit the remaining balance, if any, or shall charge any balance due, to the Replacement Customer, in accordance with Section 4.10 of the General Terms and Conditions of this FERC Gas Tariff. If any balance due from the Replacement Customer remains unpaid, the outstanding balance will then be billed to the Releasing Customer, provided that the Releasing Customer is only liable to the extent of the reservation charges specified in the applicable Storage Service Agreement and corresponding Rate Schedule.
- 14.3 Payment. Customer shall pay SGRM by wire transfer the full amount reflected on the invoice within fifteen (15) days of the date of the invoice. If the fifteenth (15th) day shall fall upon a weekend or legal holiday, then such payment shall be made on the last regular Business Day prior to such fifteenth (15th) day. Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date.
- 14.4 Billing Error. If an error is discovered in any billing, such error shall be adjusted within thirty (30) days of the determination thereof. If a dispute arises as to the amount payable in any invoice rendered hereunder, Customer shall nevertheless pay when due the amount not in dispute under such invoice. Such payment shall not be deemed to be a waiver of the right by Customer to recoup any overpayment, nor shall acceptance of any payment be deemed to be a waiver of the right by Customer to recoup any overpayment, nor shall acceptance of any payment be deemed to be a waiver by SGRM of any underpayment. In the event Customer fails to forward the entire undisputed amount due to SGRM when same is due, interest on the unpaid portion shall accrue at the same rate of interest and in the same manner as prescribed for pipeline refunds as set forth in Section 154.501(d) of the Commission's regulations under the Natural Gas Act from the date such payment is due until the same is paid. If Customer's failure to pay the undisputed portion of any invoice rendered hereunder continues beyond thirty (30) days after the due date of such invoice, then SGRM, in addition to all other legal remedies available to it, shall have the right and option to suspend further deliveries of Gas until such default shall have been cured. If Customer's failure to pay the undisputed portion of any invoice rendered hereunder continues beyond sixty (60) days after the due date of such invoice, then SGRM, in addition to all other legal remedies available to it, shall have the right and option to terminate service hereunder.

FERC Docket: RP08-184-000

Original Sheet No. 147 Original Sheet No. 147: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

14.5 Billing Disputes. If Customer withholds payment of any disputed amount as authorized herein, Customer shall within ten (10) days after the due date of the disputed invoice submit to SGRM a written explanation of the dispute and any available supporting documentation. The parties shall then cooperate in good faith to resolve such dispute as expeditiously as possible, and the portion, if any, of such disputed amount eventually determined to be due shall bear interest at the rate stated in Section 14.4 above from the original due date until the date actually paid.

14.6 Right to Audit. Both SGRM and Customer shall have the right at their own expense to examine and audit at any reasonable time the books, records (including measurement, billing and payment) and charts of the other to the extent necessary to verify the accuracy of any statements or charges made under or pursuant to any of the provisions of Customer's Storage Service Agreement. Upon request, Customer shall also make available to SGRM for audit purposes any relevant records of the Transporters to which Customer has access. A formal audit of accounts shall not be made more often than once each Contract Year. Any inaccuracy will be promptly corrected when discovered; provided, however, that neither SGRM nor Customer shall be required to maintain books, records or charts for a period of more than two (2) Contract Years following the end of the Contract Year to which they are applicable. Neither SGRM nor Customer shall have any right to question or contest any charge or credit if the matter is not called to the attention of the other in writing within two (2) years after the end of the Contract Year in question.

#### 15. TAXES

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

FERC Docket: RP08-184-000

Original Sheet No. 148 Original Sheet No. 148: Pending

GENERAL TERMS AND CONDITIONS (Continued)

### 16. INSURANCE

As an accommodation to Customers under Rate Schedules FSS, SFS, ISS, IP and IB, SGRM shall be responsible for obtaining for the benefit of such customers insurance coverage against casualty events that result in the loss of Gas held in storage in the SGRM storage facility, provided that such insurance coverage is available to SGRM on commercially reasonable terms. SGRM's undertaking to obtain such insurance coverage shall not be deemed to shift the risk of loss of Customers' Gas in storage to SGRM. SGRM shall use commercially reasonable efforts from time to time to identify each Customer under Rate Schedules FSS, SFS, ISS, IP and IB as a named insured under any insurance policy or policies obtained pursuant to this Section 16. A Customer's recovery of the proceeds of any insurance payment made in respect of a casualty event involving the loss of Gas held in storage shall be limited to the Customer's allocable share of the proceeds of insurance paid over to SGRM, such share to be determined in accordance with the provisions of Section 12.2 of these General Terms and Conditions. The payment of any claim under insurance so procured by SGRM shall be based upon the terms of the insurance policies, and the Force Majeure provisions of this FERC Gas Tariff shall not be invoked to excuse payment of any claim allowable under the terms of the insurance policies. SGRM shall make insurance policy(ies) obtained from time to time pursuant to this Section 16 available to Customer for review upon Customer's reasonable request.

FERC Docket: RP08-184-000

Original Sheet No. 149 Original Sheet No. 149: Pending

GENERAL TERMS AND CONDITIONS (Continued)

### 17. FORCE MAJEURE, RESERVATION CHARGE CREDITS

17.1. (a) Effect of Force Majeure. In the event SGRM is rendered unable, wholly or in part, by reason of an event of Force Majeure, as defined herein, to perform, wholly or in part, any obligation or commitment under Customer's Storage Service Agreement, it is agreed that upon SGRM's giving notice and full particulars of such Force Majeure event on its Internet Web Site and/or in writing to Customer within seventy-two (72) hours after the occurrence of the cause relied on, then the obligations of SGRM shall be suspended to the extent that SGRM's ability to perform such obligations is affected by such Force Majeure event and for the period of such Force Majeure condition, but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

(b) Force Majeure and Obligation to Pay/Credit Reservation Charges. A Customer taking firm service under Rate Schedules FSS or SFS shall not be relieved of its obligation to pay Reservation Charges specified in such firm Rate Schedules due to an event of Force Majeure and SGRM shall include the full amount of such Reservation Charges on the Customer's invoice for any Month in which an event of Force Majeure shall have occurred, provided, however, that SGRM shall calculate credits against the Customer's Reservation Charges payable under Rate Schedules FSS or SFS and its Storage Service Agreement to reflect any reduction in SGRM's ability to render firm services resulting from an event of Force Majeure declared by SGRM and shall include such credits on the firm Customer's invoice for the next succeeding Month, in accordance with Section 17.1(c) below.

FERC Docket: RP08-184-001

Substitute Original Sheet No. 150 substitute Original Sheet No. 150 : Pending

GENERAL TERMS AND CONDITIONS (Continued)

(c) Calculation of Credits Against Reservation Charges. For each Day on which a Customer's firm service under Rate Schedules FSS or SFS is curtailed such that (i) for curtailments due to Force Majeure events, Customer does not receive at least 98% of its scheduled service, or (ii) for non-Force Majeure curtailments, Customer does not receive 100% of its scheduled service, SGRM shall calculate credits against the Customer's Reservation Charges payable under Rate Schedules FSS or SFS and its Storage Service Agreement; provided, that SGRM shall not be required to provide Reservation Charge credits during the first ten (10) Days of curtailment due to an event of Force Majeure declared by SGRM and; provided further, SGRM shall not be required to provide Reservation Charge credits for curtailments or other service interruptions that are the result of Customer's conduct or the result of actions or inactions by pipeline Transporters. SGRM shall calculate Reservation Charge Credits for each applicable Day of curtailment using the following formulae:

Curtailment of a firm Customer's injections:

Reservation Charge Credit = RC/#Days X CNIQ/MDIQ

Curtailment of a firm Customer's withdrawals:

Reservation Charge Credit = RC/#Days X CNWQ/MDWQ

#### Where:

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

#Days = The number of Days in the Month.

CNIQ = The Curtailed Nominated Injection Quantity, which shall be the quantity of Customer's nominated injections actually curtailed on each Day in the Month by SGRM.

CNWQ = The Curtailed Nominated Withdrawal Quantity, which shall be the quantity of Customer's nominated withdrawals actually curtailed on each Day of the Month by SGRM.

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

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

FERC Docket: RP08-184-000

Original Sheet No. 151 Original Sheet No. 151: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

17.2 Nature of Force Majeure. The term "Force Majeure" as employed herein and in Customer's Storage Service Agreement shall mean any cause, whether of the kind enumerated herein or otherwise, not reasonably within the control of SGRM, such as acts of God; strikes, lockouts and industrial disputes or disturbances; inability to secure or delays in obtaining labor, materials, supplies, permits, easements or rights-of-way, including inability to secure materials by reason of allocations promulgated by authorized governmental agencies; arrests and restraints of governments and people; interruptions by government or court orders; present and future valid orders, decisions or rulings of any government or regulatory entity having proper jurisdiction; acts of the public enemy; vandalism; wars; riots; civil disturbances; sabotage or terrorism; blockades; insurrections; epidemics; landslides; lightning; tornadoes; hurricanes; earthquakes; fires; storms; floods; washouts; inclement weather which necessitates extraordinary measures and expense to maintain operations; explosions; breakage, accidents and/or maintenance to plant facilities including machinery, lines of pipe, accidents and/or unscheduled maintenance of wells or subsurface storage caverns or reservoirs; testing (as required by governmental authority or as deemed necessary by SGRM for the safe operation of the facilities required to perform the services hereunder); and the making of repairs or alterations to pipelines, storage, and plant facilities including Transporter's(s') pipeline repairs. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of SGRM, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of SGRM.

### 18. NOTICES

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

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

### 19. FUEL REIMBURSEMENT

19.1 Categories of Fuel Usage. The two general categories of fuel usage are: (1) Direct Fuel Usage, consisting of (a) compression fuel (including electricity), (b) dehydration fuel, and (c) line heating fuel; and (2) Indirect Fuel Usage, consisting of fuel that is consumed on site to (a) generate electricity, (b) heat the facility (if any), and (c) fuel SGRM vehicles.

FERC Docket: RP08-184-000

Original Sheet No. 152 Original Sheet No. 152: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

Fuel Reimbursement charges are intended to compensate SGRM for these categories of fuel usage and for lost and unaccounted for Gas volumes to the extent required for the operation and maintenance of SGRM's Gas storage facilities.

19.2 Fuel Reimbursement. Fuel Reimbursement shall be calculated separately for storage services, wheeling, loaning and parking under Rate Schedules FSS, SFS, ISS, IP, IW, IL and IB. Each Fuel Reimbursement charge shall be negotiated by SGRM and Customer such that reimbursement of fuel shall be paid in kind or in dollars per Dth, as set forth in Customer's Storage Service Agreement(s).

#### 20. GAS TITLE TRANSFERS

- 20.1 Title Transfers of Gas in Storage:
- (a) A Customer that has executed a Storage Service Agreement under Rate Schedules FSS, SFS, ISS, IP or IB may sell some or all of its Storage Inventory to any other Customer that has executed a Storage Service Agreement to become part of such other Customer's Storage Inventory:
- (1) Customer selling Storage Inventory and Customer purchasing Storage Inventory execute a Title Transfer Form identifying the details of the title transfer transaction, as such form is posted on SGRM's Internet Web Site and amended from time to time, and submit such executed form to SGRM; and
- (2) The purchase does not cause either Customer to exceed its Maximum Storage Quantity or Maximum Park Quantity, as applicable and as specified in the Customer's Storage Service Agreement or cause either Customer's balance to go below zero.

SGRM may restrict transfers when such transfers would result in an increase in the service obligations of SGRM or cause operational difficulties and such increase or operational difficulties would, in the reasonable judgment of SGRM, impair the ability of SGRM to meet all of its other service obligations of equal or higher priority.

- (b) SGRM will recognize the transfer for purposes of computing each Customer's available Storage Inventory on a prospective basis within one (1) Business Day after receipt of the executed Title Transfer Form.
- (c) For each title transfer of Gas in storage performed under this Section, each Customer shall pay the gas title transfer rate as agreed upon by each Customer and SGRM and set forth on the executed Title Transfer Form.

FERC Docket: RP08-184-000

Original Sheet No. 153 original Sheet No. 153: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

#### 20.2 Title Transfers of Gas

(a) Transfers of title between Customers and/or Storage Service Agreements under which Gas is delivered to SGRM, withdrawn from SGRM's storage or wheeled on SGRM's system may be permitted by SGRM at Point(s) of Receipt and Point(s) of Delivery or on SGRM's system on an Interruptible basis pursuant to Customer's Title Transfer Form.

- (b) Requests for such transfers shall be made in accordance with the nomination procedures set forth in Section 8, Nominations and Scheduling, of the General Terms and Conditions herein. SGRM shall not unreasonably withhold approval of such transfers.
- (c) For each title transfer nominated by Customer under Section 20.2(b) herein, Customer shall pay the gas title transfer rate set forth on the executed Title Transfer Form.

#### 21. PENALTIES

- 21.1 A Customer shall be liable for and shall be required to reimburse SGRM for all penalties, charges and fees which SGRM is required to pay to Transporter(s) as a consequence of Customer's actions. The recovery of such penalty amounts shall be on an as-billed basis.
- 21.2 In addition to the payment of the penalties set forth in Section 21.1 herein, the responsible Customer shall also be liable for, and shall reimburse SGRM, for all costs incurred by SGRM as a consequence of such Customer's actions.

### 22. TRANSMISSION PROVIDER STANDARDS OF CONDUCT

SGRM does not meet FERC's definition of a "Transmission Provider" (18 C.F.R. 358.3(a)) because it is a storage company authorized to charge market-based rates, is not interconnected with the facilities of any affiliated interstate natural gas pipeline, has no exclusive franchise area, has no captive customers and has no market power. Therefore, SGRM is not required to comply with FERC's Transmission Provider Standards of Conduct, as promulgated in Order Nos. 2004, et al., and codified at 18 C.F.R. Part 358.

FERC Docket: RP09-727-000

First Revised Sheet No. 154 First Revised Sheet No. 154

Superseding: Original Sheet No. 154

GENERAL TERMS AND CONDITIONS (Continued)

#### 23. NORTH AMERICAN ENERGY STANDARDS BOARD

SGRM adopts or exceeds all of the Business Practices and Electronic Communication Standards which were required by the Commission in 18 C.F.R. Section 284.12(b) in accordance with Order No. 587-T. In addition to the standards reflected in other provisions of this FERC Gas Tariff, the following NAESB Standards Version 1.8 are incorporated herein by reference:

General Standards:

0.1.3, 0.2.1, 0.2.2, 0.2.3, 0.3.1., 0.3.2., 0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15. and 0.4.1.

Nominations Related Standards:

```
1.1.7, 1.1.9, 1.1.20, 1.1.21, 1.1.22, 1.2.1, 1.2.2, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19, 1.3.2(v), 1.3.2(vi), 1.3.3, 1.3.4, 1.3.7, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49, 1.3.50, 1.3.51, 1.3.52, 1.3.53, 1.3.54, 1.3.55, 1.3.56, 1.3.57, 1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.64, 1.3.65, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, and 1.4.7.
```

Flowing Gas Related Standards:

```
2.1.6, 2.2.1, 2.2.4, 2.2.5, 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, 2.4.16., 2.4.17, 2.4.18
```

Invoicing Related Standards:

3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.18, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.4.1, 3.4.2, 3.4.3 and 3.4.4.

Electronic Delivery Mechanism Related Standards:

```
4.1.2, 4.1.6, 4.1.7, 4.1.40, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.20, 4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.39, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.56, 4.3.57, 4.3.58, 4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.65, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.78, 4.3.79, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92 and 4.3.93.
```

115

FERC Docket: RP09-727-000

First Revised Sheet No. 155 First Revised Sheet No. 155

Superseding: Original Sheet No. 155

GENERAL TERMS AND CONDITIONS (Continued)

Capacity Release Related Standards:

5.1.2, 5.1.3, 5.1.4, 5.2.2, 5.3.5, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.17, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5,3.43, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.18, 5.4.19, 5.4.20, 5.4.21, 5.4.22, 5.4.23.

Internet Electronic Transport Standards:
10.1.1-10.1.9, 10.2.1-10.2.38, 10.3.1, and 10.3.3-10.3.25.

SGRM's incorporation of the foregoing standards is subject to the limited waiver FERC granted SGRM regarding an extension of time to implement EDI/EDM and FF/EDM communications until 90 days following a request that it provide such communications.

116

FERC Docket: RP08-184-000

Original Sheet No. 156 Original Sheet No. 156: Pending

GENERAL TERMS AND CONDITIONS (Continued)

#### 24. JOINT OBLIGATIONS

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

25. NON-DISCRIMINATORY WAIVER OF TARIFF PROVISIONS AND NON-WAIVER OF FUTURE DEFAULTS

SGRM may waive any of its rights hereunder or any obligations of Customer on a basis which is not unduly discriminatory; provided that no waiver by either Customer or SGRM of any one or more defaults by the other in the performance of any provision of the Storage Service Agreement between Customer and SGRM 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 Storage Service Agreement or exhibit thereto shall be or become effective except by the execution of a superseding Storage Service Agreement or exhibit thereto.

### 27. SUCCESSORS IN INTEREST

Any company which shall succeed by purchase, merger, consolidation or otherwise to the properties substantially as an entirety, of SGRM or of Customer, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under a Storage Service Agreement. In accordance with the capacity release procedures set forth in Section 4 of the General Terms and Conditions, Customer may, without relieving itself of its obligations under such Storage Service Agreement, assign any of its rights and obligations thereunder to another shipper, but otherwise no assignment of such Storage Service Agreement, or of any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of SGRM, in the event of any assignment by Customer, or the consent thereto of Customer, in the event of an assignment by SGRM. These restrictions on assignment shall not in any way prevent any party from pledging or mortgaging its rights under a Storage Service Agreement as security for its indebtedness.

FERC Docket: RP08-184-000

Original Sheet No. 157 Original Sheet No. 157: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

#### 28. DEFAULT AND TERMINATION

- $28.1\,$  Customer shall be in default under this FERC Gas Tariff or the Storage Service Agreement if:
- (a) Customer shall fail to pay any sums due to SGRM hereunder and such failure continues for a period of five (5) Business Days after written notice to Customer by SGRM;
- (b) Customer fails to perform any of its material covenants or obligations under this FERC Gas Tariff or the Storage Service Agreement, other than obligations to make payments to SGRM, and Customer does not remedy such failure within a period of thirty (30) days after receipt of a notice from SGRM;
- (c) Customer or its guarantor becomes insolvent, as set forth in Section 3.3(i); or
- $\,$  (d) Customer fails to provide or maintain Financial Assurances pursuant to Section 31.
- Customer shall indemnify and hold harmless SGRM from and against any costs or losses resulting from (a), (b), (c) or (d) above.
- $28.2\,$  In the event of any Default by Customer, in addition to all other remedies available to it pursuant to the Storage Service Agreements or at law and in equity, SGRM may do any or all of the following:
- (a) refuse to accept any further deliveries of Gas from or on behalf of Customer pursuant to all or any transactions;
- (b) refuse to deliver  $\mbox{\it Gas}$  to or on behalf of Customer pursuant to all or any transactions;
- (c) set off any amount owing by SGRM to Customer pursuant to any transaction(s) against amounts otherwise owing by Customer to SGRM pursuant to any other transaction(s);
- $\mbox{\em (d)}$  suspend performance until Customer corrects the default in full;

FERC Docket: RP08-184-000

Original Sheet No. 158 Original Sheet No. 158: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

- (e) terminate the Customer's Storage Service Agreement, provided that SGRM shall provide not less than thirty (30) days notice of such termination to the Customer and to FERC; and
- $\mbox{\footnote{A}}$  (f) assert any liens or other interests, consistent with applicable law, against any Gas Customer may have remaining on SGRM's system.
- $28.3\,$  Customer shall not be obligated to pay SGRM reservation charges for any suspended services during any period of suspension pursuant to Section 28.2.
- 29. POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF NEW FACILITIES
- 29.1 Except as provided in Section 29.2 herein, Customer shall reimburse SGRM (a) for the costs of any facilities installed by SGRM with Customer's consent to receive, measure, store or deliver Gas for Customer's account and (b) for any and all filings and approval fees required in connection with Customer's Storage Service Agreement that SGRM is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due SGRM by Customer pursuant to this Section 29.1 shall be due and payable to SGRM within ten (10) days of receipt by Customer of SGRM's invoice(s) for same; provided, however, that subject to SGRM's consent, such reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to extend beyond the primary contract term of the Storage Service Agreement between SGRM and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both SGRM and Customer.
- 29.2 SGRM may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 29.1 for Rate Schedules FSS and SFS if Customer provides SGRM adequate assurances to make construction of the facilities economical to SGRM. All requests for waiver shall be handled by SGRM in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, SGRM will evaluate projects on the basis of various economic criteria, which will include the estimated cost of the facilities, operating and maintenance as well as administrative and general expenses attributable to the facilities, the revenues SGRM estimates will be generated as a result of such construction, and the availability of capital funds on terms and conditions acceptable to SGRM. In estimating the revenues to be generated, SGRM will evaluate the existence of capacity limitations downstream of the facilities, the marketability of the capacity, the Interruptible versus the firm nature of the service, and other similar factors which impact whether the available capacity will actually be utilized.

FERC Docket: RP08-184-000

Original Sheet No. 159 Original Sheet No. 159: Pending

GENERAL TERMS AND CONDITIONS (Continued)

### 30. OFF-SYSTEM CAPACITY

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

FERC Docket: RP08-184-000

Original Sheet No. 160 original Sheet No. 160: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

#### 31. CREDITWORTHINESS - FINANCIAL ASSURANCES

- 31.1 "Acceptable Credit Rating" means a Credit Rating no lower than BBB- from Standard and Poor's Corporation or Baa3 from Moody's Investor Services, Inc.
- 31.2 "Credit Rating" means the rating given to Customer's unsecured long term debt by Standard and Poor's Corporation or Moody's Investor Services, Inc.
- 31.3 "Material Adverse Change" means the failure of Customer at any time to satisfy the requirements pertaining to creditworthiness set forth in Section 3.3, to maintain an Acceptable Credit Rating or to maintain or reinstate one of the forms of Financial Assurances specified in Section 31.7 within five (5) days after written notice from SGRM.
- 31.4 "Financial Assurances" means one or more of the forms of security set forth in Sections 31.7(a), 31.7(b), 31.7(c) and 31.7(d), in accordance with and in an amount as set forth in Section 31.7.
- 31.5 If Customer suffers a Material Adverse Change, then Customer shall provide SGRM with one or more of the forms of Financial Assurances as set forth in this Section 31. Customer shall provide such Financial Assurances within five (5) Business Days of written notice from SGRM in an amount equal to one month of firm service reservation charges, one month of Interruptible service charges calculated on a one hundred percent load factor basis and/or the market value of Customer's loaned gas, each determined in the manner described in Section 31.7 below, as applicable. Customer shall fully comply with Financial Assurances provisions of Section 31.7 of these General Terms and Conditions within 30 days of written notice from SGRM.
- 31.6 If prior to initiation of service Customer does not have an Acceptable Credit Rating, then, as a condition of SGRM initiating service, Customer shall provide SGRM with one or more of the forms of Financial Assurances provided in this Section 31.
- 31.7 A Customer that does not have, or at any time fails to maintain, an Acceptable Credit Rating shall provide to SGRM, to secure its obligation to SGRM pursuant to each of Customer's Storage Service Agreements, one or more of the following forms of Financial Assurances:
- (a) An irrevocable Letter of Credit, subject to the following:
- (1) each Letter of Credit shall be in effect for the lesser of one (1) year or for the Term of the transaction plus 120 days. If the Term of the transaction plus 120 days is greater than one (1) year, Customer shall ensure that its obligation to SGRM is secured continuously, and accordingly shall provide SGRM with

FERC Docket: RP08-184-000

Original Sheet No. 161 original Sheet No. 161: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

a replacement Letter of Credit no later than 120 days prior to the expiration of the then-effective Letter of Credit. SGRM will return the expiring Letter of Credit to Customer within five (5) days of the date the Replacement Letter of Credit becomes effective:

- (2) each Letter of Credit shall be in form and substance satisfactory to SGRM, and shall provide for partial drawdowns and, without limiting the generality of the foregoing, shall be issued by a financial institution acceptable to SGRM that is rated at least BBB- by Standard and Poor's Corporation and Baa3 by Moody's Investor Services, Inc.; and
- (3) in addition to all other remedies available to SGRM at law or in equity, if Customer fails to provide a replacement Letter of Credit in accordance with this Section 31.7(a), SGRM may draw upon the expiring Letter of Credit to the full amount thereof and apply the funds so drawn in payment in whole or in part of the obligations of Customer under each or any of Customer's Storage Service Agreements.
- (b) Customer shall provide to SGRM, to secure its obligation to SGRM pursuant to each of Customer's Storage Service Agreements, a Guarantee granted to SGRM by Customer's direct or indirect parent (the "Guarantor") with an Acceptable Credit Rating. The Guarantee shall be in a form acceptable to SGRM and the provisions of this Section shall apply to the Guarantor as if the Guarantor were the Customer.
- (c) If Customer has requested, SGRM may accept other forms of Financial Assurances to secure Customer's obligations under the Storage Service Agreements, provided that SGRM may reject or accept such other forms of Financial Assurances in a manner that is not unduly discriminatory; or
- (d) Customer shall prepay for service in an amount as set forth immediately below, provided that such prepayments shall be considered collateral held for security and not advance payments for services and that Customer may deposit its prepayment funds into an interest-bearing escrow account established by Customer granting SGRM access to the account for payment of services under Customer's Storage Service Agreement(s).

The dollar value of the Financial Assurances set forth above in this Section 31.7 to be provided by Customer shall be in an amount equal to: (1) in the case of Firm Storage Services to be provided by SGRM using existing facilities, reservation charges payable at the rate specified in Customer's bid for service or Storage Service Agreement for a period of three (3) Months or the duration of the Customer's bid or Storage Service Agreement, whichever is shorter; (2) in the case of Interruptible services to be provided by SGRM using existing facilities, the Interruptible charge(s) calculated on a one hundred percent (100%) load factor basis payable for a period of three (3) Months or the duration

FERC Docket: RP08-184-000

Original Sheet No. 162 original Sheet No. 162: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

of the Customer's Storage Service Agreement, whichever is shorter; or (3) for service that requires SGRM to construct new facilities, an amount determined by SGRM prior to the start of construction that is reasonable in light of the risks of the construction project, not to exceed Customer's proportional share of the cost of the facilities to be constructed (which amount shall be reduced as Customer pays off the obligation for construction of new facilities); plus, for each of (1), (2) and (3), the market value of any quantities of Gas loaned pursuant to Customer's Hub Services Agreement. SGRM shall recompute the market value of any quantities of Gas loaned to a Customer pursuant to Customer's Hub Services Agreement on a daily basis. Customer shall be required to provide additional Financial Assurances upon two (2) Business Days' notice any time SGRM's recomputation indicates a dollar amount for Financial Assurances that exceeds the level of Financial Assurances previously posted by Customer pursuant to this Section 31.7 by ten percent (10%) or more.

- 31.8 Customer's obligation to maintain an Acceptable Credit Rating or to provide Financial Assurances shall continue for so long as the Parties are bound by the Storage Service Agreements and all transactions entered into thereunder. This obligation shall terminate when Customer has performed or satisfied all of its obligations under the Storage Service Agreements and, upon such termination, SGRM shall return to Customer, if applicable:
- (a) the Letter of Credit and funds held by SGRM as security pursuant to Section 31.7(a) then in its possession but only to the extent it has not then applied such funds pursuant to this FERC Gas Tariff to the debts, expenses, costs, assessments and liabilities payable by Customer to SGRM pursuant to the provisions of the Storage Service Agreement(s);
- (b) the Guarantee held by SGRM pursuant to Section  $31.7\,\mathrm{(b)}$ ;
- (c) any security accepted by SGRM pursuant to Section 31.7(c); or  $\,$
- (d) any amount prepaid by Customer pursuant to Section 31.7(d) not required to pay charges for service rendered under the Storage Service Agreements.

FERC Docket: RP08-184-000

Original Sheet No. 163 original Sheet No. 163: Pending

GENERAL TERMS AND CONDITIONS (Continued)

### 32. DISPOSITION OF RETAINED QUANTITIES

In the event that SGRM holds an auction for Gas quantities retained pursuant to Section 8 of Rate Schedule FSS, Sections 2 or 8 of Rate Schedule SFS, Sections 2 or 8 of Rate Schedule ISS, Sections 2 or 8 of Rate Schedule IP, or Sections 2 or 8 of Rate Schedule IB, SGRM shall post such quantities on the Internet Web Site as soon as reasonably practicable. SGRM shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second Business Day following such posting. SGRM shall award purchase of the Gas to the Customer submitting the highest bid, and shall notify the Customer submitting the highest bid prior to 4:00 p.m. CCT of the same Day on which SGRM accepts bids; provided, however, SGRM reserves the right to reject all bids. When the Gas is purchased at auction, Customer must provide identification of the existing Storage Service Agreement with SGRM under which Customer shall store the Gas in SGRM's facilities.

### 33. OPERATIONAL BALANCING AGREEMENTS

In accordance with Section 284.12(b)(2)(i) of FERC's regulations, 18 C.F.R. 284.12(b)(2)(1), a pipeline that interconnects with SGRM facilities must enter into an Operational Balancing Agreement with SGRM covering the point(s) of interconnection between its system and SGRM's system. SGRM shall prepare and tender to the interconnecting pipeline an Operational Balancing Agreement in the form set forth in this Tariff, or as may be negotiated by the parties.

FERC Docket: RP08-184-000 Original Sheet No. 164 Original Sheet No. 164: Pending GENERAL TERMS AND CONDITIONS (Continued) 34. FORM OF SERVICE REQUEST SG RESOURCES MISSISSIPPI, L.L.C. SERVICE REQUEST Mark D. Cook Vice President SG RESOURCES MISSISSIPPI, L.L.C. 28420 Hardy Toll Road North Suite 125 Spring, TX 77373 Telephone: 281-907-6311 x13
Facsimile: 281-907-6312
e-mail: mdcook@sgr-resources.com INFORMATION REQUIRED FOR VALID STORAGE REQUEST NOTE: Any change in the facts set forth below, whether before or after service begins, must be promptly communicated to SGRM in writing. 34.1 Prospective Customer's name and address: (Note: the Customer is the party that has all lawful right and title to the Gas to be stored and that proposes to execute the Storage Service

Telephone: ( ) \_\_\_\_\_

Effective Date: 03/01/2008 Status: Effective

Agreement with SGRM).

Attention:

125

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet No. 165 original Sheet No. 165 : Pending

GENERAL TERMS AND CONDITIONS (Continued)

34.2 This request is for: (c)	neck one)
Firm storage service unde	r Rate Schedule FSS
Secondary firm storage se	rvice under Rate Schedule SFS
Interruptible storage ser	vice under Rate Schedule ISS
Interruptible parking ser	vice under Rate Schedule IP
Interruptible wheeling se	rvice under Rate Schedule IW
Interruptible loan service	e under Rate Schedule IL
Interruptible balancing se	erwice under Rate Schedule IR

GENERAL TERMS AND CONDITIONS (Continued) 34.3 Requested Firm Storage Services: (a) Request Quantities Maximum Storage Quantity (MSQ) Maximum Daily Injection Quantity (MDIQ) Maximum Daily Withdrawal Quantity (MDWQ) (b) Rate prospective Customer proposes to pay for storage service under Rate Schedules FSS or SFS: Monthly Storage Reservation Charge Monthly Withdrawal Reservation Charge (FSS only) Monthly Injection Reservation Charge (FSS only) Injection Charge Withdrawal Charge Excess Injection Charge Excess Withdrawal Charge Fuel Reimbursement (c) Term of Service:

Original Sheet No. 166 Original Sheet No. 166: Pending

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-184-000

Commencement Date: Termination Date Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet No. 167 Original Sheet No. 167: Pending

GENERAL TERMS AND CONDITIONS (Continued)

		_						_	
Sched	34.4 lule ISS:	Requested	Interrup	tible	Stora	ge Ser	vice	under	Rate
(a)	Request Q	uantities							
Maxim	um Storag	e Quantity	(MSQ)		_				
Maxim	um Daily	Injection (	Quantity	(MDIQ)	_				
Maxim	um Daily	Withdrawal	Quantity	(MDWQ					
	-	pective Cu edule ISS:	stomer pr	oposes	to p	ay for	stor	age s	ervice
Injec	tion Char	_	:			_			
	lrawal Cha	_				_			
	Reimburse Term of S					_			
/	Commencem								
	Terminati								
	TCTIMITIACT	on pate.							

FERC Docket: RP08-184-000

Original Sheet No. 168 Original Sheet No. 168: Pending

GENERAL TERMS AND CONDITIONS (Continued)

34.5 Requested Interruptible Hub Services:
(a) Requested Quantities (as applicable)
Maximum Parking Quantity  Maximum Loan Quantity  Maximum Storage Quantity  Maximum Daily Injection Quantity (MDIQ)  Maximum Daily Withdrawal Quantity (MDWQ)  Maximum Daily Wheeling Quantity (MDTQ)  Point of Receipt Point of Delivery
(b) Rate Customer proposes to pay for Interruptible services under Rate Schedules IP, IW, IL or IB:
Interruptible Parking Charge (IP only) Interruptible Wheeling Charge (IW only) Interruptible Loan Charge (IL only) Interruptible Balancing Charge (IB only) Interruptible Injection Charge (IP, IL & IB) Interruptible Withdrawal Charge (IP, IL & IB)

(c) Term of Service: Commencement Date:
Termination Date:

Fuel Reimbursement

For Interruptible wheeling service: Only one Point of Receipt and one Point of Delivery per request. Use a separate request for additional transportation service needs.

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet No. 169 Original Sheet No. 169: Pending

GENERAL TERMS AND CONDITIONS (Continued)

	34.6	Is Customer affiliated with SGRM?
Yes		No
If yes, between		of affiliation and the percentage of ownership
and Cust	omer:	
	34.7	Customer is a(n): (Check one)
		Local Distribution Company Intrastate Pipeline Company Interstate Pipeline Company Marketer/Broker Producer End User Other (please describe)
	34.8	Customer's address for statements and invoices:
Attentic	on:	Telephone: ( )
		e-mail:
For all	other	matters:
Attentic	on:	Telephone: ( )

e-mail: \_\_\_\_\_

FERC Docket: RP08-184-000

Original Sheet No. 170 original Sheet No. 170: Pending

# GENERAL TERMS AND CONDITIONS (Continued)

34.9 Acceptance of a service request is contingent upon SGRM's completion of a satisfactory credit appraisal. Prospective Customer must provide evidence of creditworthiness as outlined in Section 3.3 of the General Terms and Conditions of SGRM's currently effective FERC Gas Tariff.

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

THIS SERVICE	REQUEST	IS HEREBY	SUBMITTED	THIS .	DAY OF	·	
Ву							
Title							
Telephone nu	mber (	)					
e-mail:							
Customer:					(Company	Name)	

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet No. 171-199 Original Sheet No. 171-199 : Pending

SHEET NOS. 171-199 ARE RESERVED FOR FUTURE USE.

FERC Docket: RP09-414-000

First Revised Sheet No. 200 First Revised Sheet No. 200

Superseding: Original Sheet No. 200

FIRM STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule FSS)

by a	Agreement is made as of the day of , and between SG RESOURCES MISSISSIPPI, L.L.C., a Delaware ted liability company herein called "SGRM," and:
a	, an, herein called "Customer,"
	or, if the criteria below are met,
b	, an as "Agent" for [list all applicable
enti	ties] ("Principals"), herein individually and collectively
	ed "Customer;" provided that the Principals meet the
requ	irements set forth in Section 1.2 of Rate Schedule FSS of 's FERC Gas Tariff,

(each of SGRM and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, SGRM owns and operates an underground natural gas storage facility known as the Southern Pines Energy Center, located in Mississippi and Alabama, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Southern Pines Energy Center; and

WHEREAS, Customer has requested that SGRM provide certain firm natural gas storage services for Customer; and

NOW, THEREFORE, SGRM and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of SGRM's Rate Schedule FSS, and of this Agreement, SGRM shall on any Day receive for injection into storage in the Southern Pines Energy Center for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit "A" hereto, shall store quantities of Gas so injected up to a Maximum Storage Quantity as set forth on Exhibit "A" hereto (on a cumulative basis), and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A": hereto.

FERC Docket: RP09-414-000

First Revised Sheet No. 201 First Revised Sheet No. 201

Superseding: Substitute Original Sheet No. 201

FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule FSS)

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

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

The point(s) at which the Gas is to be tendered by SGRM to Customer under this Agreement shall be the point(s) designated on Exhibit "B" hereto (Customer's Point(s) of Delivery)

### ARTICLE III - PRICE

- 3.1. Customer agrees to pay SGRM the charges as set forth on Exhibit "C" hereto for all Gas storage service furnished to Customer hereunder.
- 3.2. Customer further agrees to pay SGRM all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule FSS.
- 3.3. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed against SGRM for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall either pay directly to the taxing authority or reimburse SGRM for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by SGRM.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

FERC Docket: RP08-184-000

Original Sheet No. 202 Original Sheet No. 202: Pending

FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule FSS)

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of \_\_\_\_\_, \_\_\_\_, and shall remain in force and effect until \_\_\_\_\_, \_\_\_\_, (the "Primary Term").

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

SGRM:	
	Attention:
CUSTOMER:	
NOTICES:	
	Attention:
BILLING:	
	Attention:

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

FERC Docket: RP08-184-000

Original Sheet No. 203 Original Sheet No. 203: Pending

FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule FSS)

### ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of SGRM or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of SGRM's FERC Gas Tariff. It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

### ARTICLE VIII - LAW OF AGREEMENT

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

### ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

### ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Storage	Sarvica	Agreement,	dated		

FERC Docket: RP08-184-000

Original Sheet No. 204 Original Sheet No. 204: Pending

FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule FSS)

ARTICLE XI - WAREHOUSEMEN'S LIEN

- 11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY SGRM FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY SGRM, AS PROVIDED IN SECTION 7-209 OF THE NEW YORK UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.
- 11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION  $7-202\,(2)$  OF THE NEW YORK UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:
- (i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY SGRM TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN SGRM'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE NEW YORK UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;
- (ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT B OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;
- (iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED;
- (iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT; AND
- (v) THE SIGNATURE OF SGRM ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

FERC Docket: RP08-184-000

Original Sheet No. 205 Original Sheet No. 205: Pending

FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule FSS)

### ARTICLE XII - MISCELLANEOUS

- 12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 12.2 No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 12.3 If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.
- 12.4 No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 12.5 This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than SGRM or Customer.
- 12.6 This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.
- IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

SG RESOURCES MISSISSIPPI, L.L.C.

Ву		
Title		
Customer		
Ву	 	
Title		

FERC Docket: RP08-184-000

Original Sheet No. 206 original Sheet No. 206: Pending

		Exhibit A to the Firm St between SGRM ————————————————————————————————————		Agreement
I.	Maxim	num Daily Injection Quantity ("MDD		
		Effective Date or Event:	MDIQ	
				Dth
				Dth
				Dth
II.	Maxim	num Storage Quantity ("MSQ"):		
		Effective Date or Event:	MSQ	
				Dth
				Dth
				Dth
III.	Maxim	num Daily Withdrawal Quantity ("MI	DWQ"):	
		Effective Date or Event:	MDWQ	
				Dth
				Dth
				Dth

### Notes:

- 1. The MDIQ, MSQ or MDWQ values set forth for a specified period shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which a revised MDIQ, MSQ or MDWQ is to become effective.
- 2. Additional lines may be added if SGRM and Customer agree to more than three sets of date ranges defining specific MDIQ, MSQ and/or MDWQ values.

FERC Docket: RP08-184-000  Original Sheet No. 207 Original Sheet No.	207 :	Pending	
		Page of	
Exhibit B to the Firm between	SGRM an	-	nt
Effective Date or Event:			
Point(s) of Receipt and Point(s) of Delimaximum Daily Receipt Quantity ("MDRQ") Maximum Daily Delivery Quantity ("MDDQ")	very:		
	MDR	Q MDDQ	
Destin Pipeline Company, L.L.C.:			_
Florida Gas Transmission Company:			_
Transcontinental Gas Pipe Line Corp.:			_
Gulf South Pipeline Company, LP:			_
Southeast Supply Header, LLC:			_
·:			_

### Notes:

- 1. Add as many additional Point(s) of Receipt and Point(s) of Delivery as necessary. Any point with an MDRQ and/or MDDQ that is greater than zero (0) is considered to be a Primary Point. Receipts and deliveries at all other points are considered to be Excess Injection Gas or Excess Withdrawal Gas.
- 2. A Firm Storage Service Agreement may include multiple pages of Exhibit B if the Parties agree that the quantities associated with any primary receipt and/or delivery points shall change during the Primary Term.

Effective Date: 03/01/2008	Status: Effective
FERC Docket: RP08-184-000	)

Receipt/Delivery Points as necessary)

Original Sheet No. 208 Original Sheet No. 208: Pending

	Page of
	ne Firm Storage Service Agreement between SGRM and (Customer) dated
Effective Date or Event:	
Storage reservation charge Withdrawal reservation charge Injection reservation charge	
Commodity Charges Applicable to th	e Following:
Doints(s) of Dolivery	
Storage injection charge Storage withdrawal charge Fuel reimbursement	
Point(s) of Receipt Points(s) of Delivery	
Storage injection charge Storage withdrawal charge Fuel reimbursement	
(Add as many commodity rates for d	lifferent

### Note:

Use additional sheets if the there is more than one effective date or event. The charges for a specified period shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which revised charges are to become effective.

FERC Docket: RP09-414-000

First Revised Sheet No. 209 First Revised Sheet No. 209

Superseding: Original Sheet No. 209

SECONDARY FIRM STORAGE SERVICE AGREEMENT (For Use Under Rate Schedule SFS)

This Agreement is made as of the day of , , , by and between SG RESOURCES MISSISSIPPI, L.L.C., a Delaware limited liability company herein called "SGRM," and:

a. \_\_\_\_\_, an \_\_\_\_, herein called "Customer,"

or, if the criteria below are met,

b. \_\_\_\_, an \_\_\_\_ as "Agent" for \_\_\_\_\_ [list all applicable entities] ("Principals"), herein individually and collectively called "Customer;" provided that the Principals meet the requirements set forth in Section 1.2 of Rate Schedule SFS of SGRM's FERC Gas Tariff,

(each of SGRM and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, SGRM owns and operates an underground natural gas storage facility known as the Southern Pines Energy Center, located in Mississippi and Alabama, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Southern Pines Energy Center; and

WHEREAS, Customer has requested that SGRM provide certain firm natural gas storage services for Customer; and

WHEREAS, SGRM has agreed to provide such firm storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, SGRM and Customer agree as follows:

### ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of SGRM's Rate Schedule SFS, and of this Agreement, SGRM shall on any Day receive for injection into storage in the Southern Pines Energy Center for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit "A" hereto, shall store quantities of Gas so injected up to a Maximum Storage Quantity as set forth on Exhibit "A" hereto (on a cumulative basis), and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A": hereto.

FERC Docket: RP09-414-000

First Revised Sheet No. 210 First Revised Sheet No. 210

Superseding: Substitute Original Sheet No. 210

SECONDARY FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule SFS)

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

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

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

### ARTICLE III - PRICE

- 3.1. Customer agrees to pay SGRM the charges as set forth on Exhibit "C" hereto for all Gas storage service furnished to Customer hereunder.
- 3.2. Customer further agrees to pay SGRM all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule SFS.
- 3.3. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed against SGRM for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall either pay directly to the taxing authority or reimburse SGRM for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by SGRM.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

FERC Docket: RP08-184-000

Original Sheet No. 211 Original Sheet No. 211: Pending

SECONDARY FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule SFS)

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of \_\_\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_\_, (the "Primary Term").

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

SGRM:		
	Attention:	
CUSTOMER:		
NOTICES:		
	Attention:	
BILLING:		
	Attention:	

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

FERC Docket: RP08-184-000

Original Sheet No. 212 Original Sheet No. 212: Pending

SECONDARY FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule SFS)

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of SGRM or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of SGRM's FERC Gas Tariff. It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

ARTICLE X - PRIOR AGREEMENTS CANCELLED

SGRM and Customer agree that this Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the parties hereto: Storage Service Agreement, dated , .

FERC Docket: RP08-184-000

Original Sheet No. 213 Original Sheet No. 213: Pending

SECONDARY FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule SFS)

ARTICLE XI - WAREHOUSEMEN'S LIEN

- 11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY SGRM FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY SGRM, AS PROVIDED IN SECTION 7-209 OF THE NEW YORK UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.
- 11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE NEW YORK UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:
- (i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY SGRM TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN SGRM'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE NEW YORK UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;
- (ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT B OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;
- (iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED;
- (iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT; AND
- (v) THE SIGNATURE OF SGRM ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

FERC Docket: RP08-184-000

Original Sheet No. 214 Original Sheet No. 214: Pending

SECONDARY FIRM STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule SFS)

#### ARTICLE XII - MISCELLANEOUS

- 12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 12.2 No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 12.3 If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.
- 12.4 No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 12.5 This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than SGRM or Customer.
- 12.6 This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

SG	RESOURCES	MISSISSIPPI,	L.L.C.
By Tit	le		
Cus	stomer		
By Tit	le		

FERC Docket: RP08-184-000

Original Sheet No. 215 Original Sheet No. 215: Pending

_	Exhibit A to the Seco	ondary Firm Stora	ıge Servic
Agre	ement betwe	een SGRM and (Custome	er)
	dated	£	
I.	Maximum Daily Injection Quantity ('	"MDIQ"):	
	Effective Date or Event:	MDIQ	_ Dth
			Dth Dth
II.	Maximum Storage Quantity ("MSQ"):		
	Effective Date or Event:	MSQ	Dth Dth
III.	Maximum Daily Withdrawal Quantity	("MDWQ"):	_ Dth
	Effective Date or Event:	MDWQ	Dth Dth
			Dth

### Notes:

- 1. The MDIQ, MSQ or MDWQ values set forth for a specified period shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which a revised MDIQ, MSQ or MDWQ is to become effective.
- 2. Additional lines may be added if SGRM and Customer agree to more than three sets of date ranges defining specific MDIQ, MSQ and/or MDWQ values.

FERC Docket: RP08-184-000

Original Sheet No. 216 Original Sheet No. 216: Pending

of		Page
Exhibit B to the Secondary Agreement between SGR	M and	
dated	(Customer	,
Effective Date or Event:		
Point(s) of Receipt and Point(s) of Deliv Maximum Daily Receipt Quantity ("MDRQ") Maximum Daily Delivery Quantity ("MDDQ")	ery:	
	MDRQ	MDDQ
Destin Pipeline Company, L.L.C.:		
Florida Gas Transmission Company:		
Transcontinental Gas Pipe Line Corp.:		
Gulf South Pipeline Company, LP:		
Southeast Supply Header, LLC:		
:		
:		

### Notes:

- 1. Add as many additional Point(s) of Receipt and Point(s) of Delivery as necessary. Any point with an MDRQ and/or MDDQ that is greater than zero (0) is considered to be a Secondary Point. Receipts and deliveries at all other points are considered to be Excess Injection Gas or Excess Withdrawal Gas.
- 2. A Firm Storage Service Agreement may include multiple pages of Exhibit B if the Parties agree that the quantities associated with any primary receipt and/or delivery points shall change during the Primary Term.

FERC Docket: RP08-184-000

Original Sheet No. 217 Original Sheet No. 217: Pending

		Page
of		
Exhibit Agreement	C to the Secondary Firm St	orage Service
rigiodilei	between SGRM and	(Customer)
	dated	oub comer,
Effective Date or Ever	nt:	
Storage reservation cl Withdrawal reservation Injection reservation	n charge	
Commodity Charges App	licable to the Following:	
Point(s) of Receipt Points(s) of Delivery		
Storage injection of Storage withdrawal Fuel reimbursement		<del></del>
Point(s) of Receipt Points(s) of Delivery		
Storage injection of Storage withdrawal Fuel reimbursement		
(Add as many commodity	y rates for different	

Receipt/Delivery Points as necessary)

### Note:

Use additional sheets if the there is more than one effective date or event. The charges for a specified period shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which revised charges are to become effective.

FERC Docket: RP09-414-000

First Revised Sheet No. 218 First Revised Sheet No. 218

Superseding: Original Sheet No. 218

INTERRUPTIBLE STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule ISS)

and l	Agreement is made between SG RESOURC ility company here	ES MISSISSIPPI	, L.L.C., a Delawar	,, by re limited
a		an,	herein called "Cus	stomer,"
	or, if the criter	ia below are m	et,	
b	, an	an	as "Agent" for [list all applic	cable
calle requ	ties] ("Principals ed "Customer;" pro	"), herein ind vided that the in Section 1.	ividually and colle Principals meet th 2 of Rate Schedule	ectively ne
(eacl	n of SGRM and Cust	omer, a "Party	," and collectively	, the

"Parties"), pursuant to the following recitals and representations:

WHEREAS, SGRM owns and operates an underground natural gas storage facility known as the Southern Pines Energy Center, located in Mississippi and Alabama, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Southern Pines Energy Center; and

WHEREAS, Customer has requested that SGRM provide certain interruptible natural gas storage services for Customer; and

WHEREAS, SGRM has agreed to provide such interruptible storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, SGRM and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of SGRM's Rate Schedule ISS, and of this Agreement, SGRM shall receive on any Day for injection into storage for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity of \_\_\_\_ Dth, shall store quantities of Gas so injected in the SG Resources Mississippi, L.L.C. underground gas storage facility located in Mississippi and Alabama, up to a Maximum Storage Quantity of \_\_\_ Dth (on a cumulative basis) and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity of \_\_\_\_ Dth.

FERC Docket: RP09-414-000

First Revised Sheet No. 219 First Revised Sheet No. 219

Superseding: Substitute Original Sheet No. 219

INTERRUPTIBLE STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule ISS)

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to SGRM under this Agreement shall be any of the Point(s) of Receipt as posted on SGRM's Internet Web Site.

The point(s) at which the Gas is to be tendered by SGRM to Customer under this Agreement shall be any of the Point(s) of Delivery as posted on SGRM's Internet Web Site.

#### ARTICLE III - PRICE

- 3.1. Customer agrees to pay SGRM the charges as set forth on Exhibit "A" hereto for all Gas storage service furnished to Customer hereunder.
- 3.2. Customer further agrees to pay SGRM all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule ISS.
- 3.3. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed against SGRM for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall either pay directly to the taxing authority or reimburse SGRM for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by SGRM.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of	,	,	and
shall remain in force and effect until	,	(the	
"Primary Term").			

FERC Docket: RP08-184-000

Original Sheet No. 220 Original Sheet No. 220: Pending

INTERRUPTIBLE STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule ISS)

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

SGRM:	
	Attention:
CUSTOMER:	
NOTICES:	
	Attention:
BILLING:	
	Attention:

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

FERC Docket: RP08-184-000

Original Sheet No. 221 Original Sheet No. 221: Pending

INTERRUPTIBLE STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule ISS)

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

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

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

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Storage	Service	Agreement	dated	,	

FERC Docket: RP08-184-000

Original Sheet No. 222 Original Sheet No. 222: Pending

INTERRUPTIBLE STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule ISS)

#### ARTICLE XI - WAREHOUSEMEN'S LIEN

- 11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY SGRM FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY SGRM, AS PROVIDED IN SECTION 7-209 OF THE NEW YORK UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.
- 11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION  $7-202\,(2)$  OF THE NEW YORK UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:
- (i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY SGRM TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN SGRM'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE NEW YORK UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;
- (ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, ARTICLE II OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;
- (iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED:
- (iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT; AND
- (v) THE SIGNATURE OF SGRM ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

FERC Docket: RP08-184-000

Original Sheet No. 223 Original Sheet No. 223: Pending

INTERRUPTIBLE STORAGE SERVICE AGREEMENT (Continued)

(For Use Under Rate Schedule ISS)

#### ARTICLE XII - MISCELLANEOUS

- 12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.
- 12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than SGRM or Customer.
- 12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.
- IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

SG RESOURCES MISSISSIPPI, L.L.C.

Ву		
Title		
Customer	 	
Ву		
Title		

FERC Docket: RP08-184-000

Original Sheet No. 224 Original Sheet No. 224: Pending

### Notes:

- 1. The charges for a specified period shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which revised charges are to become effective.
- 2. Additional lines may be added if SGRM and Customer agree to more than two sets of date ranges defining specific charges.

FERC Docket: RP09-414-000

First Revised Sheet No. 225 First Revised Sheet No. 225

Superseding: Original Sheet No. 225

HUB SERVICES AGREEMENT

(For Use Under Rate Schedules IW, IP, IL and IB)

This Agreement is made as of the \_\_day of \_\_\_\_\_, \_\_\_, by and between SG RESOURCES MISSISSIPPI, L.L.C., a Delaware limited liability company herein called "SGRM," and:

a. \_\_\_\_\_\_, an \_\_\_\_\_, herein called "Customer," or, if the criteria below are met,

b. \_\_\_\_\_, an \_\_\_\_\_ as "Agent" for

, an [list all applicable entities] ("Principals"), herein individually and collectively called "Customer;" provided that the Principals meet the requirements set forth in Section 1.2 of Rate Schedules IW, IP, IL and/or IB (as applicable) of SGRM's FERC Gas Tariff,

(each of SGRM and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, SGRM owns and operates an underground natural gas storage facility known as the Southern Pines Energy Center, located in Mississippi and Alabama, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Southern Pines Energy Center; and

WHEREAS, Customer has requested that SGRM provide certain interruptible hub natural gas storage services for Customer; and

WHEREAS, SGRM has agreed to provide such interruptible hub storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, SGRM and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of SGRM's Rate Schedules IW, IP, IL and IB, as applicable, and of this Agreement, SGRM shall provide Interruptible service for Customer and shall receive, inject, store, wheel, loan, withdraw and redeliver, as the case may be, quantities of Gas up to the Customer's MDIQ, MDWQ, Maximum Storage Quantity, Maximum Loan Quantity, and/or MDTQ, as applicable, as set forth on Exhibit A hereto. Customer and SGRM may execute more than one Exhibit A during the term of this Agreement, covering multiple transactions for Hub Services.

FERC Docket: RP09-414-000

First Revised Sheet No. 226 First Revised Sheet No. 226

Superseding: Substitute Original Sheet No. 226

HUB SERVICES AGREEMENT (Continued)

(For Use Under Rate Schedule IW, IL, IP and IB)

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to SGRM under this Agreement shall be any of the Point(s) of Receipt as designated on Exhibit A hereto.

The point(s) at which the Gas is to be tendered by SGRM to Customer under this Agreement shall be any of the Point(s) of Delivery as designated on Exhibit A hereto.

#### ARTICLE III - PRICE

- 3.1. Customer agrees to pay SGRM the charges for all Gas service furnished to Customer hereunder as set forth on Exhibit A hereto.
- 3.2. Where applicable, Customer agrees to pay in kind the Fuel Reimbursement amount as set forth on Exhibit A hereto.
- 3.3. Customer further agrees to pay SGRM all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedules IW, IP, IL and IB, as applicable.
- 3.4. Customer shall either pay directly to the taxing authority or reimburse SGRM for all applicable taxes as may be assessed against SGRM for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall either pay directly to the taxing authority or reimburse SGRM for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by SGRM.

# ARTICLE IV - INCORPORATION OF RATE SCHEDULES AND TARIFF PROVISIONS

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

### ARTICLE V - TERM OF AGREEMENT

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

FERC Docket: RP08-184-000

Original Sheet No. 227 Original Sheet No. 227: Pending

HUB SERVICES AGREEMENT (Continued)

(For Use Under Rate Schedules IW, IP, IL and IB)

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

SGRM:	
	Attention:
CUSTOMER:	
NOTICES:	
	Attention:
BILLING:	
	Attention:

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

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

FERC Docket: RP08-184-000

Original Sheet No. 228 Original Sheet No. 228: Pending

# HUB SERVICES AGREEMENT (Continued)

(For Use Under Rate Schedules IW, IP, IL and IB)

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

### ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

ted
-----

FERC Docket: RP08-184-000

Original Sheet No. 229 Original Sheet No. 229: Pending

# HUB SERVICES AGREEMENT (Continued)

(For Use Under Rate Schedules IW, IP, IL and IB)

## ARTICLE XI - WAREHOUSEMEN'S LIEN

- 11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY SGRM FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY SGRM, AS PROVIDED IN SECTION 7-209 OF THE NEW YORK UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT SGRM SHALL BE ENTITLED TO, AND SGRM HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.
- 11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION  $7-202\,(2)$  OF THE NEW YORK UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:
- (i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY SGRM TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN SGRM'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE NEW YORK UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;
- (ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;
- (iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED:
- (iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT; AND
- (v) THE SIGNATURE OF SGRM ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

FERC Docket: RP08-184-000

Original Sheet No. 230 Original Sheet No. 230: Pending

# HUB SERVICES AGREEMENT (Continued)

(For Use Under Rate Schedules IW, IP, IL and IB)

#### ARTICLE XII - MISCELLANEOUS

- 12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.
- 12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than SGRM or Customer.
- 12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

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

G	RESOURCES	MISSISSIPPI,	L.L.C.
ВУ_			
it:	:le		
cus	stomer		
ВУ			
it:	le		

F

Effective Date: 03/01/2008 Status: Effective
FERC Docket: RP08-184-000

Original Sheet No. 231 Original Sheet No. 231: Pending

Page \_\_\_\_ of \_\_\_
Exhibit A
to the Hub Services Agreement
between SGRM and \_\_\_\_ (Customer)

SGRM and Customer agree that the following charges and components of service shall apply to this Hub Services Transaction:

Interruptible Excess Injection and/or Withdrawal Service (add additional lines as necessary to accommodate additional Receipt and/or Delivery Points):

Excess Injection Charge Applicable Receipt Point(s)	\$/Dth
Excess Withdrawal Charge Applicable Delivery Point(s)	\$/Dth
Interruptible Wheeling Service (Rate Schedule IW):  Maximum Daily Wheeling Quantity (MDTQ)  From: Point of Receipt  To: Point of Delivery	Dth
Interruptible Wheeling Charge \$/Dth Fuel Reimbursement	
Interruptible Parking Service (Rate Schedule IP):  Maximum Park Quantity  Maximum Daily Injection Quantity  Maximum Daily Withdrawal Quantity	Dth Dth Dth
Interruptible Parking Charge  S/Dth	
Injection Charge	
\$/Dth Withdrawal Charge	
\$/Dth	
Fuel Reimbursement	
Interruptible Loan Service (Rate Schedule IL):  Maximum Loan Quantity  Maximum Daily Injection Quantity  Maximum Daily Withdrawal Quantity	Dth Dth Dth
Interruptible Loan Charge	
Injection Charge	
\$/Dth	
Withdrawal Charge \$/Dth	
Fuel Reimbursement	

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet No. 232 Original Sheet No. 232 : Pending

	Page	of
Exhibit to the Hub Servic between SGRM and (Continu	es Agreement (Cust	
Interruptible Balancing Service (Rate Schedu	le IB):	
Maximum Storage Quantity Maximum Loan Quantity Maximum Daily Injection Quantity Maximum Daily Withdrawal Quantity		Dth
Interruptible Balancing Charge \$/Dth		
Injection Charge		
\$/Dth Withdrawal Charge		
\$/Dth Fuel Reimbursement		<del></del>
This Exhibit A Shall be Effective as Follows	:	
Begin Date		
End Date		
Customer:		
Signature:Date:		
Time:		
SGRM Approval:		
Signature:Date:		
Time:		

FERC Docket: RP08-184-000

Original Sheet No. 233 Original Sheet No. 233: Pending

FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER RATE SCHEDULES FSS AND SFS

This Capacity Release Umbrella Agreement, made and entered into this \_\_\_ day of \_\_\_ , \_\_ by and between\_, a \_\_ (herein called "Replacement Customer"), and SG RESOURCES MISSISSIPPI, L.L.C., a Delaware limited liability company herein called "SGRM", (each of SGRM and Customer, a "Party," and collectively, the "Parties").

WITNESSETH:

WHEREAS,

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Customer and SGRM 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 SGRM's approved bidder list for capacity releases and to execute this Capacity Release Umbrella Agreement pursuant to Section 4 of the General Terms and Conditions of SGRM's FERC Gas Tariff, and this Capacity Release Umbrella Agreement is effective, Replacement Customer may bid from time to time on proposed capacity releases under Rate Schedules FSS and SFS pursuant to the procedure set forth in Section 4 of SGRM's General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by SGRM with respect to a given capacity release, SGRM will promptly finalize the appropriate Addendum to this Capacity Release Umbrella Agreement, in the format attached hereto. The parties agree that each Addendum is an integral part of this Capacity Release Umbrella Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Replacement Customer and SGRM agree that Replacement Customer shall be considered for all purposes as a Customer with respect to the released service.

Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of SGRM's Rate Schedules FSS and SFS, SGRM agrees to provide the released service for Replacement Customer under the applicable Rate Schedule, provided however, the Replacement Customer shall have qualified under the financial evaluation and credit appraisal requirements set forth in Section 3 of SGRM's General Terms and Conditions at the time it submitted the bid SGRM accepted with respect to such release.

Replacement Customer hereby agrees promptly to provide any information necessary for SGRM to reevaluate SGRM's credit appraisal as contemplated by Section 3 of SGRM's General Terms and Conditions and to advise SGRM of any material change in the information previously provided by the Replacement Customer to SGRM.

FERC Docket: RP08-184-000

Original Sheet No. 234 Original Sheet No. 234: Pending

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FSS AND SFS
(Continued)

### ARTICLE II TERM OF AGREEMENT

The term of this Capacity Release Umbrella Agreement shall and shall continue in force and effect commence on \_\_ and thereafter unless until to this Capacity Release Umbrella Agreement is terminated as hereinafter provided. If SGRM 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, SGRM may terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto prospectively in accordance with Section 3 the General Terms and Conditions of SGRM's FERC Gas Tariff.

# ARTICLE III RATE SCHEDULES

This Capacity Release Umbrella Agreement does not have separate terms and conditions for particular services, but only provides a means by which a Replacement Customer may utilize a service subject to the applicable provisions of the relevant Storage Service Agreement and the terms and conditions for Rate Schedules FSS and SFS, by finalization of a copy of an Addendum attached hereto and fully incorporated herein as a part of this Capacity Release Umbrella Agreement.

Replacement Customer agrees that SGRM 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 Capacity Release Umbrella Agreement (b) the terms and conditions of this Capacity Release Umbrella Agreement, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to this Capacity Release Umbrella Agreement. SGRM 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.

#### ARTICLE IV ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of SGRM's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Capacity Release Umbrella 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 regular mail to the post office address of the parties hereto, as the case may be, as follows:

FERC Docket: RP08-184-000

Original Sheet No. 235 Original Sheet No. 235: Pending

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FSS AND SFS
(Continued)

(a)	SGRM:	
(b)	Replacement Custome	r:

or such other address as either Party shall designate by formal written notice. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

# ARTICLE V INTERPRETATION

THE INTERPRETATION AND PERFORMANCE OF THIS CAPACITY RELEASE UMBRELLA AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT RECOURSE TO THE LAW GOVERNING CONFLICT OF LAWS.

This Capacity Release Umbrella 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.

# ARTICLE VI RELATIONSHIP BETWEEN REPLACEMENT CUSTOMER AND RELEASING CUSTOMER

The parties recognize that, pursuant to Commission orders, Releasing Customer may require that the Replacement Customer agree that a breach of this Capacity Release Umbrella Agreement, including a failure to pay, or to pay timely, by Replacement Customer under this Capacity Release Umbrella Agreement, constitutes a breach of contract as between Replacement Customer and Releasing Customer. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Customer fails to pay SGRM, fails to timely pay SGRM, or otherwise breaches this Capacity Release Umbrella Agreement with SGRM: (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 4 of the General Terms and Conditions and except with respect to penalties attributable to Replacement Customer's conduct) shall be liable to SGRM for such failure to pay or breach (it being understood that nothing in this Article VI relieves

FERC Docket: RP08-184-000

Original Sheet No. 236 Original Sheet No. 236: Pending

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FSS AND SFS
(Continued)

Releasing Customer from responsibility to pay SGRM in accordance with its Storage Service Agreements with SGRM) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay SGRM or otherwise perform, Releasing Customer may have a cause of action for breach against Replacement Customer.

ARTICLE VII
LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

#### ARTICLE VII - MISCELLANEOUS

- 8.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 8.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 8.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.
- 8.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 8.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than SGRM or Customer.
- 8.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

FERC Docket: RP08-184-000

Original Sheet No. 237 Original Sheet No. 237 : Pending

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FSS AND SFS
(Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Capacity Release Umbrella Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, as of the Day and year first above written.

SG RESOURCES MISSISSIPPI, L.L.C.

Ву			
Title			
CUSTOMER	 		
Ву			
m:+10			

Effective Date: 03/01/2008 Status: Effective FERC Docket: RP08-184-000

Original Sheet No. 238 Original Sheet No. 238 : Pending

FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER RATE SCHEDULES FSS AND SFS (Continued)

Deal No.: Addendum Contract No.: Capacity Release Umbrella Agreement No.: Addendum No Capacity Release Rate Schedule	
Replacement Customer:	
Releasing Customer:	
Releasing Customer's Contract No.:	
Begin Date of Release:	
End Date of Release:	
Rates: [Volumetric or Reservation]	
Reservation Charge \$	
Surcharges:	
Description	Rate
	\$
	\$

FERC Docket: RP08-184-000

Original Sheet No. 239 Original Sheet No. 239 : Pending

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FSS AND SFS
(Continued)

Addendum No.\_\_\_(Cont.)
Capacity Release
Rate Schedule

Volume Period)	Commitr	ment					(Dth/Billing	
М	aximum	Storag	re Quai	ntity (MSÇ	2):		(Dtl	n)
М	aximum	Daily	Inject	tion Quant	ity	(MDIQ):	(Dtl	n)
М	aximum	Daily	Withd:	rawal Quar	itity	(MDWQ):	(Dtl	n)
Specifi	c Firm	Point(	s) of	Receipt:				
M&R#		MDRQ	)	Effec	tive	From	Effective 7	Го
Specifi	c Firm	Point(	s) of	Delivery:				
M&R#		MDDQ	)	Effec	tive	From	Effective :	Го

FERC Docket: RP08-184-000

Original Sheet No. 240 Original Sheet No. 240: Pending

FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER RATE SCHEDULES FSS and SFS (Continued)

Addendum No.\_\_\_\_(Cont.)
Capacity Release
Rate Schedule

Is this capacity subject to right of recall? Yes No
Recall Conditions (if applicable):
Are there any restrictions on released capacity? Yes No
Restrictions (if applicable):
Were SGRM's default  bid evaluation criteria used? Yes No
Evaluation Criteria (if applicable):
Were contingent bids accepted? Yes No
Contingency comments (if applicable):
Other Terms and Conditions of Release: [e.g., restrictions on release, third-party agent and terms of third-party agency relationship, and agreements between Replacement Customer and Releasing Customer]
This Addendum, entered into, pursuant to SGRM's capacity releas

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

FERC Docket: RP08-184-000

Original Sheet No. 241 Original Sheet No. 241: Pending

#### FORM OF OPERATIONAL BALANCING AGREEMENT

THIS AGREEMENT ("OBA" or "Agreement") is made this	
day of , , by and between SG Resources Mississipp	ρi,
L.L.C. ("SGRM") a Delaware limited liability company, with office	ces
at 28420 Hardy Toll Road North, Suite. 125, Spring, Texas 773	73-
7940, and ("PIPELINE") a , with	n.
offices at , and (collectively the	
"Parties" or individually a "Party").	

#### WITNESSETH

WHEREAS, the facilities operated or to be operated by SGRM and PIPELINE interconnect at

to as "Location," whether one or more); and

WHEREAS, SGRM and/or PIPELINE have entered or will enter into one or more agreements with third party Service Requesters (hereinafter referred to as "Service Requester(s)") for the transportation of gas to or from the Location on their respective systems (said agreements hereinafter referred to as "Service Requester Agreements"); and

WHEREAS, from time to time, the quantities of gas confirmed and scheduled by the Parties to be delivered to or received from the Location (said quantities hereinafter referred to as the "Scheduled Quantities") may be greater or lesser than the quantities of gas which are actually delivered at the Location, resulting in over- or under-deliveries relative to Scheduled Quantities; and

WHEREAS, the Parties desire to implement an operational balancing agreement in order to facilitate more efficient operations, accounting, and systems management at the Location and on the Parties' respective systems.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. Prior to the date and time of flow at the Location, the Parties shall confirm and schedule nominations which will be delivered or received at the Location. Such reconciliation and confirmation between the Parties shall be made by facsimile, electronic interface system or in writing, unless otherwise mutually agreed to by the Parties.

FERC Docket: RP08-184-000

Original Sheet No. 242 Original Sheet No. 242: Pending

# FORM OF OPERATIONAL BALANCING AGREEMENT (continued)

- 2. The Parties intend that the quantity of gas actually delivered and received each Day at the Location will equal the Scheduled Quantities for the Location. Each Party will allocate quantities which have been delivered and received at the Location among the Service Requester Agreements on its system pursuant to the Scheduled Quantities at such locations. Any imbalance created when the actual physical flow is different from the Scheduled Quantities will be the "Operational Imbalance," which will be the responsibility of the Parties to eliminate pursuant to this Agreement. The Daily Operational Imbalance on any Day shall not exceed 10% of the Scheduled Quantities for such Day, and shall not exceed a cumulative volume of \_\_\_\_\_ Dth, unless otherwise mutually agreed to by both Parties. The terms "Day" and "Daily," as used in this Agreement, refer to a "Gas Day" as defined by the Wholesale Gas Quadrant of the North American Energy Standards Board ("NAESB"). When used to refer to gas flows, the term "month" shall refer to the period of time beginning at the start of the Gas Day that starts on the first day of a calendar month and ending at the start of the Gas Day that starts on the first day of the next calendar month.
- 3. Estimated operating quantities flowing at the Location shall be used on a Daily basis during any current Day to determine the estimated Operational Imbalance at the Location, with physical flow adjustments to be made during that current Day as mutually agreed to by both Parties to attempt to maintain or achieve an Operational Imbalance of zero at the Location; provided, however, the Parties agree that Scheduled Quantities will be received and delivered at as nearly as possible to a uniform hourly rate of flow or other hourly rate mutually agreeable by the Parties. Neither Party shall have any obligation to alter its pipeline pressures, provide compression, or modify its pipeline operations to eliminate any Operational Imbalance. Either Party, in its sole discretion, may adjust nominations at the Location in the event of non-performance by the other Party.
- 4. (a) The actual measured quantity of gas at the Location each month shall be determined and communicated by the measuring party ("Measuring Party"), which shall be \_\_\_\_\_, by facsimile, electronic interface system or in writing to the other Party in accordance with NAESB Standard 2.3.7. The actual measured quantity shall be determined pursuant to the applicable provisions of the Measuring Party's Tariff or applicable measurement procedures.
- (b) For the previous month's activity, within three (3) business days following the end of such month, the Parties shall reconcile and confirm in writing the scheduled volumes for Service Requesters for whom the Parties delivered or received gas at the Location. Any changes to such confirmed nominations shall be effective only if agreed to in writing by both Parties.

FERC Docket: RP08-184-000

Original Sheet No. 243 Original Sheet No. 243: Pending

FORM OF OPERATIONAL BALANCING AGREEMENT (continued)

- For the purpose of accounting for the previous (c) month, the difference between the physical flow and the scheduled quantities at the Location each month will be determined and communicated by the Measuring Party to the other Party in writing as an "Operational Imbalance Statement" in such form as may be mutually agreeable to the Parties, as soon as possible, but in no case later than the tenth (10th) business day of the month following the month in question or such other date as may be mandated by NAESB from time to time. Physical flows shall be determined pursuant to the applicable provisions of Measuring Party's then effective FERC Gas Tariff; provided, however, the Parties may agree to standards more stringent than the Measuring Party's then effective FERC Gas Tariff. Any Operational Imbalance for any calendar month shall be agreed to in writing within twenty (20) calendar days of the end of such month in any format mutually agreeable to the Parties. The Operational Imbalance shall be corrected on an in-kind basis within thirty (30) days of the month in which the imbalance occurred, unless the Parties mutually agree in writing to carry the imbalance forward or to resolve the imbalance by "cash out" valued at the Reference Spot Price in accordance with Section 5 below, provided, however, that Operational Imbalances of 10,000 Dth or less at the end of any month shall be carried forward into the next month.
- (d) If either Party discovers any errors in the metered volumes of gas delivered and received at the Location, the errors shall be corrected in the current calendar month by adding to the monthly pipeline imbalance statement an adjustment reflecting a correction of metering errors. The adjustment in volumes resulting from metering errors shall be cashed out as provided for in Section 5 below at the price for the month in which the error occurred, unless otherwise mutually agreed. No adjustments of meter volumes shall be made after six months following the month in which they were measured unless there is a deliberate omission or misrepresentation or mutual mistake of fact or the Parties otherwise mutually agree. Out of period corrections shall be made to the month of flow for allocation and billing purposes. If either Party disputes the adjustment it will have three months after the adjustment is made to challenge in writing and rebut the adjustment.
- 5. In the event the Parties agree to "cash out" rather than pay back "in-kind" for a particular month, the Party that owes under the Imbalance Statement shall pay the other Party for such Operational Imbalance at the Reference Spot Price, as defined below, in accordance with the following provisions of this Section 5

FERC Docket: RP08-184-000

Original Sheet No. 244 Original Sheet No. 244: Pending

# FORM OF OPERATIONAL BALANCING AGREEMENT (continued)

(a) The reference spot price ("Reference Spot Price") for each month shall be the monthly average spot price, expressed in units of \$/Dth for gas delivered to

as published for such month in Platts Gas Daily (published by Platts, a division of the McGraw-Hill Companies). In the event that Gas Daily is no longer published, the successor McGraw-Hill publication shall be utilized. In the event that McGraw-Hill no longer publishes such spot price index or in the event that either Party reasonably believes that the McGraw Hill index is no longer reasonably representative of spot prices at the Location, SGRM and PIPELINE shall meet and enter into good faith negotiations toward an agreement as to an alternative spot price index or alternate pricing mechanism. If the Parties are unable to negotiate an agreement as to an alternative price index or pricing mechanism within thirty (30) days, this Agreement shall terminate and any remaining Operational Imbalance shall be cashed out at the last available Reference Spot Price.

- (b) Billing and payment of the cash-out amounts shall be as follows: (i) Measuring Party shall, within twenty-five (25) calendar days from the end of each month, render a statement, in the form of an invoice or payment statement, for any cash-out payments owed by either SGRM or PIPELINE for balances occurring during the preceding month; and (ii) payments under this provision shall be tendered within ten (10) days from the other Party's receipt of Measuring Party's statement by wire transfer, which shall include a reference to the invoice number and which shall be transmitted to the receiving Party's account as indicated in Section 14. Prior period adjustments, errors and billing disputes will be handled in accordance with Section 15 of the General Terms and Conditions of Measuring Party's FERC Gas Tariff.
- (c) Should either Party fail to pay part or all of the amount of any invoice rendered by Measuring Party when due pursuant to Section 5(b), interest on any unpaid amounts shall accrue from the due date of such invoice, until the date of payment received by the Party that is owed the payment. Such interest shall accrue at the lower of the effective prime rate charged by Chase Bank, N.A., plus two percent, or the maximum allowable interest rate permitted by applicable law, calculated on a compounded monthly basis. Additionally, if either Party fails to make payments owed to the other Party, the owed Party, in its sole discretion, may terminate this Agreement and pursue any and all remedies available at law.

FERC Docket: RP08-184-000

Original Sheet No. 245 Original Sheet No. 245: Pending

# FORM OF OPERATIONAL BALANCING AGREEMENT (continued)

- 6. In the event that a capacity constraint occurs on either Party's system which results in curtailment or a scheduling allocation of quantities through the Location, the Party on whose system the constraint has occurred shall determine the confirmation of quantities to the Service Requestor(s) under the affected Service Requestor Agreements. Such change in Scheduled Quantities shall be confirmed as required by Section 1 above. If the constraint occurs at the Location, the operator of the Location shall determine the confirmation of quantities to the Service Requestor(s) under the affected Service Requestor Agreements, unless otherwise mutually agreed.
- 7. This Agreement is entered into in order to facilitate operations and accounting between the Parties, and shall have no effect upon the Service Requester Agreements or upon the effectiveness of either Party's FERC Gas Tariff.
- 8. Notwithstanding the termination of this Agreement, the Parties agree to reconcile and eliminate any remaining Operational Imbalance pursuant to the terms and conditions of this Agreement within thirty (30) days of termination of this Agreement or such other period of time, which is mutually agreed to by the Parties.
- 9. This Agreement and the terms and conditions herein are subject to all present and future valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- 10. In the event a conflict exists or arises between this Agreement and a Party's FERC Gas Tariff, as amended from time to time, it is agreed and understood that the latter shall control.
- 11. This Agreement is for accounting and system management purposes only, and is entered into by the Parties with the understanding that the balancing activities provided for hereunder will not subject any non-jurisdictional entity to regulation by the Federal Energy Regulatory Commission as a "natural gas company" under the provisions of the Natural Gas Act. If, at any time, it should be determined that such balancing activities do result in such regulation, then this Agreement shall immediately terminate, and any remaining Operational Imbalance shall be resolved by the Parties within thirty (30) days after termination of this Agreement.
- 12. Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entity, of either Party, shall be subject to the obligations of its predecessor to this Agreement. No other assignment of this Agreement or of any of the rights or obligations hereunder shall be made.

FERC Docket: RP08-184-000

Original Sheet No. 246 Original Sheet No. 246: Pending

FORM OF OPERATIONAL BALANCING AGREEMENT (continued)

- 13. AS TO ALL MATTERS OF CONSTRUCTION AND INTERPRETATION, THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS DOCTRINE WHICH WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.
- 14. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES.
- 15. Any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

SGRM:	
Į.	Attention:
PIPELINE: -	
	Attention:
or to such other address as either written notice to the other. In a use their best efforts to provide p.m. Eastern Time. Notice receive shall be deemed effective the day after 5 p.m. Eastern Time shall be following receipt.	all instances, the Parties shall notice by facsimile prior to 5 ed before 5 p.m. Eastern Time of receipt. Notice received
Payment by wire transfer shall be	made to the following:
SGRM:	
PIPELINE:	

FERC Docket: RP08-184-000

Original Sheet No. 247 Original Sheet No. 247: Pending

FORM OF OPERATIONAL BALANCING AGREEMENT (continued)

- 16. A waiver by either Party of any one or more defaults by the other Party hereunder shall not operate as a waiver of any future default or defaults, whether of like or different character.
- 17. The "Effective Date" of this Agreement shall be the date of this Agreement or the in-service date of the meter station at the Location, whichever is earlier.
- 18. The primary term of this Agreement shall be from the Effective Date until cancelled upon forty-eight (48) hours prior written notice by either Party or by other provisions herein.
- 19. This Agreement and the terms set forth herein are confidential and the Parties agree not to disclose such terms other than as set forth in this Agreement and as required by applicable law or any securities exchange; provided that (i) each Party may disclose the terms hereof to its officers, employees, agents, lenders and other advisors and to each of its members, affiliates and its respective members' or affiliates' officers, employees, agents, lenders and other advisors that have a bona fide need to know such information and that have agreed to use this information only for the purposes intended herein and to agreed to keep such information confidential, and (ii) each Party may disclose the terms hereof (x) to FERC or other regulatory authority having jurisdiction for the purpose of obtaining any regulatory approval required for the construction or operation of the Southern Pines Energy Center facility, and (y) to any lender, underwriter or investor, their advisors and counsel, in connection with the solicitation and consummation of the financing of the Southern Pines Energy Center project, subject to each such entity's undertaking in writing to keep such information confidential. The provisions of this Section shall survive for a period of one calendar year after the termination of this Agreement.

SG	RESOURCES	MISSISSIPPI,	L.L.C.
Ву			
Tit	:le		
PII	PELINE		
Ву			
Tit	:le		