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Original Sheet No. 0 : Effective

FERC GAS TARIFF

VOLUME NO. 1

Of

CALEDONIA ENERGY PARTNERS, L.L.C.

Filed with

The Federal Energy Regulatory Commission

Communications Concerning This Tariff Should Be Addressed To:

Jim Goetz Caledonia Energy Partners, L.L.C. 2001 Timber Creek Road Flower Mound, TX 75028

Phone (972) 691-3332 Facsimile (972) 874-8743 Effective Date: 12/05/2007 Status: Effective FERC Docket: RP08- 57-000

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PRELIMINARY STATEMENT

CALEDONIA ENERGY PARTNERS, L.L.C. ("Caledonia") is a Delaware limited liability company subject to the jurisdiction of the Federal Energy Regulatory Commission ("Commission" or "FERC"). It is primarily engaged in the storage of natural gas in interstate commerce.

This Original Volume No. 1 of Caledonia's FERC Gas Tariff contains the Rate Statements, Rate Schedules and General Terms and Conditions applicable to open access storage service performed by Caledonia through its subsurface natural gas storage facility and associated pipeline facilities in Lowndes and Monroe Counties, Mississippi. Caledonia provides these services, subject to the availability of capacity, to all customers eligible for service under this Tariff, on an open access basis at negotiated, market-based rates.

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MAP OF THE SYSTEM

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FSS RATE STATEMENT - FIRM STORAGE SERVICE*

RATE

UNITS

Storage ReservationCharge Market Based/Negotiable \$/Dth of MSC/Month

Payment is equal to the Monthly Storage Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Storage Capacity.

Storage DeliverabilityCharge Market Based/Negotiable \$/Dth of MDWQ/Month

Payment is equal to the Monthly Deliverability Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Customer's Maximum Daily Withdrawal Quantity.

Storage InjectionCharge Market Based/Negotiable \$/Dth

Payment is equal to the Injection Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity injected up to the ADIQ by Customer on each Day of a given Month.

Storage WithdrawalCharge Market Based/Negotiable \$/Dth

Payment is equal to the Withdrawal Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity withdrawn up to the ADWQ by Customer on each Day of a given Month.

Authorized Overrun Injection Charge Market Based/Negotiable S/Dth

Payment is equal to the Authorized Overrun Injection Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity injected in excess of Customer's ADIQ on each Day of a given Month.

Authorized Overrun Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Withdrawal Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity withdrawn in excess of Customer's ADWQ on each Day of a given Month.

FuelReimbursement Market Based/Negotiable % of injections (in kind)

This amount of Gas is to be reimbursed by Customer in kind, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed Firm Storage Service Agreement.

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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, the ACA charges, shall also be paid by Customer.

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AISS RATE STATEMENT - ADVANCED INTERRUPTIBLE STORAGE SERVICE

RATE

Capacity Charge Market Based/Negotiable \$/Dth

Payment is equal to the Capacity Charge specified in Customer's executed Advanced Interruptible Storage Service Agreement multiplied by Customer's Maximum Advanced Interruptible Storage Capacity or Advanced Interruptible Storage Balance, as applicable.

Storage Injection Charge Market Based/Negotiable \$/Dth

Payment is equal to the Injection Charge specified in Customer's executed Advanced Interruptible Storage Service Agreement multiplied by the Dth quantity injected up to the ADIQ by Customer on each Day of a given Month.

Storage Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Withdrawal Charge specified in Customer's executed Advanced Interruptible Storage Service Agreement multiplied by the Dth quantity withdrawn up to the ADWQ by Customer on each Day of a given Month.

Authorized Overrun Injection Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Injection Charge specified in Customer's executed Advanced Interruptible Storage Service Agreement multiplied by the Dth quantity injected in excess of Customer's ADIQ on each Day of a given Month.

Authorized Overrun Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Withdrawal Charge specified in Customer's executed Advanced Interruptible Storage Service Agreement multiplied by the Dth quantity withdrawn in excess of Customer's ADWQ on each Day of a given Month.

Fuel Reimbursement Market Based/Negotiable % of injections (in kind)

This amount of Gas is to be reimbursed by Customer in kind, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed Advanced Interruptible Storage Service Agreement.

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, the ACA charges, shall also be paid by Customer.

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ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE

RATE

Capacity Charge Market Based/Negotiable \$/Dth

Payment is equal to the Capacity Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by Customer's Maximum Interruptible Storage Capacity or Interruptible Storage Balance, as applicable.

Storage Injection Charge Market Based/Negotiable \$/Dth

Payment is equal to the Injection Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity injected up to the ADIQ by Customer on each Day of a given Month.

Storage Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Withdrawal Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity withdrawn up to the ADWQ by Customer on each Day of a given Month.

Authorized Overrun Injection Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Injection Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity injected in excess of Customer's ADIQ on each Day of a given Month.

Authorized Overrun Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Withdrawal Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity withdrawn in excess of Customer's ADWQ on each Day of a given Month.

Fuel Reimbursement Market Based/Negotiable % of injections (in kind)

This amount of Gas is to be reimbursed by Customer in kind, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed Interruptible Storage Service Agreement.

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, the ACA charges, shall also be paid by Customer.

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AILS RATE STATEMENT - ADVANCED INTERRUPTIBLE LOAN SERVICE

RATE

Loan Capacity Charge Market Based/Negotiable \$/Dth

Payment is equal to the Monthly Loan Capacity Charge specified in Customer's executed Advanced Interruptible Loan Service Agreement multiplied by Customer's Maximum Advanced Interruptible Loan Quantity or Negative Advanced Interruptible Storage Balance, as applicable.

Loan Injection Charge Market Based/Negotiable \$/Dth

Payment is equal to the Injection Charge specified in Customer's executed Advanced Interruptible Loan Service Agreement multiplied by the Dth quantity injected up to the ADIQ by Customer on each Day of a given Month.

Loan Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Withdrawal Charge specified in Customer's executed Advanced Interruptible Loan Service Agreement multiplied by the Dth quantity withdrawn up to the ADWQ by Customer on each Day of a given Month.

Authorized Overrun Injection Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Injection Charge specified in Customer's executed Advanced Interruptible Loan Service Agreement multiplied by the Dth quantity injected in excess of Customer's ADIQ on each Day of a given Month.

Authorized Overrun Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Withdrawal Charge specified in Customer's executed Advanced Interruptible Loan Service Agreement multiplied by the Dth quantity withdrawn in excess of Customer's ADWQ on each Day of a given Month.

Fuel Reimbursement Market Based/Negotiable % of injections (in kind)

This amount of Gas is to be reimbursed by Customer in kind, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed Advanced Interruptible Loan Service Agreement.

All applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Advanced Interruptible Loan Service Agreement and all other applicable surcharges, including, but not limited to, the ACA charges, shall also be paid by Customer.

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First Revised Sheet No. 7 First Revised Sheet No. 7: Effective

Superseding: Superseding Original Sheet No. 7 ILS RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE

RATE

Loan Capacity Charge Market Based/Negotiable \$/Dth

Payment is equal to the Monthly Loan Capacity Charge specified in Customer's executed Interruptible Loan Service Agreement multiplied by Customer's Maximum Interruptible Loan Quantity or Negative Interruptible Storage Balance, as applicable.

Loan Injection Charge Market Based/Negotiable

Payment is equal to the Injection Charge specified in Customer's executed Interruptible Loan Service Agreement multiplied by the Dth quantity injected up to the ADIQ by Customer on each Day of a given Month.

Loan Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Withdrawal Charge specified in Customer's executed Interruptible Loan Service Agreement multiplied by the Dth quantity withdrawn up to the ADWQ by Customer on each Day of a given Month.

Authorized Overrun Injection Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Injection Charge specified in Customer's executed Interruptible Loan Service Agreement multiplied by the Dth quantity injected in excess of Customer's ADIQ on each Day of a given Month.

Authorized Overrun Withdrawal Charge Market Based/Negotiable \$/Dth

Payment is equal to the Authorized Overrun Withdrawal Charge specified in Customer's executed Interruptible Loan Service Agreement multiplied by the Dth quantity withdrawn in excess of Customer's ADWQ on each Day of a given Month.

Fuel Reimbursement Market Based/Negotiable % of injections (in kind)

This amount of Gas is to be reimbursed by Customer in kind, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed Interruptible Loan Service Agreement.

All applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Interruptible Loan Service Agreement and all other applicable surcharges, including, but not limited to, the ACA charges, shall also be paid by Customer.

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FSS RATE SCHEDULE FIRM STORAGE SERVICE

AVAILABILTTY 1.

This FSS Rate Schedule is available to any Customer for the purchase of firm natural gas storage service from Caledonia, provided

- (a) Caledonia has determined that it has sufficient available and uncommitted firm storage capacity to perform service requested by Customer;
- (b) Customer and Caledonia have executed a Firm Storage Service Agreement under this FSS Rate Schedule (FSS Service Agreement);
- (c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this FSS Rate Schedule; and
- (d) Customer satisfies the creditworthiness criteria in accordance with Sections 3 and 24 of the General Terms and Conditions.
- (e) Service under this FSS Rate Schedule may not be available to the extent that Caledonia would be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform the requested service.
- 2.
- APPLICABILITY AND CHARACTER OF SERVICE
 Subject to the limitations and requirements set forth in this FSS Rate Schedule and in Customer's FSS Service Agreement, Caledonia shall:
- Inject quantities received by Caledonia from or on behalf of Customer and (1)designated by Customer for injection to "FSS Storage," up to the Maximum Daily Injection Quantity (MDIQ), as limited by the ADIQ set forth in Exhibit A of Customer's FSS Service Agreement, on a daily basis not to exceed the Maximum Storage Capacity (MSC) set forth in Customer's FSS Service Agreement, less sufficient quantities for Fuel Reimbursement; and
- (2) Deliver to Customer thermally equivalent quantities of Gas, up to the Maximum Daily Withdrawal Quantity (MDWQ), as limited by the ADWQ set forth in Exhibit A of Customer's FSS Service Agreement, on a daily basis, provided that Caledonia shall not be obligated under this FSS Rate Schedule on any Day to deliver Gas in excess of the working gas quantities then held in storage for Customer.

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(b) Service provided under this FSS Rate Schedule shall have the priority specified in Section 4.1 of the General Terms and Conditions.

(c) Service rights under an FSS Service Agreement may be released in accordance with Section 9 of the General Terms and Conditions. Service to a replacement Customer under any such assignment shall be subject to the provisions set forth in this FSS Rate Schedule, the General Terms and Conditions and the FSS Service Agreement. If Customer assigns only a portion of its service rights under a FSS Service Agreement, such assignment shall not change the existing ratio of the MSC and the MDWQ/MDIQ or the ADWQ/ADIQ unless specified by Customer.

3. OVERRUN SERVICE

- (a) Provided injections and withdrawals can be accepted without impeding Caledonia's ability to meet prior service obligations, a request by Customer to make injections in excess of its ADIQ or withdrawals in excess of its ADWQ may be submitted to Caledonia. In the event that Customer makes such request, Caledonia will confirm the request to the extent that (1) additional flexibility exists during the time period of the request, and (2) Caledonia, using reasonable discretion, can operationally accommodate the request.
- (b) Caledonia shall have the right to interrupt or not schedule all or part of the overrun quantity nominated, as the operation of its facilities in its reasonable judgment may require, subject to Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

- (a) The charges to be paid by Customer, as set forth in paragraph (b) below, shall be mutually agreed to by Caledonia.
- (b) For all service rendered under this FSS Rate Schedule, each Month, Customer shall pay Caledonia the charges set forth below, unless otherwise mutually agreed to by Caledonia and Customer and specified in Customer's FSS Service Agreement.
- (i) Monthly Storage and Deliverability Charge. A monthly charge, as set forth in Exhibit A of Customer's FSS Service Agreement, for each Dth of Customer's MSC and MDWQ.
- (ii) Injection Charge. A charge, as set forth in Exhibit A of Customer's FSS Service Agreement, for each Dth injected up to the ADIQ by Caledonia for Customer's account on each Day of a given Month.
- (iii) Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's FSS Service Agreement, for each Dth of Gas withdrawn up to the ADWQ by Caledonia for Customer's account on each Day of a given Month.

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(iv) Authorized Overrun Injection Charge. A charge, as set forth in Exhibit A of Customer's FSS Service Agreement, for each Dth of Gas injected in excess of Customer's ADIQ on each Day of a given

- (v) Authorized Overrun Withdrawal Charge. A charge, as set forth in Exhibit A of the Customer's FSS Service Agreement, for each Dth of Gas withdrawn in excess of Customer's ADWQ on each Day of a given Month
- (vi) Fuel Reimbursement. The percentage of Customer's Gas tendered for injection which is retained by Caledonia as reimbursement for fuel used in the provision of service and lost and unaccounted for gas as set forth in Section 11 of the General Terms and Conditions of this Tariff and Exhibit A of Customer's FSS Service Agreement.
- (c) Customer shall reimburse Caledonia for all fees, charges and surcharges, as required by the Commission or any other regulatory body, that are related to service provided under this FSS Rate Schedule.
- (d) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage or withdrawal of Gas
- (e) Caledonia shall be responsible for any loss, cost, or expense arising from any loss of Customer's Gas in Caledonia's storage that results from Caledonia's negligence or failure to exercise due diligence. Notwithstanding the provisions in Section 10 of the General Terms and Conditions, Customer shall be responsible for obtaining its own insurance for any Gas in storage, and shall hold Caledonia harmless from any loss, cost, or expense arising from any loss of storage Gas that results from a Force Majeure event or that is not the result of Caledonia's negligence or failure to exercise due diligence.

5. MONTHLY BILL

The monthly bill for Firm Storage Service shall reflect the applicable charges set forth under Section 4 of this Rate Schedule at rates set forth in Customer's FSS Service Agreement.

6. TERM

The term for service under this Rate Schedule shall be as set forth in the executed FSS Service Agreement. Notwithstanding anything to the contrary in this Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis, provided that, for those service agreements that include a right of first refusal, such extension is agreed to prior to the receipt of an acceptable bid submitted pursuant to Section 8 of Rate Schedule FSS.

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7. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) Customer's FSS Service Agreement(s) 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 Caledonia to provide the storage service contemplated herein and to construct and operate the gas storage facilities necessary to provide such storage service and for any connected pipeline to transport natural gas to/from the Point(s) of Receipt/Delivery necessary to effect the storage service provided herein.
- (b) Caledonia 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 this FSS Service Agreement shall be deemed to include any changes which are made effective pursuant to an order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided however, that any negotiated rates between Caledonia and its Customer(s) shall remain in effect during the term of the FSS Service Agreement(s).
- 8. RIGHT OF FIRST REFUSAL
- (a) Right of First Refusal at End of Contract Term on or after December 5, 2007. Caledonia may discontinue service to Customer at the end of a primary term of an FSS Agreement with a primary term beginning date on or after November 19, 2007, unless (i) Caledonia and Customer mutually agree to a right of first refusal, which shall be negotiated on a not unduly discriminatory basis, and (ii) Customer exercises its right of first refusal for the capacity covered by the FSS Service Agreement by matching the acceptable terms offered to Caledonia during an open season, conducted pursuant to Section 3.1 of the General Terms and Conditions, for such capacity by any qualified prospective successor Customer.
- (b) Right of First Refusal at End of Contract Term Prior to December 5, 2007. A right of first refusal shall be available on a one-time basis to Customers holding a Long-term FSS Service Agreement with a primary term beginning date prior to December 5, 2007. Caledonia may discontinue service to Customer at the end of the primary term of Customer's Long-term FSS Service Agreement unless Customer exercises its right of first refusal for the capacity covered by the Long-term FSS Agreement by matching the acceptable terms offered to Caledonia during an open season, conducted pursuant to Section 3.2 of the General Terms and Conditions, for such capacity by any qualified prospective successor Customer. A "Long-term FSS Agreement," as that term is used in this Section, is a FSS Service Agreement having a primary term of three (3) years or more. A prospective successor Customer is "qualified," within the meaning of this Section, if such prospective successor Customer meets the creditworthiness criteria set forth in Sections 3 and 24 of the General Terms and Conditions.

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- (c) Exercise of Right of First Refusal.
- (1) Not less than twelve (12) months prior to the expiration of an FSS Agreement containing a Right of First Refusal provision, Customer must provide written notice to Caledonia of its intent to exercise any Right of First Refusal provisions applicable under the FSS Service Agreement. Failure by the Customer to give Caledonia the notice specified in this section will result in the automatic abandonment of the entitlement and the Customer's right to the subject capacity at the end of the contract term will cease.
- (2) Not less than three (3) months prior to the termination or expiration of an FSS Agreement containing a Right of First Refusal provision, an open season will be held for the purpose of awarding the capacity that is to become available upon the FSS Agreement's termination or expiration. This open season will be conducted pursuant to the

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terms and conditions set forth in Section 3.2 of the General Terms and Conditions.

- (3) Bids from qualified successor Customers who desire, in whole or in part, the capacity to be made available upon the expiration or termination of the FSS Agreement must be received by Caledonia within the timeframe set forth in the Open Season. Upon expiration of the open season, Caledonia will select the highest bid received from a qualified successor Customer and communicate the terms of the highest bid to Customer, who may elect, within fifteen (15) Days or such greater time as Caledonia may specify, to execute a renewal FSS Service Agreement upon the same terms. In determining which bid for the capacity is the highest, Caledonia will use the present value formula set forth in Section 3.2 of the General Terms and Conditions.
- (4) If Customer does not elect to match the terms of such highest bid, its FSS Service Agreement will expire at the conclusion of its term and will be deemed to have all necessary abandonment authorization under the Natural Gas Act with respect to such service. Caledonia may enter into a new FSS Service Agreement with the qualified successor Customer who submitted the highest bid.
- (5) Caledonia shall retain the right to require a minimum rate or term of service, which shall be market-based, for bids during any such open season.
- (d) Continuation of Service. If during the open season, Caledonia receives no bids or rejects all bids, Caledonia and Customer may negotiate for continuation of service under mutually satisfactory rates, terms, and conditions. In no event, however, will such continued service be provided at a rate lower than the highest rate bid by a qualified prospective successor Customer during the open season.
- 9. EXPIRATION OF TERM

Prior to the expiration of the primary term or any renewed term of the Customer's FSS Service Agreement, Caledonia shall notify Customer to withdraw all Working Gas quantities held by Caledonia for Customer's account. If Customer fails to withdraw all of the Working Gas by the end of the term or within fifteen (15) Days of termination, then Caledonia may take, free and clear of any adverse claims or obligations to Customer, title to such Working Gas quantities as Customer was required to withdraw. Caledonia's notice may be given verbally, but shall be confirmed in writing either by facsimile, email, or via Caledonia's Internet website.

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10. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this 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.

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AISS RATE SCHEDULE

ADVANCED INTERRUPTIBLE STORAGE SERVICE

AVAILABILITY

This AISS Rate Schedule is available to any Customer for the purchase of advanced interruptible natural gas storage service from Caledonia, provided that:

- (a) Caledonia has determined that it has sufficient operationally available storage, injection and withdrawal capacity to perform service requested by Customer;
- (b) Caledonia has determined that service requested by Customer will not interfere with efficient operation of its system or with service to firm storage customers;
- (c) Customer and Caledonia have executed an Advanced Interruptible Storage Service Agreement under this AISS Rate Schedule (AISS Service Agreement):
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this AISS Rate Schedule;
- (e) Customer satisfies the creditworthiness criteria in accordance with Sections 3 and 24 of the General Terms and Conditions; and
- (f) Service under this AISS Rate Schedule may not be available to the extent that Caledonia would be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform the requested services.
- 2. APPLICABILITY AND CHARACTER OF SERVICE
- (a) Service provided under this AISS Rate Schedule, including all injections into and withdrawals from storage shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions or otherwise to the extent provided in this AISS Rate Schedule.
- (b) Subject to the limitations and requirements set forth in this Rate Schedule and in Customer's AISS Service Agreement, Customer shall be permitted to request Caledonia to:
- (i) Inject, on an interruptible basis, quantities received by Caledonia from or on behalf of Customer and designated by Customer for injection to "AISS Storage," up to the Customer's Maximum Advanced Interruptible Storage Capacity (MAISC) on a daily basis not to exceed the Maximum Daily Injection Quantity (MDIQ), as limited by the ADIQ set forth in Exhibit A of Customer's AISS Service Agreement, less sufficient quantities for Fuel Reimbursement.
- (ii) Deliver to Customer, on an interruptible basis, thermally equivalent quantities of Gas, up to the Maximum Daily Withdrawal Quantity (MDWQ), as

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limited by the ADWQ set forth in Exhibit A of Customer's AISS Service Agreement, on a daily basis, provided that Caledonia shall not be obligated under this AISS Rate schedule on any Day to deliver Gas in excess of the working gas quantities then held in storage for Customer.

- (c) Service provided under this Rate Schedule shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff.
- (d) Customer shall not be permitted to increase its confirmed nomination quantities under this AISS Rate Schedule, regardless of the quantities set forth in Customer's AISS Service Agreement, if such increase would degrade service to a Customer with equal or higher priority as set forth in Section 4 of the General Terms and Conditions.
- (e) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this AISS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage or withdrawal of Gas.
- (f) Service rights under an AISS Service Agreement may not be released. (g) Caledonia shall establish an account for each Customer using this service which reflects the Advanced Interruptible Storage Balance. Whenever Caledonia receives AISS storage quantities from or delivers AISS storage quantities to a Customer, Caledonia will adjust the Customer's account, as appropriate, to reflect the new balance.
- (h) All Gas injected into storage for Customer's account under this AISS Rate Schedule must be withdrawn by Customer's contract termination date, provided that such final contract termination date shall be extended one Day for each Day, during the 30 Days preceding Customer's final contract termination date that Customer's AISS withdrawals are interrupted by Caledonia.
- OVERRUN SERVICE
- (a) Provided injections and withdrawals can be accepted without impeding Caledonia's ability to meet prior service obligations, a request by Customer to make injections in excess of its ADIQ or withdrawals in excess of its ADWQ may be submitted to Caledonia. In the event that Customer makes such request, Caledonia will confirm the request to the extent that (1) additional flexibility exists during the time period of the request, and (2) Caledonia, using reasonable discretion, can operationally accommodate the request.
- (b) Caledonia shall have the right to interrupt or not schedule all or part of the overrun quantity nominated, as the operation of its facilities in its reasonable judgment may require, subject to Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff, in which event Caledonia shall notify Customer.

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- 4. RATES AND CHARGES
- (a) The charges to be paid by Customer, as set forth in paragraph (b) below, shall be mutually agreed to by Caledonia.
- (b) For all storage service rendered under this AISS Rate Schedule, Customer shall pay Caledonia each Month service is offered, the charges as set forth below or other mutually agreed upon charges.
- (i) Capacity Charge. A charge, as set forth in Exhibit A of Customer's AISS Service Agreement, for each Dth of Customer's Maximum Advanced Interruptible Storage Capacity (if a reservation fee is charged), or Customer's Advanced Interruptible Storage Balance (if a volumetric fee is charged), as the case may be. The charge may be on a daily, monthly, or other basis per agreement between Customer and Caledonia.
- (ii) Injection Charge. A charge, as set forth in Exhibit A of Customer's AISS Service Agreement, for each Dth injected up to the ADIQ by Caledonia for Customer's account on each Day of a given Month.
- (iii) Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's AISS Service Agreement, for each Dth of Gas withdrawn up to the ADWQ by Caledonia for Customer's account on each Day of a given Month.
- (iv) Authorized Overrun Injection Charge. A charge, as set forth in Exhibit A of Customer's AISS Service Agreement, for each Dth of Gas injected in excess of Customer's ADIQ on each Day of a given Month.
- (v) Authorized Overrun Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's AISS Service Agreement, for each Dth of Gas withdrawn in excess of Customer's ADWQ on each Day of a given Month.
- (vi) Fuel Reimbursement. The percentage of Customer's Gas tendered for injection which is retained by Caledonia as reimbursement for fuel used in the provision of service and lost and unaccounted for gas as set forth in Section 11 of the General Terms and Conditions of this Tariff and Exhibit A of Customer's AISS Service Agreement.
- (c) Customer shall reimburse Caledonia for all fees, charges and surcharges, as required by the Commission or any other regulatory body, that are related to service provided under this AISS Rate Schedule.

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(d) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this AISS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage or withdrawal of Gas.

(e) Caledonia shall be responsible for any loss, cost, or expense arising from any loss of Customer's Gas in Caledonia's storage that results from Caledonia's negligence or failure to exercise due diligence. Customer shall be responsible for obtaining its own insurance for any Gas in storage, and shall hold Caledonia harmless from any loss, cost, or expense arising from any loss of storage Gas that results from a Force Majeure event or that is not the result of Caledonia's negligence or failure to exercise due diligence.

5. MONTHLY BILL

The monthly bill for Advanced Interruptible Storage Service shall reflect the applicable charges set forth under Section 4 of this AISS Rate Schedule at rates set forth in Customer's AISS Service Agreement.

TERM

The term for service under this AISS Rate Schedule shall be as set forth in the executed AISS Service Agreement. Notwithstanding anything to the contrary in this Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

7. NOTICES

- (a) In the event that Caledonia determines, in its reasonable judgment, that some or all Advanced Interruptible Storage Service(s) must be interrupted in order to satisfy Caledonia's obligations to FSS Service Customers, or that such interruption is otherwise necessary or is otherwise appropriate to avoid adverse impact on the operation of Caledonia's system, Caledonia will notify any affected Customer receiving Advanced Interruptible Storage Service that they are required to reduce their Interruptible Storage Balance(s) over the period specified in the notice. Such notice shall be issued to Customers, via facsimile or email, on a present value basis, where lower value services will be noticed before higher value services. At a maximum, Customers will have one (1) Day in which to comply with the notice.
- (b) If Customer fails to comply with the notice given in accordance with Section 7(a) of this AISS Rate Schedule, Caledonia may cash out the Storage Balance quantity that Customer was advised, but failed to reduce or eliminate at the sales price of the Gas less ten percent (10%) for the positive Advanced Interruptible Storage Balance not eliminated.

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8. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) Customer's AISS Service Agreement(s) 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 Caledonia to provide the storage service contemplated herein and to construct and operate the gas storage facilities necessary to provide such storage service and for any connected pipeline to transport natural gas to/from the Point(s) of Receipt/Delivery necessary to effect the storage service provided herein.
- (b) Caledonia 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 this AISS Service Agreement shall be deemed to include any changes which are made effective pursuant to an order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided however, that any negotiated rates between Caledonia and its Customer(s) shall remain in effect during the term of the AISS Service Agreement(s).

EXPIRATION OF TERM

Prior to the expiration of the primary term or any renewed term of the Customer's AISS Service Agreement, Caledonia shall notify Customer to withdraw all Working Gas quantities held by Caledonia for Customer's account. If Customer fails to withdraw all of the Working Gas by the end of the term or within fifteen (15) Days of termination, then Caledonia may take, free and clear of any adverse claims or obligations to Customer, title to such Working Gas quantities as Customer was required to withdraw. Caledonia's notice may be given verbally, but shall be confirmed in writing either by facsimile, email, or via Caledonia's Internet website.

10. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this AISS 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 AISS Rate Schedule shall control.

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Superseding: Superseding Original Sheet No. 14

ISS RATE SCHEDULE

INTERRUPTIBLE STORAGE SERVICE

AVATTABITATY

This ISS Rate Schedule is available to any Customer for the purchase of interruptible natural gas storage service from Caledonia, provided that:

- (a) Caledonia has determined that it has sufficient operationally available storage, injection and withdrawal capacity to perform service requested by Customer;
- (b) Caledonia has determined that service requested by Customer will not interfere with efficient operation of its system or with service to firm storage customers;
- (c) Customer and Caledonia have executed an Interruptible Storage Service Agreement under this ISS Rate Schedule (ISS Service Agreement);
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this ISS Rate Schedule; and
- (e) Customer satisfies the creditworthiness criteria in accordance with Sections 3 and 24 of the General Terms and Conditions.
- (f) Service under this ISS Rate Schedule may not be available to the extent that Caledonia would be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform the requested services.
- 2. APPLICABILITY AND CHARACTER OF SERVICE
- (a) Service provided under this ISS Rate Schedule, including all injections into and withdrawals from storage shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions or otherwise to the extent provided in this ISS Rate Schedule.
- (b) Subject to the limitations and requirements set forth in this Rate Schedule and in Customer's ISS Service Agreement, Customer shall be permitted to request Caledonia to:
- (i) Inject, on an interruptible basis, quantities received by Caledonia from or on behalf of Customer and designated by Customer for injection to "ISS Storage," up to the Customer's Maximum Interruptible Storage Capacity (MISC) on a daily basis not to exceed the Maximum Daily Injection Quantity (MDIQ), as limited by the ADIQ set forth in Exhibit A of Customer's ISS Service Agreement, less sufficient quantities for Fuel Reimbursement.
- (ii) Deliver to Customer, on an interruptible basis, thermally equivalent quantities of Gas, up to the Maximum Daily Withdrawal Quantity (MDWQ), as limited by the ADWQ set forth in Exhibit A of Customer's ISS Service Agreement, on a daily basis, provided that Caledonia shall not be obligated under

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First Revised Sheet No. 15 First Revised Sheet No. 15: Effective Superseding: Superseding Original Sheet No. 15 this ISS Rate schedule on any Day to deliver Gas in excess of the working gas quantities then held in storage for Customer.

- (c) Service provided under this Rate Schedule shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff.
- (d) Customer shall not be permitted to increase its confirmed nomination quantities under this ISS Rate Schedule, regardless of the quantities set forth in Customer's ISS Service Agreement, if such increase would degrade service to a Customer with equal or higher priority as set forth in Section 4 of the General Terms and Conditions.
- (e) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this ISS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage or withdrawal of Gas.
- (f) Service rights under an ISS Service Agreement may not be released. (g) Caledonia shall establish an account for each Customer using this service which reflects the Interruptible Storage Balance. Whenever Caledonia receives interruptible storage quantities from or delivers interruptible storage quantities to a Customer, Caledonia will adjust the Customer's account, as appropriate, to reflect the new balance.
- (h) All Gas injected into storage for Customer's account under this ISS Rate Schedule must be withdrawn by Customer's contract termination date, provided that such final contract termination date shall be extended one Day for each Day, during the 30 Days preceding Customer's final contract termination date that Customer's ISS withdrawals are interrupted by Caledonia.
- OVERRUN SERVICE
- (a) Provided injections and withdrawals can be accepted without impeding Caledonia's ability to meet prior service obligations, a request by Customer to make injections in excess of its ADIQ or withdrawals in excess of its ADWQ may be submitted to Caledonia. In the event that Customer makes such request, Caledonia will confirm the request to the extent that (1) additional flexibility exists during the time period of the request, and (2) Caledonia, using reasonable discretion, can operationally accommodate the request.
- (b) Caledonia shall have the right to interrupt or not schedule all or part of the overrun quantity nominated, as the operation of its facilities in its reasonable judgment may require, subject to Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff, in which event Caledonia shall notify Customer.
- 4. RATES AND CHARGES
- (a) The charges to be paid by Customer, as set forth in paragraph (b) below, shall be mutually agreed to by Caledonia.

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- (b) For all storage service rendered under this ISS Rate Schedule, Customer shall pay Caledonia each Month service is offered, the charges as set forth below or other mutually agreed upon charges.
- (i) Capacity Charge. A charge, as set forth in Exhibit A of Customer's ISS Service Agreement, for each Dth of Customer's Maximum Interruptible Storage Capacity (if a reservation fee is charged), or Customer's Interruptible Storage Balance (if a volumetric fee is charged), as the case may be. The charge may be on a daily, monthly, or other basis per agreement between Customer and Caledonia.
- (ii) Injection Charge. A charge, as set forth in Exhibit A of Customer's ISS Service Agreement, for each Dth injected up to the ADIQ by Caledonia for Customer's account on each Day of a given Month.
- (iii) Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's ISS Service Agreement, for each Dth of Gas withdrawn up to the ADWQ by Caledonia for Customer's account on each Day of a given Month.
- (iv) Authorized Overrun Injection Charge. A charge, as set forth in Exhibit A of Customer's ISS Service Agreement, for each Dth of Gas injected in excess of Customer's ADIQ on each Day of a given Month.
- (v) Authorized Overrun Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's ISS Service Agreement, for each Dth of Gas withdrawn in excess of Customer's ADWQ on each Day of a given Month.
- (vi) Fuel Reimbursement. The percentage of Customer's Gas tendered for injection which is retained by Caledonia as reimbursement for fuel used in the provision of service and lost and unaccounted for gas as set forth in Section 11 of the General Terms and Conditions of this Tariff and Exhibit A of Customer's ISS Service Agreement.
- (c) Customer shall reimburse Caledonia for all fees, charges and surcharges, as required by the Commission or any other regulatory body, that are related to service provided under this ISS Rate Schedule.
- (d) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this ISS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage or withdrawal of Gas.
 - (e) Caledonia shall be responsible for any loss, cost, or expense arising

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Any loss of storage Gas that results from a Force Majeure event or that is not the result of Caledonia's negligence or failure to exercise due diligence.

5. MONTHLY BILL

The monthly bill for Interruptible Storage Service shall reflect the applicable charges set forth under Section 4 of this ISS Rate Schedule at rates set forth in Customer's ISS Service Agreement.

6 TERM

The term for service under this ISS Rate Schedule shall be as set forth in the executed ISS Service Agreement. Notwithstanding anything to the contrary in this Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

NOTICES

- (a) In the event that Caledonia determines, in its reasonable judgment, that some or all Interruptible Storage Service(s) must be interrupted in order to satisfy Caledonia's obligations to FSS, AISS, or AILS Customers, or that such interruption is otherwise necessary or is otherwise appropriate to avoid adverse impact on the operation of Caledonia's system, Caledonia will notify any affected Customer receiving Interruptible Storage Service that they are required to reduce their Interruptible Storage Balance(s) over the period specified in the notice. Such notice shall be issued to Customers, via facsimile or email, on a price basis, where lower price services will be noticed before higher price services. At a maximum, Customers will have one (1) Day in which to comply with the notice.
- (b) If Customer fails to comply with the notice given in accordance with Section 7(a) of this ISS Rate Schedule, Caledonia may cash out the Storage Balance quantity that Customer was advised, but failed to reduce or eliminate at the sales price of the Gas less ten percent (10%) for the positive Interruptible Storage Balance not eliminated.

8. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) Customer's ISS Service Agreement(s) 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 Caledonia to provide the storage service contemplated herein and to construct and operate the gas storage facilities necessary to provide such storage service and for any connected pipeline to transport natural gas to/from the Point(s) of Receipt/Delivery necessary to effect the storage service provided herein.
- (b) Caledonia 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 this ISS Service Agreement shall be deemed to include any changes which are made effective pursuant to an order or regulation or provisions of law, without prejudice to Customer's right to protest the

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same; provided however, that any negotiated rates between
Caledonia and its Customer(s) shall remain in effect during the term of the ISS
Service Agreement(s).

9. EXPIRATION OF TERM

Prior to the expiration of the primary term or any renewed term of the Customer's ISS Service Agreement, Caledonia shall notify Customer to withdraw all Working Gas quantities held by Caledonia for Customer's account. If Customer fails to withdraw all of the Working Gas by the end of the term or within fifteen (15) Days of termination, then Caledonia may take, free and clear of any adverse claims or obligations to Customer, title to such Working Gas quantities as Customer was required to withdraw. Caledonia's notice may be given verbally, but shall be confirmed in writing either by facsimile, email, or via Caledonia's Internet website.

10. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this 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.

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AILS RATE SCHEDULE

ADVANCED INTERRUPTIBLE LOAN SERVICE

AVATTABITATTY

This AILS Rate Schedule is available to any Customer for the purchase of advanced interruptible natural gas loan service from Caledonia, provided that:

- (a) Caledonia has determined that it has sufficient operationally available storage, injection and withdrawal capacity to perform service requested by Customer;
- (b) Caledonia has determined that service requested by Customer will not interfere with efficient operation of its system or with service to firm storage customers;
- (c) Customer and Caledonia have executed an Interruptible Loan Service Agreement under this AILS Rate Schedule (AILS Service Agreement);
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this AILS Rate Schedule;
- (e) Customer satisfies the creditworthiness criteria in accordance with Sections 3 and 24 of the General Terms and Conditions; and
- (f) Service under this AILS Rate Schedule may not be available to the extent that Caledonia would be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform the requested services.
- 2. APPLICABILITY AND CHARACTER OF SERVICE
- (a) Service provided under this AILS Rate Schedule, including all injections into and withdrawals from storage shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions or otherwise to the extent provided in this AILS Rate Schedule.

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(b) Subject to the limitations and requirements set forth in this Rate Schedule and in Customer's AILS Service Agreement, Customer shall be permitted to request Caledonia to:

- (i) loan to Customer, on an interruptible basis, quantities of Gas, up to the Customer's Maximum Advanced Interruptible Loan Quantity (MAILQ) on a daily basis not to exceed the Maximum Daily Withdrawal Quantity (MDWQ), as limited by the ADWQ set forth in Exhibit A of Customer's AILS Service Agreement.
- (ii) return to Caledonia, on an interruptible basis, thermally equivalent quantities of Gas, up to the Maximum Daily Injection Quantity (MDIQ), as limited by the ADIQ set forth in Exhibit A of Customer's AILS Service Agreement, on a daily basis, provided that Caledonia shall not be obligated under this AILS Rate schedule on any Day to accept return of Gas in excess of the working gas quantities loaned from storage for Customer, plus sufficient quantities for Fuel Reimbursement.
- (c) Service provided under this Rate Schedule shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff.
- (d) Customer shall not be permitted to increase its confirmed nomination quantities under this AILS Rate Schedule, regardless of the quantities set forth in Customer's AILS Service Agreement, if such increase would degrade service to a Customer with equal or higher priority as set forth in Section 4 of the General Terms and Conditions.
- (e) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this AILS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage, withdrawal or loan of Gas.
- (f) Service rights under an AILS Service Agreement may not be released.
- (g) Caledonia shall establish an account for each Customer using this service which reflects the negative Advanced Interruptible Storage Balance. Whenever Caledonia receives AILS storage quantities from or delivers AILS storage quantities to a Customer, Caledonia will adjust the Customer's account, as appropriate, to reflect the new negative balance.
- (h) All Gas injected into storage for Customer's account under this AILS Rate Schedule must be injected by Customer's contract termination date, provided that such final contract termination date shall be extended one Day for each Day, during the 30 Days preceding Customer's final contract termination date that Customer's AILS injections are interrupted by Caledonia.

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OVERRUN SERVICE

- (a) Provided injections and withdrawals can be accepted without impeding Caledonia's ability to meet prior service obligations, a request by Customer to make injections in excess of its ADIQ or withdrawals in excess of its ADWQ may be submitted to Caledonia. In the event that Customer makes such request, Caledonia will confirm the request to the extent that (1) additional flexibility exists during the time period of the request, and (2) Caledonia, using reasonable discretion, can operationally accommodate the request.
- (b) Caledonia shall have the right to interrupt or not schedule all or part of the overrun quantity nominated, as the operation of its facilities in its reasonable judgment may require, subject to Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff, in which event Caledonia shall notify Customer.
- 4. RATES AND CHARGES
- (a) The charges to be paid by Customer, as set forth in paragraph (b) below, shall be mutually agreed to by Caledonia.
- (b) For all storage service rendered under this ILS Rate Schedule, Customer shall pay Caledonia each Month service is offered, the charges as set forth below or other mutually agreed upon charges.
- (i) Loan Capacity Charge. A charge, as set forth in Exhibit A of Customer's AILS Service Agreement, for each Dth of Customer's Maximum Advanced Interruptible Loan Quantity (if a reservation fee is charged), or Customer's negative Advanced Interruptible Storage Balance (if a volumetric fee is charged), as the case may be. The charge may be on a daily, monthly, or other basis per agreement between Customer and Caledonia.
- (ii) Injection Charge. A charge, as set forth in Exhibit A of Customer's AILS Service Agreement, for each Dth injected up to the ADIQ by Caledonia for Customer's account on each Day of a given Month.
- (iii) Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's AILS Service Agreement, for each Dth of Gas withdrawn up to the ADWQ by Caledonia for Customer's account on each Day of a given Month.
- (iv) Authorized Overrun Injection Charge. A charge, as set forth in Exhibit A of Customer's AILS Service Agreement, for each Dth of Gas injected in excess of Customer's ADIQ on each Day of a given Month.
- (v) Authorized Overrun Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's AILS Service Agreement, for each Dth of

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withdrawn in excess of Customer's ADWQ on each Day of a given Month.

(vi) Fuel Reimbursement. The percentage of Customer's Gas tendered for injection which is retained by Caledonia as reimbursement for fuel used in the provision of service and lost and unaccounted for gas as set forth in Section 11 of the General Terms and Conditions of this Tariff and Exhibit A of Customer's AILS Service Agreement.

- (c) Customer shall reimburse Caledonia for all fees, charges and surcharges, as required by the Commission or any other regulatory body, that are related to service provided under this AILS Rate
- (d) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this AILS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage, withdrawal or loan of Gas.
- (e) Caledonia shall be responsible for any loss, cost, or expense arising from any loss of Customer's Gas in Caledonia's storage that results from Caledonia's negligence or failure to exercise due diligence. Customer shall be responsible for obtaining its own insurance for any Gas in storage, and shall hold Caledonia harmless from any loss, cost, or expense arising from any loss of storage Gas that results from a Force Majeure event or that is not the result of Caledonia's negligence or failure to exercise due diligence.

5. MONTHLY BILL

The monthly bill for Advanced Interruptible Loan Service shall reflect the applicable charges set forth under Section 4 of this AILS Rate Schedule at rates set forth in Customer's AILS Service Agreement.

6. TERM

The term for service under this AILS Rate Schedule shall be as set forth in the executed ILS Service Agreement. Notwithstanding anything to the contrary in this Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

7. NOTICES

(a) In the event that Caledonia determines, in its reasonable judgment, that some or all Advanced Interruptible Loan Service(s) must be interrupted in order to satisfy Caledonia's obligations to FSS Service Customers, or that such interruption is otherwise necessary or is otherwise appropriate to avoid adverse impact on the operation of Caledonia's system, Caledonia

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will notify any affected Customer receiving Advanced Interruptible Loan Service that they are required to reduce their negative Interruptible Loan Balance(s) over the period specified in the notice. Such notice shall be issued to Customers, via facsimile or email, on a price basis, where lower price services will be noticed before higher price services. At a maximum, Customers will have one (1) Day in which to comply with the

(b) If Customer fails to comply with the notice given in accordance with Section 7(a) of this AILS Rate Schedule, Caledonia may cash out the negative Advanced Interruptible Loan Balance quantity that Customer was advised, but failed to reduce or eliminate at replacement cost of the Gas plus ten percent (10%) for any negative Advanced Interruptible Loan Balances not eliminated.

8. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) Customer's AILS Service Agreement(s) 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 Caledonia to provide the loan service contemplated herein and to construct and operate the gas storage facilities necessary to provide such loan service and for any connected pipeline to transport natural gas to/from the Point(s) of Receipt/Delivery necessary to effect the loan service provided herein.
- (b) Caledonia 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 this AILS Service Agreement shall be deemed to include any changes which are made effective pursuant to an order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided however, that any negotiated rates between Caledonia and its Customer(s) shall remain in effect during the term of the AILS Service Agreement(s).

9. EXPIRATION OF TERM

Prior to the expiration of the primary term or any renewed term of the Customer's AILS Service Agreement, Caledonia shall notify Customer to inject all Working Gas quantities previously loaned but not returned to Caledonia for Customer's account. If Customer fails to return all of the Working Gas by the end of the term or within fifteen (15) Days of termination, then Caledonia will replace such quantities and charge customer the replacement cost of the Working Gas quantities plus 10% of the replacement cost. Caledonia's notice may be given verbally, but shall be confirmed in writing either by facsimile, email, or via Caledonia's Internet website.

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10. GENERAL TERMS AND CONDITIONS Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this AILS 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 AILS Rate Schedule shall control.

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ILS RATE SCHEDULE

INTERRUPTIBLE LOAN SERVICE

1. AVAILABILITY

This ILS Rate Schedule is available to any Customer for the purchase of interruptible natural gas loan service from Caledonia, provided

- (a) Caledonia has determined that it has sufficient operationally available storage, injection and withdrawal capacity to perform service requested by Customer;
- (b) Caledonia has determined that service requested by Customer will not interfere with efficient operation of its system or with service to firm storage customers;
- (c) Customer and Caledonia have executed an Interruptible Loan Service Agreement under this ILS Rate Schedule (ILS Service Agreement);
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this ILS Rate Schedule;
- (e) Customer satisfies the creditworthiness criteria in accordance with Sections 3 and 24 of the General Terms and Conditions; and
- (f) Service under this ILS Rate Schedule may not be available to the extent that Caledonia would be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform the requested services.
- 2. APPLICABILITY AND CHARACTER OF SERVICE
- (a) Service provided under this ILS Rate Schedule, including all injections into and withdrawals from storage shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions or otherwise to the extent provided in this ILS Rate Schedule.

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(b) Subject to the limitations and requirements set forth in this Rate Schedule and in Customer's ILS Service Agreement, Customer shall be permitted to request Caledonia to:

- (i) loan to Customer, on an interruptible basis, quantities of Gas, up to the Customer's Maximum Interruptible Loan Quantity (MILQ) on a daily basis not to exceed the Maximum Daily Withdrawal Quantity (MDWQ), as limited by the ADWQ set forth in Exhibit A of Customer's ILS Service Agreement.
- (ii) return to Caledonia, on an interruptible basis, thermally equivalent quantities of Gas, up to the Maximum Daily Injection Quantity (MDIQ), as limited by the ADIQ set forth in Exhibit A of Customer's ILS Service Agreement, on a daily basis, provided that Caledonia shall not be obligated under this ILS Rate schedule on any Day to accept return of Gas in excess of the working gas quantities loaned from storage for Customer, plus sufficient quantities for Fuel Reimbursement.

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I Service provided under this Rate Schedule shall have the priority specified in Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff.

- (d) Customer shall not be permitted to increase its confirmed nomination quantities under this ILS Rate Schedule, regardless of the quantities set forth in Customer's ILS Service Agreement, if such increase would degrade service to a Customer with equal or higher priority as set forth in Section 4 of the General Terms and Conditions.
- (e) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this ILS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage, withdrawal or loan of Gas.
- (f) Service rights under an ILS Service Agreement may not be released.
- (g) Caledonia shall establish an account for each Customer using this service which reflects the negative Interruptible Storage Balance. Whenever Caledonia receives interruptible storage quantities from or delivers interruptible storage quantities to a Customer, Caledonia will adjust the Customer's account, as appropriate, to reflect the new negative balance.
- (h) All Gas injected into storage for Customer's account under this ILS Rate Schedule must be injected by Customer's contract termination date, provided that such final contract termination date shall be extended one Day for each Day, during the 30 Days preceding Customer's final contract termination date that Customer's ILS injections are interrupted by Caledonia.
- OVERRUN SERVICE
- (a) Provided injections and withdrawals can be accepted without impeding Caledonia's ability to meet prior service obligations, a request by Customer to make injections in excess of its ADIQ or withdrawals in excess of its ADWQ may be submitted to Caledonia. In the event that Customer makes such request, Caledonia will confirm the request to the extent that (1) additional flexibility exists during the time period of the request, and (2) Caledonia, using reasonable discretion, can operationally accommodate the request.
- (b) Caledonia shall have the right to interrupt or not schedule all or part of the overrun quantity nominated, as the operation of its facilities in its reasonable judgment may require, subject to Sections 4.1 through 4.4 of the General Terms and Conditions of this Tariff, in which event Caledonia shall notify Customer.
- 4. RATES AND CHARGES
- (a) The charges to be paid by Customer, as set forth in paragraph (b) below, shall be mutually agreed to by Caledonia.

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(b) For all storage service rendered under this ILS Rate Schedule, Customer shall pay Caledonia each Month service is offered, the charges as set forth below or other mutually agreed upon charges.

- (i) Loan Capacity Charge. A charge, as set forth in Exhibit A of Customer's ILS Service Agreement, for each Dth of Customer's Maximum Interruptible Loan Quantity (if a reservation fee is charged), or Customer's negative Interruptible Storage Balance (if a volumetric fee is charged), as the case may be. The charge may be on a daily, monthly, or other basis per agreement between Customer and Caledonia.
- (ii) Injection Charge. A charge, as set forth in Exhibit A of Customer's ILS Service Agreement, for each Dth injected up to the ADIQ by Caledonia for Customer's account on each Day of a given Month.
- (iii) Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's ILS Service Agreement, for each Dth of Gas withdrawn up to the ADWQ by Caledonia for Customer's account on each Day of a given Month.
- (iv) Authorized Overrun Injection Charge. A charge, as set forth in Exhibit A of Customer's ILS Service Agreement, for each Dth of Gas injected in excess of Customer's ADIQ on each Day of a given Month
- (v) Authorized Overrun Withdrawal Charge. A charge, as set forth in Exhibit A of Customer's ILS Service Agreement, for each Dth of Gas withdrawn in excess of Customer's ADWQ on each Day of a given
- (vi) Fuel Reimbursement. The percentage of Customer's Gas tendered for injection which is retained by Caledonia as reimbursement for fuel used in the provision of service and lost and unaccounted for gas as set forth in Section 11 of the General Terms and Conditions of this Tariff and Exhibit A of Customer's ILS Service Agreement.
- (c) Customer shall reimburse Caledonia for all fees, charges and surcharges, as required by the Commission or any other regulatory body, that are related to service provided under this ILS Rate Schedule.
- (d) Customer shall reimburse Caledonia for all other taxes associated with the quantities held for Customer in storage under this ILS Rate Schedule. Caledonia shall invoice Customer periodically for all taxes, if any, attributable to the injection, storage, withdrawal or loan of
- (e) Caledonia shall be responsible for any loss, cost, or expense arising from any loss of Customer's Gas in Caledonia's storage that results from Caledonia's negligence or failure to exercise due diligence. Customer shall be responsible for obtaining its own insurance for any Gas in storage, and shall hold Caledonia harmless from any loss, cost, or expense arising from

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any loss of storage Gas that results from a Force Majeure event or that is not the result of Caledonia's negligence or failure to exercise due diligence.

5. MONTHLY BILL

The monthly bill for Interruptible Loan Service shall reflect the applicable charges set forth under Section 4 of this ILS Rate Schedule at rates set forth in Customer's ILS Service Agreement.

TERM

The term for service under this ILS Rate Schedule shall be as set forth in the executed ILS Service Agreement. Notwithstanding anything to the contrary in this Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

7. NOTICES

- (a) In the event that Caledonia determines, in its reasonable judgment, that some or all Interruptible Loan Service(s) must be interrupted in order to satisfy Caledonia's obligations to FSS Service Customers, or that such interruption is otherwise necessary or is otherwise appropriate to avoid adverse impact on the operation of Caledonia's system, Caledonia will notify any affected Customer receiving Interruptible Loan Service that they are required to reduce their negative Interruptible Loan Balance(s) over the period specified in the notice. Such notice shall be issued to Customers, via facsimile or email, on a price basis, where lower price services will be noticed before higher price services. At a maximum, Customers will have one (1) Day in which to comply with the notice.
- (b) If Customer fails to comply with the notice given in accordance with Section 7(a) of this ILS Rate Schedule, Caledonia may cash out the negative Interruptible Loan Balance quantity that Customer was advised, but failed to reduce or eliminate at replacement cost of the Gas plus ten percent (10%) for any negative Interruptible Loan Balances not eliminated.

8. AUTHORIZATION, RATES, TERMS AND CHANGES

- (a) Customer's ILS Service Agreement(s) 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 Caledonia to provide the loan service contemplated herein and to construct and operate the gas storage facilities necessary to provide such loan service and for any connected pipeline to transport natural gas to/from the Point(s) of Receipt/Delivery necessary to effect the loan service provided herein.
- (b) Caledonia 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 this ILS Service Agreement shall be deemed to include any changes which are made effective pursuant to an order or regulation or provisions of law, without prejudice to Customer's right to protest the

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same; provided however, that any negotiated rates between Caledonia and its Customer(s) shall remain in effect during the term of the ILS Service Agreement(s).

9. EXPIRATION OF TERM

Prior to the expiration of the primary term or any renewed term of the Customer's ILS Service Agreement, Caledonia shall notify Customer to inject all Working Gas quantities previously loaned but not returned to Caledonia for Customer's account. If Customer fails to return all of the Working Gas by the end of the term or within fifteen (15) Days of termination, then Caledonia will replace such quantities and charge customer the replacement cost of the Working Gas quantities plus 10% of the replacement cost. Caledonia's notice may be given verbally, but shall be confirmed in writing either by facsimile, email, or via Caledonia's Internet website.

10. GENERAL TERMS AND CONDITIONS

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

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GENERAL TERMS AND CONDITIONS

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- 1.1 "Advanced Interruptible Loan Balance" means the quantity of Gas in Customer's account under the AILS Rate Schedule.
- 1.2 "Advanced Interruptible Storage Balance" means the quantity of Gas in Customer's account under the AISS Rate Schedule.
- 1.3 "Authorized Overrun Quantities" means quantities of Gas which Caledonia agrees, in its reasonable judgment, to inject or withdraw for Customer, in excess of Customer's Available Daily Injection Quantity/Available Daily Withdrawal Quantity, as established in Appendix A of Customer's Service Agreement.
- 1.4 "Available Daily Injection Quantity" shall mean the percentage of MDIQ available for injection by Customer on any Day and that Caledonia may be required to inject into storage, as specified in Exhibit A of Customer's Service Agreement.

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1.5 "Available Daily Withdrawal Quantity" shall mean the percentage of MDWQ available for withdrawal by Customer on any Day and that Caledonia may be required to withdraw from storage, as specified in Exhibit A of Customer's Service Agreement.

- 1.6 "Caledonia" means Caledonia Energy Partners, L.L.C.
- 1.7 "Customer" shall mean any individual or entity executing a valid Service Agreement with Caledonia for Service(s) hereunder.
- 1.8 "Day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 9:00 AM central clock time (C.C.T.) including Saturdays, Sundays and Federal Banking Holidays, except that in the event that an obligation falls due on a Saturday, Sunday or a Federal Banking Holiday, the obligation shall be due on the next business day.
- 1.9 "Dekatherm" or "Dth" means the quantity of heat energy that is equivalent to one million British Thermal Units (MMBtu). One "Dekatherm" or "Dth" of Gas means the quantity of Gas that contains one Dekatherm of heat energy.
- 1.10 "Deliver" or "Delivery" means the physical delivery, or its equivalent, of Gas by Caledonia at a Point of Delivery to or for the account of Customer. Unless otherwise specified in an executed Service Agreement, Gas shall be Delivered at a uniform flow rate equal to 1/24th of the scheduled quantity.
- 1.11 "Facility" means the structure and facilities to be designed and constructed by Caledonia for purposes of providing the Service(s) contemplated by the Service Agreement.
- 1.12 $\,\,$ "Force Majeure" means an event of Force Majeure as specified in Section 10.
- 1.13 "Fuel Reimbursement" means the amount of Customer's Gas tendered for injection which is retained by Caledonia as reimbursement for fuel used and gas lost and unaccounted for provided in conjunction with the Service Agreement and Section 11 of the General Terms and Conditions of this Tariff.
- 1.14 "Gas" means natural gas of a quality at least equal to the quality specified in Section 7.2 of the General Terms and Conditions of this Tariff.
- 1.15 "Interruptible Loan Balance" means the quantity of Gas in Customer's account under the ILS Rate Schedule.
- 1.16 "Interruptible Storage Balance" means the quantity of Gas in Customer's account under the ISS Rate Schedule.
- 1.17 Internet Web Site means Caledonia's HTML site accessible via the Internet's Worldwide Web and located at www.caledoniastorage.com
- 1.18 "Material Adverse Change" means a material change to (i) the business, property, condition (financial or otherwise), results of operations, or prospects of Customer or any

Agreement(s) and/or the Customer's guaranty.

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Customer guarantor, including bankruptcy or other insolvency proceeding; (ii) a downgrade in Customer's or Customer's guarantor's credit rating, as established by Standard & Poor's or Moody's Investments Services, Inc.; or (iii) the validity or enforceability of the Service Agreement(s), any Customer guaranty, or the rights or remedies of Caledonia thereunder, which, in the reasonable judgment of Caledonia, adversely affects either (a) the ability of Customer or Customer's guarantor to perform in a timely manner any of their respective obligations under the Service Agreement(s) or Customer guaranty, as

1.19 "Maximum Advanced Interruptible Loan Quantity" or "MAILQ" means the maximum quantity of Gas which Customer is entitled to borrow from the Facility at any given time.

applicable, or (b) the rights of Caledonia under either the Service

- 1.20 "Maximum Advanced Interruptible Storage Capacity" or "MAISC" means the maximum quantity of Gas which Customer is entitled to store at the Facility at any given time under an AISS Service Agreement.
- 1.21 "Maximum Daily Gas Index" means the maximum daily prices from the Daily Price Survey from Gas Daily for the following area: Tennessee, La., 500 Leg. To the extent that any publication or delivery area is no longer available, Caledonia will, as a substitute, use equivalent prices from a standard, recognized gas industry publication.
- 1.22 "Maximum Daily Injection Quantity" or "MDIQ" means the maximum daily quantity of Gas which Customer is entitled to inject into the Facility on a given Day, as limited by the ratchets or ADIQ set forth in Exhibit A of Customer's Service Agreement, plus Fuel Reimbursement.
- 1.23 "Maximum Daily Withdrawal Quantity" or "MDWQ" means the maximum quantity of Gas which Customer is entitled to withdraw on a given Day, as limited by the ratchets or ADWQ set forth in Exhibit A of Customer's Service Agreement.
- 1.24 "Maximum Interruptible Storage Capacity" or "MISC" means the maximum quantity of Gas which Customer is entitled to store at the Facility at any given time under an ISS Service Agreement.
- 1.25 "Maximum Interruptible Loan Quantity" or "MILQ" means the maximum quantity of Gas which Customer is entitled to borrow from the Facility at any given time.
- 1.26 "Maximum Storage Capacity" or "MSC" means the maximum quantity of Gas which Customer is entitled to store at the Facility at any given time under an FSS Service Agreement.
- 1.27 "Minimum Daily Gas Index" means the minimum daily prices from the Daily Price Survey from Gas Daily for the following area: Tennessee, La., 500 Leg. To the extent that any publication or delivery area is no longer available, Caledonia will, as a substitute, use equivalent prices from a standard, recognized gas industry publication.

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1.28 "Month" means a period beginning at 9:00 AM C.C.T. on the first Day of the calendar month and ending at 9:00 AM C.C.T. on the first Day of the following month.

1.29 "Party" means Caledonia or Customer.
1.30 "Point(s) of Receipt" means the point(s) where Customer shall provide
Gas to Caledonia for injection into the Facility, as specified in Appendix A to the Service Agreement.

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- 1.31 "Point(s) of Delivery" means the point(s) where Caledonia shall provide, to Customer, Gas withdrawn from the Facility, as specified in Appendix A to the Service Agreement.
- 1.32 "Potential Replacement Customer" means any individual or entity that desires to assume any released rights to capacity of Releasing Customer.
- 1.33 "Potential Customer" means any individual or entity that desires to execute a Service Agreement with Caledonia.
- 1.34 "Receipt" means the physical receipt, or its equivalent, of Gas by Caledonia at a Point of Receipt from or for the account of Customer. Unless otherwise specified in an executed Service Agreement, Gas shall be Received at a uniform flow rate equal to 1/24th of the scheduled quantity.
- 1.35 "Releasing Customer" means a Customer that has agreed to release some or all of its rights under its Firm Storage Service Agreement.
- 1.36 "Replacement Customer" means a Customer who has assumed released rights to capacity of a Releasing Customer.
- 1.37 "Service(s)" means the injection, storage, withdrawal or loaning of Gas, and any ancillary services to be performed by Caledonia for Customer pursuant to a Service Agreement.
- 1.38 "Service Agreement" means the Firm Storage Service Agreement, the Interruptible Storage Service Agreement or the Interruptible Loan Service Agreement (including all Appendices), as such agreements are amended and supplemented from time to time.
- 1.39 "Storage Balance" means the quantity of Working Gas in Dth that a Customer has in place at Caledonia's Facility for Customer's account.
- 1.40 "Third Party Transporter" means any upstream or downstream third party which provides services required to effectuate receipt/delivery of Gas to/from Caledonia's Facility.
- 1.41 "Transporter" means Customer's transporter designated to deliver Gas to the Point of Receipt or Customer's transporter designated to receive Gas from the Point of Delivery.
- 1.42 "Working Gas" means all Gas that Customer has in storage. Additional terms indicated by capitalization and utilized in the General Terms and Conditions of this FERC Gas Tariff shall have the meaning ascribed to them where first utilized.
- 2. ELECTRONIC BULLETIN BOARD
- 2.1 In General. Caledonia shall operate and make available to Customers and other third parties, as set forth below, an interactive electronic communications system (Electronic Bulletin Board (EBB)) on its Internet Website, as set forth in 18 C.F.R. § 284.12. All Customers taking service under any of Caledonia's Rate Schedules shall have the capability to make use of Caledonia's EBB as required by this Tariff. The EBB shall be

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available to any party through the internet. All Customers and parties making use of Caledonia's EBB shall be bound by and comply with the procedures governing its use, as set forth in this Section and any applicable license agreement.

- 2.2 Communications.
- (a) In the event of failure of all or part of the EBB system, communications ordinarily conveyed through the EBB shall, to the extent possible, be conveyed through a combination of telephonic, email, and facsimile transmissions.
- (b) In the event that certain EBB functions cannot be effectively replaced, Caledonia will, by telephone, email, or facsimile transmission, provide notice to Customers of the suspension of that function pending restoration of EBB operations.
- 2.3 Limitation. The EBB shall be employed by Customers and other parties for the uses identified in this Section and elsewhere in this Tariff. To the extent that other provisions of this Tariff prescribe that certain types of communications should be transmitted by means other than the EBB, those specific provisions shall govern.
- 2.4 Relation to Other Provisions. Communications made in accordance with this Section shall satisfy the requirements of the Rate Schedules, Service Agreements, and General Terms and Conditions, as specified in this Tariff, and shall be binding upon the parties. Nothing in this Section, however, shall operate to override any requirements elsewhere in this Tariff with respect to the need for any communications, or the deadlines for such communications. In the event any conflict exists between this Section and any other provision of this Tariff or of any Service Agreement, the latter provisions shall control.
- 2.5 Access Requirements; Operations. Caledonia's EBB will operate twenty-four (24) hours per Day, seven (7) Days a week, every week of the year. As noted in Section 2.1 above, access to the EBB shall be available through the internet to any Party (i) that has compatible electronic equipment, and (ii) that complies with the provisions of this Section.
- 2.6 Warranty of Accuracy of Data. All Parties using the EBB assume the responsibility that the data they transmit through the EBB are accurate and complete. Each such Party further agrees that the Party receiving data transmitted through the EBB may act in full reliance upon such
- 2.7 Confidentiality. All communications received through the EBB, and any data contained therein, shall be subject to the same requirements of confidentiality, if any, applicable to such communications had they been made by any other means permitted under any Rate Schedule or Service Agreement.
- 2.8 Determination of Receipt or Delivery of Transmissions. An EBB transmission shall be deemed to have been received/delivered when the transmission has been successfully received and time-stamped.

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2.9 Responsibility for Employees. Each Party shall be responsible for the actions of its employees with respect to use of or access to Caledonia's EBB. Each employee and agent shall be deemed to have authority to act on behalf of and to bind that Party with respect to any communications and data in electronic transmission initiated by that employee or agent

- 2.10 Cost of Unauthorized Transmission. Use of the receiving Party's designated site is limited to transactions permitted under this Tariff. No Party may use another Party's designated site for any other purpose unless otherwise expressly authorized under a separate written agreement between the Parties. If any Party transmits to another Party's designated site data not qualifying under this Tariff, the transmitting Party will be liable to reimburse the receiving Party for any direct costs incurred as a result of receiving any such unauthorized transmission.
- 2.11 Limitation on Access to Data. No Party may obtain, through another Party's designated site, on its own initiative or otherwise, any data from or relating to the other Party except as specifically identified in this Section. In the event any Party receives a transmission that the receiving Party knows or should know is not directed to or intended for the receiving Party, the receiving Party shall immediately notify the transmitting Party of such transmission and take such reasonable action as the transmitting Party directs. In no event shall the receiving Party use such information to the detriment of the transmitting Party or any other Party, or otherwise convey the substance of such transmission to any third party.
- 2.12 Security Breaches. Any Customer or other Party using the EBB agrees to notify Caledonia promptly if there is any indication that a security breach may have occurred with regard to any facilities or systems and to make any changes in passwords or other changes necessary to ensure the continued integrity of the EBB system. A security breach shall include, but not be limited to, (i) loss of confidentiality of the other Party's account name or account number for its designated site; (ii) termination of employment of any employee authorized to effect EBB communications; and (iii) loss of authority to effect EBB communications by any previously authorized employee. Caledonia shall, to the extent possible, accommodate requests by Customers to limit the access of designated employees or representatives of Customer to designated portions of the EBB.
- 2.13 Responsibility for System Failure. Each EBB user shall bear the consequences of any failure in its own EBB-related equipment or system, and no such failure shall in any way affect the requirements under Caledonia's Tariff or Service Agreements for communications, including any failure by either Party to make or receive such communications. The standards of liability applicable to the operation of the EBB equipment within Caledonia's ownership and control shall be the same standards as are applicable to Caledonia's other equipment and operations.

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3. REQUEST FOR NATURAL GAS SERVICE

3.1 In General. Upon the availability of new firm storage capacity resulting from an expansion of the Facility, Caledonia shall sell such firm storage service available as a result of such capacity to prospective Customers either through open season procedures set forth in Section 3.2 below, or through the first-come, first-served procedures described in Section 3.3 below, the selection of the procedures being at Caledonia's sole option.

3.2 Open Season.

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- (a) Notice of open season. If Caledonia elects to conduct an open season pursuant to Section 3.1, above, or if an open season is required pursuant to Section 8 of Rate Schedule FSS, Caledonia shall post notice of the open season on its Internet Web Site, at least ten (10) Days prior to commencement of the open season. Such notice shall set forth when the open season begins and ends, where interested parties may submit requests for firm storage services any minimum rates or length of term, if any, Caledonia will accept for the available capacity, and how interested parties may obtain forms for requesting service and additional details about the open season.
- Duration. The open season shall commence at the time and Day specified and for the term indicated in the notice of open season. During this time, Caledonia will accept requests for the firm storage services to be available in its Facility.
- During an open season, Caledonia will accept requests for firm storage service(s) from Potential Customers. Capacity will be allocated to those Customers offering to pay the highest negotiated rates. More specifically, capacity will be allocated to those Customers offering to pay the highest present value to Caledonia over the term of each Service Agreement. Caledonia reserves the right to give first priority to bids where: (i) the reservation charges meet or exceed a threshold value; and (ii) the length of term meets or exceeds a threshold value. If, upon allocation of capacity to those Customers meeting these criteria, capacity remains, Caledonia may, in its reasonable judgment, allocate capacity to Customers offering bids meeting other criteria. Present value of the reservation charges shall be calculated in accordance with the following formula:

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PV = 1 - (1 + i) - n \times (R) \times (V)
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The prime rate as published by the Wall Street Journal on Where: i = the first Day of the open season plus five percent (5%) (or 500 basis points), the sum of which is then divided by twelve (12).

- The term of the Service Agreement, in Months. n =
- R = the reservation charge(s) bid
- 77 = MSC (Volume stated in Dth)
- (d) During the allocation process of an open season, should requests for firm storage service exceed available capacity, capacity will first be allocated to the highest present value bids received for firm storage service. When remaining unallocated capacity is not sufficient to meet the next highest present value bidder's capacity requirements for firm storage service, that next highest bidder has the option of declining the remaining capacity. Caledonia will then offer the remaining capacity to the next highest bidder, until all the remaining capacity is allocated or until such time that the next highest bidder's terms did not meet the minimum requirements set forth in the Open Season.
- Should the next highest present value bid in Section 3.2(c) above be submitted by two or more Customers (e.g., tied bids) and there is insufficient remaining capacity available to serve such Customers, then capacity will be allocated to the Customers on a pro rata basis.

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(f) Execution of Agreements. A Customer allocated service in an open season shall be required to execute Service Agreement(s) for firm service no later than fifteen (15) consecutive Days following the close of the open season or forfeit the service that has been allocated to it

- (g) Caledonia will accept requests for firm service for any capacity remaining available after an open season. The remaining capacity shall be allocated on a first come, first served basis. That is, the first Customer offering to pay a rate for service that Caledonia finds acceptable shall be allocated capacity.
- 3.3 Capacity for firm service that becomes available in the Facility outside of an open season or for which Caledonia determines, pursuant to Section 3.1, above, not to hold an open season, or for which a current Customer has not exercised its right of first refusal pursuant to Section 8 of Rate Schedule FSS, shall be posted on Caledonia'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 Caledonia deems acceptable. From time to time, Caledonia may negotiate with Customers for prearranged storage service for a future period or for interim service.
- 3.4 Requests. Any potential Customer wishing to obtain service from Caledonia under Rate Schedule FSS after an open season shall submit in writing to Caledonia a request for service in substantially the same format as that shown in Section 22. Such request may be delivered in person or submitted by United States mail, overnight courier service, or facsimile transmission. Caledonia shall evaluate and respond to Potential Customer's request within five (5) business Days of its receipt. If Caledonia and Potential Customer mutually agree to the rates Potential Customer will pay for service, Caledonia shall, subject to execution of a Service Agreement, endeavor to provide service within the time specified in the written request. Potential Customer's request for service shall be considered complete only if the information specified in Sections 3.5 and 3.6 is provided in writing.

Requests for service may be sent to.
Caledonia Energy Partners, L.L.C.
2001 Timber Creek Road
Flower Mound, TX 75028
Attn: Jim Goetz
Phone (972) 691-3332
Fax (972) 874-8743
3.5 Request Fee. All requests f

3.5 Request Fee. All requests for firm service shall be accompanied by the total reservation charge(s) as stated in the request for service for a one (1) Month period as earnest money for the requested service. This amount shall be applied toward the charges first due from Customer. If a firm service request is not granted by Caledonia, the fee submitted with the request for service will be refunded to Potential Customer. Caledonia reserves the right to waive the Request Fee in a not unduly discriminatory manner.

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- 3.6 Information Requirements. Each request shall include the following information:
- (a) Customer's name, address, representative and telephone number for both statements and invoices.
- (b) A statement of whether Customer is a local distribution company (LDC), an intrastate pipeline company, an interstate pipeline company, a marketer/broker, producer, end user or other type of entity (which other entity must be described).
- (c) A statement of whether Customer is affiliated with Caledonia.

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- Type of service requested, whether FSS, ISS, or ILS. Quantity requested. MDIQ, MDWQ, ADIQ, ADWQ and MSC/MAISC/MISC/MAILO/MILO requested (stated in Dth).
- Price offered by Customer for each service and rate component requested.
- Term of service, including the date service is requested to commence and the date service is requested to terminate.
- Evidence of creditworthiness. Acceptance of a service request and/or continuation of service is contingent upon a satisfactory credit appraisal by Caledonia. To enable Caledonia to conduct such credit appraisal, Customer shall submit the following information; provided, however, that receipt of such material shall not be deemed acceptance of a request for service by Caledonia, which determination shall be made by Caledonia only after its receipt of the material and information set forth below and a determination by Caledonia that Customer is sufficiently creditworthy.
- Customer shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. Caledonia shall determine the acceptability of the Customer's overall financial condition;
- Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in 3.6(h)(1) must show that Customer's obligations are being paid on a reasonably prompt basis;
- Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter 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;
- Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an ongoing business entity;
- If Customer has an on-going business relationship with Caledonia, no delinquent balances shall be outstanding for services made previously by Caledonia and Customer must have paid its account in the past according

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to the established terms and not made deductions or withheld payment for claims not authorized by contract; and

- (6) 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.
- (i) In the event Customer cannot provide the information specified in Section $3.6\,(h)$ above, Customer shall, if applicable, provide that information for its parent company.
- Caledonia shall not be required to perform or to continue Service under any Rate Schedule on behalf of any Customer which is or has become insolvent or which, at Caledonia's request, fails within a reasonable period to demonstrate creditworthiness in accordance with Section 3.6(h); provided, however, that such Customer may receive service under any Rate Schedule if Customer provides Financial Assurances pursuant to Section 24. If Caledonia determines that a Customer is or, subsequent to the commencement of Service on Caledonia's system, has become uncreditworthy, Caledonia will notify that Customer via e-mail and facsimile stating that the Customer has been determined to be uncreditworthy. Within ten (10) Days of such notice, Caledonia will provide the uncreditworthy Customer a written explanation of the reasons for such loss of creditworthiness and will provide a recourse for Customer to challenge such determination. For purposes of this Section 3.6(j), the insolvency of a 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 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 Customer, or any parent entity thereof or guarantor of Customer, under the U.S. Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of 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.
- 3.7 Additional Information.
- (a) Customer shall also promptly provide such additional Customer credit information as may be reasonably required by Caledonia, at any time during the term of service under a Service Agreement, to enable Caledonia to determine Customer's creditworthiness.
- (b) After receipt of a request for service, Caledonia may require that Customer furnish additional information as a prerequisite to Caledonia offering to execute a Service Agreement with Customer. Such information may include proof of Customer's lawful right and/or title to cause the Gas to be delivered to Caledonia for service under this FERC Gas Tariff and of Customer's contractual or physical ability to cause such Gas to be delivered to and received from Customer's designated Point of Delivery and/or Receipt.

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(c) Should Customer desire Caledonia to provide service pursuant to Section 311 of the Natural Gas Policy Act, Customer shall provide to Caledonia a statement warranting that Customer complies with all requirements for receiving service pursuant to Section 311 and the FERC's regulations thereunder, including, but not limited to, compliance with the "on-behalf-of" requirement then in effect.

- 3.8 Request Validity. If Caledonia has tendered a Service Agreement for execution to Customer and Customer fails to execute the agreement as tendered within fifteen (15) consecutive Days from the date the agreement is received by Customer, Caledonia may consider Customer's service request void. For service under FSS, AISS, AILS, or ILS Rate Schedules, Caledonia will not be required to tender a Service Agreement to Customer for execution that relates to requests for service for which Caledonia does not have sufficient available firm or interruptible quantity.
- 3.9 Customer's Performance. Customer is required to provide to Caledonia any such other information if required in order for Caledonia to comply with any FERC reporting or other requirements.
- 3.10 Complaints. In the event that Customer or Potential Customer has a complaint relative to service under this FERC Gas Tariff, Customer or Potential Customer shall provide a description of the complaint, including the identification of the service request (if applicable), and communicate it to:

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Caledonia Energy Partners, L.L.C.

2001 Timber Creek Road Flower Mound, TX 75028 Attn: Jim Goetz

Phone (972) 691-3332Fax (972) 874-8743

Caledonia will respond initially within forty-eight (48) hours and in writing within thirty (30) Days of receipt of the complaint advising Customer or Potential Customer of the disposition of the complaint.

3.11 Information.

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

Caledonia Energy Partners, L.L.C. 2001 Timber Creek Road

Flower Mound, TX 75028 Attn: Jim Goetz

Phone (972) 691-3332Fax (972) 874-8743

- (b) Each Customer will be provided with a list of phone numbers for Caledonia's Gas dispatch and control personnel, who are on-call twenty-four (24) hours a Day.
- 3.12 Construction of Facilities. Caledonia shall not be required to provide any requested service under any rate schedule which would require construction or acquisition by Caledonia of new facilities, or expansion of the existing Facility.
- 4. PRIORITY, INTERRUPTION OF SERVICE AND OPERATIONAL FLOW ORDERS
 4.1 Priority of Service. Any Customer executing a Service Agreement with Caledonia shall be entitled to Gas Services in the following order of declining priority:
- (a) Firm Storage Service (FSS) at primary Point(s) of Receipt, not in excess of MDIQ (as limited by ADIQ), and at primary Point(s) of Delivery, not in excess of MDWQ (as limited by ADWQ), located on Caledonia's system.
- (b) Make-up volumes to correct prior variances between (i) Transporter under a balancing agreement, (ii) Customer and Caledonia, and (iii) Customer and Transporter if the variance was due to Caledonia's failure to receive or deliver Customer's scheduled volumes.
- (c) Advanced Interruptible Storage Service and Advanced Interruptible Loan Service, pursuant to Section 4.2, below.
- (d) Interruptible Storage Service, Interruptible Loan Service and Authorized Overrun Quantities under all Rate Schedules shall be pursuant to Section 4.3, below.

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

- 4.2 Advanced Interruptible Storage Service and Advanced Interruptible Loan Service. Agreements relating to Advanced Interruptible Storage Service and Advanced Interruptible Loan Service obligations and extensions of the service shall have priority as follows:
- (a) The order of priority relating to service requests for service under the AISS and AILS Rate Schedules shall be based on the highest present value to Caledonia over the term of the Service Agreement, as calculated by the formula set forth in Section $3.2\,(c)$, above.
- (b) Should two or more requests under Advanced Interruptible Storage Service or Advanced Interruptible Loan Service by Customers have the same priority, capacity will be allocated to each Customer on a pro rata
- 4.3 Interruptible Service and Authorized Overrun Quantities. Agreements relating to Interruptible Storage Service and Interruptible Loan Service obligations and Authorized Overrun Quantities (as set forth in FSS, AISS, ISS, AILS, and ILS Rate Schedules) and extensions of the service shall have priority as follows:
- (a) The order of priority relating to service requests for service under the ISS and ILS Rate Schedules and Authorized Overrun Quantities under all Rate Schedules shall be based on the average daily interruptible storage, loan, injection, withdrawal or overrun charge agreed to by Caledonia and Customer, with the highest charge calculated on a daily basis given highest priority.
- (b) Should two or more requests under Interruptible Storage Service, Interruptible Loan Service or Authorized Overrun Quantities under all Rate Schedules by Customers have the same priority, capacity will be allocated to each Customer on a pro rata basis.
- 4.4 Interruption.
- (a) If on any Day Caledonia's capability to receive or deliver quantities is impaired so that Caledonia is unable to receive or deliver all the quantities which are scheduled, then interruption of service shall be made in the reverse order of priority set forth in Sections 4.1, 4.2 and 4.3. If Firm Storage Service must be interrupted, interruption of service to FSS Customers shall be pro rata based on ADWQ, ADIQ or MSC, as applicable. Interruption of service to Interruptible Storage Service Customers, Interruptible Loan Service Customers and to Customers utilizing Authorized Overrun Quantities under all Rate Schedules shall be based on the charges paid by Customer, with the transaction at the lowest price to Caledonia being interrupted first. Any ties shall be interrupted on a pro rata basis.

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(b) Caledonia shall provide Customer as much advance notice of any interruption as is practicable under the circumstances. Such notice shall be made by telephone, facsimile, e-mail or via the Internet Web Site, as appropriate, and shall state the reduced quantities of Gas that Caledonia estimates it will be able to store, inject, withdraw, or loan, as applicable, and the estimated duration of the interruption.

- (c) If interruption is required, Caledonia and Customer shall cooperate to the extent possible in making adjustments to receipt, deliveries, injections or withdrawals to minimize injury to any property or facilities.
- (d) Caledonia 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 Caledonia's negligence or willful misconduct

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4.5 Operational Flow Orders. Caledonia, in its discretion, shall have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of Caledonia's storage system.
4.5.1 OFO Notice, Contents and Procedures. Caledonia shall issue an OFO as expeditiously as is reasonably practicable in the circumstances, utilizing electronic communication, (information transmitted via Caledonia's Internet Website, electronic delivery mechanism prescribed by NAESB or other mutually agreed communication methodologies used to transmit and receive information, including communication by telephone). Caledonia shall post and provide Customers with updated information concerning the status of operational variables related to the OFO as soon as it is available. Each OFO will contain the following provisions:

- (a) time and date of issuance;
- (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
- (c) duration of the OFO (if none is specified, the OFO will be effective until further notice);
- (d) the party or parties receiving the OFO;
- (e) the quantity of Gas required to remedy the operational condition requiring the issuance of the OFO; and
- (f) any other terms Caledonia may reasonably require to ensure the effectiveness of the OFO.
- 4.5.2 Failure to Comply with OFO. If Customer or agent fails to comply with the terms of an OFO, for any reason other than force majeure on an upstream or downstream pipeline, such Customer shall be: (a) liable for any damages including, but not limited to direct, consequential, exemplary or punitive damages incurred by Caledonia or any other affected party as a result of such failure; and (b) subject to the following penalty for each Dth of gas associated with the quantity of gas that does not comply with the OFO:

\$15 + spot price

For purposes of this section 4.5.2, "spot price" shall mean the highest daily spot price during the OFO period for the location Tennessee, La., 500 Leg as reported in the Daily Price Survey in the industry publication of Gas Daily plus applicable transportation costs to move gas to the Caledonia Storage Facility. Notwithstanding anything to the contrary in

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this Section 4.5.2, if Customer is required to make a nomination pursuant to an OFO, unless critical circumstances dictate otherwise, no damages and/or penalties will be assessed unless Customer is given the opportunity to correct the circumstances giving rise to the OFO.

- 4.5.3 Caledonia's Liability for OFOs. Caledonia shall not be liable to any person for any costs, damages or other liability associated with the issuance of, or the failure to issue, any OFOs, provided, however, Caledonia shall be liable for acts of negligence or undue discrimination, such standards to be judged in light of the emergency conditions under which OFOs are issued.
- 4.5.4 Caledonia's Scheduling Authority. Caledonia shall have the right to act as a scheduling agent for a Customer's account if (a) the Customer refuses to schedule Gas injections or withdrawals as specified by an OFO; or (b) if Caledonia requires additional quantities in less than the twenty-four (24) hour notice period normally required for an OFO, and the Customer has refused a verbal request to schedule the required quantity of Gas.

5. NOMINATIONS & SCHEDULING

5.1 During any Day when Customer desires Caledonia to inject or withdraw Gas, Customer shall submit a nomination to Caledonia via facsimile or via the Internet Web Site that includes, but is not limited to, the following information: quantity, flow period, upstream transportation contract number(s), downstream transportation contract number(s), Customer name and Service Agreement number, and the Customer's authorized employee name and telephone number. All nominations shall be based on a daily quantity and stated in Dth per day.

All nominations shall include Customer defined commencement and termination dates. All nominations, excluding intra-day nominations, have rollover options. Specifically, Customers have the ability to nominate for several Days, Months, or years, provided the nomination commencement and termination dates are within the term of Customer's contract.

Overrun quantities should be requested on a separate transaction.

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- 5.2 Caledonia will accept nominations for service as follows:
- (a) Nomination Standards. Nominations shall be submitted and processed in accordance with the standards set forth in this Section 5.2(a). Caledonia 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 Caledonia; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Customer and point operator (C.C.T. 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 Caledonia; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 10:00 p.m. for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (C.C.T. 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 Caledonia; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 2:00 p.m. for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (C.C.T. on the Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on the Day.
- (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 Caledonia; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 9:00 p.m. for Caledonia to provide scheduled quantities to affected Customers and point operators, (C.C.T. 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.
- (b) Elapsed-Prorated-Scheduled Quantity. With respect to intra day nominations for reductions in previously scheduled quantities, Caledonia may accept any explicitly confirmed

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quantity, down to and including zero, for such intra day nomination; provided, however, if such intra-day nomination requires confirmation from an upstream and/or downstream interconnected pipeline, then any intra-day nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.

- (c) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 4 of the General Terms and Conditions of this FERC Gas Tariff. Nominations received after the nomination deadline should be scheduled after the nominations received before the nomination deadline.
- (d) Notices provided under this Section 5.2 must be submitted in writing via facsimile or the Internet Web Site. Customer shall provide notice of any changes in deliveries to or receipt from Caledonia to all transporters and shall be responsible for, and shall hold Caledonia harmless, from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of Caledonia.
- 5.3 Customer shall make available and tender any Gas to be injected hereunder and receive and accept delivery, upon tender by Caledonia, any Gas requested to be withdrawn from storage. The quantity of Gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer shall not (unless otherwise agreed by Caledonia) receive or deliver Gas, nor shall Caledonia be obligated to receive Gas or deliver Gas on an hourly basis at rates of flow in excess of one twenty-fourth (1/24) of Customer's MDIQ (as limited by ADIQ) or MDWQ (as limited by ADWQ), respectively. As determined by Caledonia in its sole and reasonable judgment, flow rates above one twenty-fourth (1/24) of Customer's MDIQ (as limited by ADIQ) or MDWQ (as limited by ADIQ) or MDWQ (as limited by ADIQ) or MDWQ (as limited by ADIQ) may be permitted.
- Caledonia-Caused Imbalances. The Parties recognize and acknowledge that (i) if Caledonia fails to receive Gas from Customer or deliver Gas to Customer in accordance with Customer's nominations made pursuant to the scheduling procedures, then Customer may incur an imbalance on one or more pipelines (Caledonia Pipeline Imbalance) and (ii) both positive and negative inventory imbalances may occur at the Facility (whether as the result of Caledonia Pipeline Imbalance of otherwise) that could result in greater or lesser volumes of Gas residing in the Facility than would otherwise be reflected in the aggregate of all of the Gas Storage Balance Accounts of all Customers of Caledonia at the Facility (any such imbalance being sometimes referred to herein as a Storage Operational Imbalance). In the event that at any given time either a Caledonia Pipeline Imbalance or a Storage Operational Imbalance (collectively, Caledonia-Caused Imbalances) should occur, the Parties agree that such imbalances shall be treated as either a positive or negative imbalance, as appropriate, in Caledonia's Gas Storage Balance Account at the Facility and the Gas Storage Balance Account of Customer under the Service Agreement shall be unaffected by such occurrences. Caledonia agrees that, notwithstanding the occurrence of such Caledonia-Caused Imbalances, (a) Customer will

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at all times be entitled to all applicable services specified under the Service Agreement, subject however, to the pressure requirements and such other terms and conditions hereof as may be applicable; (b) Caledonia shall, as soon as practicable after the occurrence of any such Caledonia-Caused Imbalance, cause the imbalance to be remedied by either injecting Gas into the Facility or withdrawing Gas from the Facility, such that any Caledonia Pipeline Imbalance is remedied and the relative Gas Storage Balance Accounts of Customer and Caledonia at the Facility are brought back into balance; and (c) Caledonia shall indemnify and hold Customer harmless from and against all costs and penalties that may be assessed by any third person (whether a Pipeline or other person) and any other losses that may ensue as a result of the occurrence of any such Caledonia-Caused Imbalances.

6.2 Customer-Caused Imbalances. The Parties recognize and acknowledge that if, from time to time, Customer fails to deliver Gas to Caledonia or to accept delivery of Gas from Caledonia in accordance with Customer's nominations made pursuant to the scheduling procedures (Customer Receipt/Delivery Failure), then Customer or Caledonia may incur an imbalance on one or more pipelines (Customer Pipeline Imbalance). Both Caledonia and Customer recognize and agree that, if as a result of a Customer Receipt/Delivery Failure, either (i) a Customer Pipeline Imbalance occurs and as a result thereof, any Pipeline assesses an imbalance penalty, fee or other charge; or (ii) a Storage Operational Imbalance occurs and as a result thereof, Caledonia suffers or incurs any penalties, charges or other costs assessed by any person (whether a Pipeline, another customer of Caledonia, of any other person), or Caledonia incurs any other losses or liabilities, then Customer shall indemnify and hold Caledonia harmless from and against all such penalties, charges, costs, liabilities and other losses as the result of the occurrence of any such Customer Receipt/Delivery Failure.

- 7. GAS PRESSURE, QUALITY AND MEASUREMENT
- 7.1 Gas Pressure. Caledonia shall redeliver Gas to Customer at pressures sufficient to enter the Third Party Transporter's facilities at the Point(s) of Delivery against the operating pressures maintained by such Third Party Transporter(s). Caledonia shall not be required to redeliver gas at pressures in excess of or below those required by Third Party Transporter(s) or in excess of Third Party Transporter(s) maximum allowable operating pressure (MAOP). Customer shall deliver or cause to be delivered to Caledonia all Gas at the Point(s) of Delivery at such pressures as may exist from time to time in the Third Party Transporter's system.
- 7.2 Quality. Gas delivered by or on behalf of the Customer to Caledonia shall conform to the Third Party Transporter's gas quality standards. In the event that Gas scheduled for Delivery by Customer fails to meet such quality specifications, Caledonia shall have the right to refuse to accept Delivery of such Gas for so long as such condition exists. Gas redelivered by Caledonia shall conform to the Third Party Transporter's quality standards; provided, however, that if the Gas tendered for Delivery to Customer by Caledonia is substantially the same quality in all material respects as the quality of Gas

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that Customer delivered to Caledonia, then it shall be deemed to have complied in all respects with its Delivery obligations to Customer hereunder.

7.3 Measurement. All Gas delivered by or to Customer will be measured by the metering facilities at each Point of Receipt and Delivery. Each Party shall preserve all test data, charts and other similar records regarding the measurement of Gas delivered hereunder for a period of not less than two (2) years following the Month of Delivery.

Customer and Caledonia recognize that, from time to time, volumes nominated by Customer for Receipt or Delivery may be displaced or netted out by volumes nominated for Receipt or Delivery by other Customers and as such may not be actually physically metered, but may be metered by measurement facilities of the delivering or receiving pipeline, as applicable.

8. BILLING AND PAYMENT

- 8.1 Monthly Statement. Caledonia shall render to Customer, on or before the tenth (10) Day of each Month, a statement which sets forth the charges owed by Customer to Caledonia for the proceeding Month's Service. The Statement will include (a) the applicable rates; (b) the quantities being billed at each rate; and (c) documentation sufficient to support billed quantities. The quantities being billed will be based on volumes nominated by Customer and confirmed by Caledonia, subject to Sections 5 and 8.3 of the General Terms and Conditions of this Tariff.
- 8.2 Payment. Unless otherwise agreed, Customer shall pay by wire transfer in immediately available funds to Caledonia the full amount due to Caledonia under the statements rendered by Caledonia on or before the later of (a) ten (10) Days after Customer's receipt of same, or (b) the twentieth (20th) Day of the issuing Month. If the Day for payment should fall upon a Saturday, Sunday or Federal Banking Holiday, then such payment shall be made on the next business Day. If Customer fails to pay such amounts when due, then interest shall accrue on all unpaid amounts from the date due until paid at the FERC-approved interest rate.
- 8.3 Billing Adjustments. If an error is discovered by either Caledonia or Customer in the amount billed in any statement rendered by Caledonia, Caledonia shall use its best efforts to correct any such billing error within sixty (60) Days of the discovery of such error. In the event a dispute arises as to the amount payable in any statement rendered by Caledonia hereunder, Customer shall nevertheless pay the total amount payable to Caledonia under the statement rendered pending resolution of the dispute. Such payment shall not be deemed to be a waiver of the right by Customer to recoup any overpayment, or by Caledonia to recoup any underpayment, in either case with interest thereon at the same rate specified in Section 8.2. All statements shall be considered final, and any and all objections thereto shall be deemed waived, unless made in writing within twenty-four (24) months of Customer's receipt thereof. Disputes shall be resolved in accordance with Section 26 of the General Terms and Conditions of this Tariff.

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CAPACITY RELEASE

Any Customer under Rate Schedule FSS may seek to release for assignment 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:

- 9.1 Notice of Offer. A Customer offering to release firm service entitlements shall notify Caledonia via the Internet Web site of the terms of its offer by the posting deadline as determined pursuant to Section 9.3 herein. Caledonia will post this information on the Internet Web Site. The Customer may propose a pre-arranged designated Replacement Customer to which the capacity would be released. Offers shall be binding unless written or electronic notice of withdrawal is received by Caledonia 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 Caledonia 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) Caledonia's Storage Service Agreement number;
- (c) A description of the capacity to be released, including the Maximum Storage Capacity, the Maximum Daily Injection Quantity, the Maximum Daily Withdrawal Quantity, the Available Daily Injection Quantity, the Available Daily Withdrawal Quantity and the associated Point(s) of Receipt and Point(s) of Delivery, subject to the proposed release and subject to the daily quantity limitations described in Section 9.2 below;
- (d) The proposed effective date and term of the release; (e) The identity of any pre-arranged designated Replacement Customer, a statement as to whether the Prearranged Customer is an asset manager (as defined by FERC regulations at 18 C.F.R. \S 284.8(h)(3)) or marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. \S 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;
- (g) Whether, to what extent, and the conditions pursuant to which capacity will be subject to recall for a full Day or on an intraday basis, and if recallable, 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) Any extensions of the minimum posting/bid periods;

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- (j) Whether Releasing Customer desires to utilize the first-come, first-served option for short-term releases described in Section 9.6 below and any minimum terms applicable thereto;
- (k) Other special terms and conditions Customer imposes on the release of its capacity, including, but not limited to, minimum rates, term and quantity;
- (1) For purposes of bidding and awarding, any minimum rates specified by the Releasing Customer shall include the reservation rate and all demand surcharges, as a total number or as stated separately;
 - (m) Whether the release is on a permanent or a temporary basis;
- (n) An e-mail address for the Releasing Customer contact person. It is Customer's responsibility to update e-mail address information provided to Caledonia, as necessary; and
- (o) A detailed description of any storage inventory that must be transferred with released storage capacity.
- 9.2 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:
- (i) the quantity contained in the offer submitted by the Releasing Customer; or
- (ii) a quantity equal to 1/24th of the Releasing Customer's MDIQ (as limited by ADIQ) and MDWQ (as limited by ADWQ) 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 MSC 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 MSC less the Releasing Customer's Storage Balance.
- 9.3 Posting and Bidding Timeline. For the Capacity Release business process timing model, only the following methodologies shall be supported by Caledonia 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 Caledonia's discretion. However, Caledonia is not required to offer other choices or similar timeline treatment for other choices. Further, Caledonia shall not be held to the timeline specified in Sections 9.3(a) and 9.3(b) below should the Releasing Customer elect another method of evaluation. Should the Releasing Customer elect another method of evaluation. Should the Releasing 9.3(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 9.

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The Capacity Release timeline is 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:

For biddable releases of less than one (1) year: Offers shall be tendered by 12:00 p.m. C.C.T. an a Business Day; The bid period shall end at 1:00 p.m. C.C.T. on the same Business Day;

Evaluation period begins at 1:00 p.m. C.C.T. 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 2:00p.m. C.C.T. the same day;

Match or award is communicated by 2:00 p.m. C.C.T;

If the Prearranged Customer's bid is not the "best bid", Caledonia shall allow such Prearranged Customer a matching period of thirty (30) minutes from 2:00 p.m. until 2:30 p.m. C.C.T. 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 Caledonia of its decision.

If a match is required, the award will be posted by 3:00 p.m. C.C.T.

Caledonia 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 5 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.

For biddable releases of one year or longer:

Offers shall be tendered by 12:00 p.m. C.C.T. four Business Days before the

The bid period shall end at 1:00 p.m. C.C.T. on the Business Day before timely nominations are due (open season is three Business Days);

Evaluation period begins at 1:00 p.m. C.C.T. 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 2:00p.m. C.C.T. the same day;

Match or award is communicated by 2:00 p.m. C.C.T.;

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* If the Prearranged Customer's bid is not the "best bid," Caledonia shall allow such Prearranged Customer a matching period of thirty (30) minutes from 2:00 p.m. C.C.T. until 2:30 p.m. C.C.T. to determine whether to match the "best bid" and to notify Caledonia of its decision.

* If a match is required, the award will be posted by 3:00 p.m. C.C.T.

Caledonia 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 5 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-biddable Releases

 If Customer specifies a bid evaluation methodology other than those stated in
 Section 9.3 or 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 9.3(a) and 9.3(b).
- (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 9.3. Nonetheless, Customer may elect to post one of
 the foregoing releases for bidding pursuant to Section 9.3 and all other terms and
 conditions of the release are met, Customer shall notify Caledonia by providing
 the information pursuant to Section 9.1, which information will be posted on the
 Internet Web Site as required by Section 9.5 in accordance with the following
 timelines:

Timely Cycle:

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

Evening Cycle:

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

Intraday 1 Cycle:

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

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Intraday 2 Cycle:

Posting of prearranged deals not subject to bid are due by 4:00 p.m. C.C.T. Prior to the nomination deadline for the chosen cycle for the begin date specified in the Customer notice, the Prearranged Customer must initiate confirmation of prearranged deals electronically. Caledonia will issue a contract within one hour of 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 5 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 Customer may not roll-over, extend, or in any way continue the release to the same Customer using the thirty-one (31) day or less bidding exemption, unless the Customer complies with the posting and bidding requirements of Section 9.3 or not less than twenty-eight (28) days have elapsed since the conclusion of the prior release period.

Caledonia shall post offers and bids, including pre-arranged deals, upon receipt, unless Releasing Customer requests otherwise. If Releasing Customer requests a posting time, Caledonia 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.

- 9.4 Pre-arranged Releases. Customer may designate an entity (pre-arranged designated 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 posting and bidding procedures described in Sections 9.5 and 9.6, herein, with the pre-arranged designated 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 designated Replacement Customer is for a period of 31 days or less, the Releasing Customer shall provide notice to Caledonia in accordance with this section and may implement the release without complying with such prior posting and bidding procedures. Notice of such exempted releases shall be posted on the Internet Web site in accordance with Section 9.3 herein.
- 9.5 Posting. Following receipt of a notice of offer to release capacity which satisfies the requirements set forth in this section, Caledonia will post such information on its Internet Web site in accordance with the timeline set forth in Section 9.3 herein.
- 9.6 Bidding and Selection of Replacement Customer. All bids must contain the applicable information required in this section. If Releasing Customer desires to solicit bids for releases of 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)), it may direct Caledonia to post notice of the availability of such

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value, using a 10%

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capacity and, in lieu of permitting bids during the otherwise applicable posting period, award the capacity to the bidder which submits first in time a valid bid meeting any minimum terms specified by the Releasing Customer. Any bid submitted by a Replacement Customer shall include an e-mail address for at least one contact person, and it is the Customer's responsibility to update e-mail address information provided to Caledonia, as necessary. 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 Caledonia 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. Caledonia shall evaluate the bids in accordance with the provisions of this section and determine the best bid in accordance with the timelines set forth in Section 9.3 herein. Caledonia shall notify Releasing Customer, the best bidder, and any pre-arranged designated Replacement Customer of such determination in accordance with the timelines set forth in Section 9.3 herein. If there is a pre-arranged designated Replacement Customer, it may exercise its right to match such best bid by providing written notice of such exercise to Caledonia and Releasing Customer in accordance with the timelines set forth in Section 9.3 herein. After the Replacement Customer is selected, Caledonia will finalize an appropriate Addendum to the Capacity Release Umbrella Agreement in the form contained in this FERC Gas Tariff. Caledonia 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 Caledonia's system. Following implementation of the release, Caledonia shall post notice of the winning bidder on the Internet Web Site. 9.7 Best Bid. When Caledonia makes awards of capacity for which there have been multiple bids meeting minimum conditions, Caledonia shall award the bids, best bid first, until all offered capacity is awarded. The capacity being awarded represents the Maximum Daily Injection Quantity (as limited by the ADIQ), Maximum Daily Withdrawal Quantity (as limited by the ADWQ), or Maximum Storage Capacity. 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. Caledonia shall evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by the Releasing Customer as follows: (a) Caledonia shall apply the standard or criteria for such determination specified by the Releasing Customer, including the standard to be used for breaking ties. Any standard or criteria so specified must be objective, economic, not unduly discriminatory, not contrary to applicable provisions of this FERC Gas Tariff, applicable to all Potential Replacement Customers and require Caledonia in applying such standard to exercise no more than a ministerial function. The Releasing Customer shall indemnify and hold Caledonia harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by Caledonia 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, Caledonia shall determine the bid or bids generating the highest net present

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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 on a pro rata basis tied to MSC bid.

9.8 Qualification of Prospective Replacement Customer. A prospective Replacement Customer must be on Caledonia's approved bidders list before bids may be posted, 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 Caledonia's credit requirements as outlined in Section 3 and Section 24 of the General Terms and Conditions, and provide the information required by Section 3 and Section 24 of the General Terms and Conditions. Such credit appraisal shall be reevaluated and updated every three (3) months. The prospective Replacement Customer shall remain on the approved bidders list until such prospective Replacement Customer (i) notifies Caledonia to the contrary, (ii) no longer meets the credit qualifications established in Section 3 and Section 24 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 Customer fails to pay part or all of the amount of any bill for service in accordance with Section 8 of the General Terms and Conditions. Caledonia will apply its creditworthiness criteria to assess the submission. Caledonia will waive the creditworthiness requirement on an non-discriminatory basis for Replacement Customers and permit them to submit bids, if the Releasing Customer provides Caledonia with a quarantee or other form of credit assurance in form and substance satisfactory to Caledonia of all financial obligations prior to the commencement of service to the Replacement Customer.

9.9 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.

Billing. The Replacement Customer shall be billed and make payments to 9.10 Caledonia 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. Caledonia shall continue to bill the Releasing Customer all applicable charges under its existing Storage Service Agreement, excluding usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to its usage of the released capacity. Invoices sent to the Releasing Customer shall reflect a credit equal to any reservation charges (plus all surcharges applicable thereto) being billed to the Replacement Customer for the released capacity rights, or as otherwise agreed. If the Replacement Customer fails to pay when due all or part of the amounts credited to the Releasing Customer, Caledonia shall pursue payment from the Replacement Customer by notifying such customer by registered letter, return receipt requested, that it has five 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

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- 9.11 Rights and Obligations of the Parties.
- (a) The Service Agreement between the Releasing Customer and Caledonia shall remain in full force and effect with the Releasing Customer to receive a credit to its invoice as described in Section 9.10 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 9.10, Caledonia shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. The 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,
- Caledonia 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 Caledonia's FERC Gas Tariff and their respective Service Agreements. In the event that instructions or nominations from the Releasing Customer and Replacement Customer are, in Caledonia's opinion, inconsistent or conflicting, Caledonia shall comply with the instructions of the Releasing Customer; provided, however, that such instructions must not be inconsistent with Caledonia's FERC Gas Tariff or the terms of either the Releasing Customer's or Replacement Customer's Service Agreement, in Caledonia's opinion. The Releasing Customer will indemnify Caledonia against any claim or suit by the Replacement Customer, its successors or assigns, arising from any action taken by Caledonia in reliance upon the Releasing Customer's nominations and instructions and will hold Caledonia harmless for any action taken by Caledonia 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 Caledonia against any claim or suit by the Releasing Customer, its successors or assigns, arising from any action taken by Caledonia in reliance upon the nominations and scheduling instructions of the Replacement Customer and will hold Caledonia harmless for any actions taken by Caledonia in reliance upon the instructions of the Releasing Customer.
- 9.12 Marketing Fee. If Caledonia and the Releasing Customer so agree, Caledonia may receive a negotiated fee for its marketing efforts.

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9.13 Limitations

(a) Releases and assignments hereunder shall be for period(s) of one or more Day(s) and the maximum term shall not extend beyond the expiration of this FERC Gas Tariff provision or beyond the expiration of the Releasing Customer's Service Agreement.

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(b) Caledonia may invalidate any offer to release or any bid subsequent to its posting on the Internet Web Site which does not conform to the requirements of this section and the other provisions of this FERC Gas Tariff and such invalidated offer or bid shall be deemed null and void.

- (c) Any terms and conditions imposed on the offer to release by the Releasing Customer as provided for in this section must be objectively stated, reasonable, capable of administration or implementation by Caledonia 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 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 9.4, 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 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) If the Releasing Customer retains recall rights, it shall specify the condition(s) precedent to such recall and any recall. Releasing Customer may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at a Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to Caledonia by the following times for each cycle: 8:00 a.m. C.C.T. for the Timely Nominations cycle; 5:00 p.m. C.C.T. for the Evening Nomination Cycle; 8:00 a.m. C.C.T. for the Intra-Day 1 Nomination cycle, and 3:00 p.m. C.C.T. for the Intra-Day 2 Nomination cycle. Notification to Replacement Customers provided by Caledonia within one hour of receipt of recall notification. The Releasing Customer shall exercise and administer such recall rights and Caledonia may rely on the Releasing Customer's notice and instructions. Releasing Customer shall indemnify and hold Caledonia harmless from and against all demands, losses, causes of action, expenses and/or damages resulting from or relating to Releasing Customer's exercise of its recall rights and Caledonia's compliance therewith including claims by the affected Replacement Customer(s). Caledonia shall also support the function of reputting by Releasing Customers. Reput method and rights must be in the Releasing Customer's offer to release capacity. (f) Following the awarding of capacity to a Replacement Customer in accordance with the procedures provided in this section, the Releasing Customer's rights and Caledonia's obligations under the Releasing Customer's Service Agreement shall be modified and subject to the capacity rights released and assigned to the Replacement Customer for the term of such release. Effecting a release pursuant to the provisions of this section shall constitute Releasing Customer's consent and agreement to such amendment or modification of its existing Service Agreement.

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(g) The offer to release by a Customer under Rate Schedule FSS must specify the quantities of MSC, MDIQ (and associated ADIQ limits), MDWQ (and associated ADWQ limits) 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 Service Agreements. Releasing Customer shall be responsible for ensuring, if applicable, whether by the withdrawal or transfer-in-place of a portion of its Storage Balance or otherwise as required, that such storage capacity, and the corresponding ability to inject/withdraw Gas up to the Maximum Storage Capacity released, in accordance with the terms and conditions of the Rate Schedule and within the time remaining in the injection and/or withdrawal period, as applicable, shall be available upon the commencement of the release. A Replacement Customer under Rate Schedule FSS 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 Balance 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 the release and assignment subject to compliance with the provisions of Section 13 of these General Terms and Conditions. The Replacement Customer must withdraw the portion of its Maximum Storage Capacity by the end of the term of the release. In lieu of withdrawing the portion of its Storage Balance, the Replacement Customer can also attempt to effect a transfer of the portion of its Storage Balance to another storage service Customer as provided in Section 13 of these General Terms and Conditions. If the Replacement Customer fails to withdraw or transfer the portion of its Storage Balance by the end of the term of its release, title to the portion of Customer's remaining Storage Balance will be vested, at no cost, to the Releasing Customer which released its capacity to the Replacement Customer on a temporary basis. 11. FORCE MAJEURE

Neither Caledonia nor Customer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the

control of the Party claiming suspension. Such causes or contingencies affecting the performance hereunder by Caledonia or the Customer, however, shall not relieve either Party of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer from its obligations to make payments of amounts then due hereunder.

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- 11. FUEL REIMBURSEMENT
- 11.1 Categories of Fuel Usage. Fuel usage is comprised of fuel utilized and lost and unaccounted for volumes to the extent required for the operation and maintenance of Caledonia's Facility.
- 11.2 Fuel Reimbursement. Fuel Reimbursement shall be calculated separately for services under FSS, ISS and ILS Rate Schedules. Each Fuel Reimbursement charge shall be negotiated by Caledonia and Customer. Reimbursement of fuel must be made in kind (as a percentage of injection in Dth), as set forth in Customer's Service Agreement(s).
- 12. TITLE AND RISK OF LOSS
- (a) Title. Customer warrants that it will have good title to all natural gas delivered to Caledonia for storage, and that such Gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify Caledonia and save it harmless from all suits, actions, debts, amounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said Gas.
- (b) Risk of Loss. As between Customer and Caledonia, Customer shall be in control and possession of the Gas prior to Delivery to Caledonia for injection at the Point(s) of Receipt and after at the Point(s) of Delivery, and shall indemnify and hold Caledonia harmless from any damage or injury caused thereby. Caledonia shall be in control and possession of the Gas after the Delivery of the same for injection at the Point(s) of Receipt and until Delivery by Caledonia to Customer at the Point(s) of Delivery, and shall indemnify and hold Customer harmless from any damage or injury caused thereby, except for damages and injuries caused by the sole negligence of Customer. The risk of loss for all Gas injected into, stored in and withdrawn from storage shall remain with Customer, and Caledonia shall not be liable to Customer for any loss of Gas, except as may be occasioned due to the intentional or grossly negligent acts or omissions of Caledonia. Any losses of Gas, unless due to the intentional or grossly negligent acts or omissions of Caledonia, shall be shared proportionately by all Customers. Customer retains title to Gas at all times.
- 13. GAS TITLE TRANSFERS
- 13.1 Title Transfers of Gas in Storage.
- (a) A Customer that has executed a Service Agreement under FSS and ISS Rate Schedules may sell Storage Inventory to any other Customer that has executed a Service Agreement under FSS, AISS and ISS Rate Schedules or AILS and ILS Rate Schedules if related to a return of a prior loan of Gas if:
- (i) Customer selling Storage Inventory provides notification to Caledonia's dispatcher prior to the nomination deadline and provides Caledonia with written verification of the transfer within three business Days; and

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- (ii) The purchase does not cause either Customer to exceed its MSC or MISC, as applicable and as specified in the Customer's Service Agreement, or cause either Customer's balance to go below zero or above zero in the case of a loan of Gas.
- (b) Caledonia will recognize the transfer for purposes of computing available Storage Balance on a prospective basis within twenty-four (24) hours after receiving the notification. In the event the required written verification is not received, the transfer will no longer be recognized and the Storage Balance for each Customer will be restated to reflect the reversal of the transfer.
- 14. PENALTIES
- 14.1 Customer shall be liable for and shall be required to reimburse Caledonia for all penalties, charges and fees which Caledonia 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.
- 14.2 In addition to the payment of the penalties set forth in Section 14.1 herein, the responsible Customer shall also be liable for, and shall reimburse Caledonia, for all costs incurred by Caledonia as a consequence of such Customer's actions.
- 14.3 Crediting of Penalty Revenues Caledonia shall credit the actual penalty revenues, net of Caledonia's costs related to the penalty event, received by Caledonia from Customers in any calendar year, by invoice credit to all Customers who did not incur penalty charges in the Month for which such revenues were received. Such credits shall be made on a pro rata basis, based on a Customer's total reservation and commodity charges paid each Month. Such credit shall be made not later than the March accounting Month statement sent subsequent to the calendar year-end by Caledonia. Any revenue collected and retained by Caledonia pursuant to this section shall accrue interest calculated pursuant to Section 154.501(d) of the Commission's Regulations.

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FERC Docket: RP10-1266-000
Second Revised Sheet No. 55 Second Revised Sheet No. 55
Superseding: Superseding First Revised Sheet No. 55
               NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB) STANDARDS
          Caledonia adopts or exceeds all of the Business Practices and
Electronic Communication Standards which were required by the
Commission in 18 C.F.R. Section 284.12(a), as amended from time to
time, in accordance with Order Nos. 587, et al. In addition to the
standards reflected in other provisions of this FERC Gas Tariff, the
following NAESB Wholesale Gas Quadrant ("WGQ") standards, definitions
and data sets, Version 1.9, 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
Creditworthiness Standards:
         0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10
Gas Operational Communications Standards:
         0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15, 0.3.16, 0.3.17
Storage Information:
               Data Sets:
0.4.1
Nominations Related Standards:
Principles and Definitions:
1.1.17, 1.1.18, 1.1.22, 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16,
1.2.17, 1.2.18, 1.2.19
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1.3.1, 1.3.2(v), 1.3.2(vi), 1.3.3, 1.3.4, 1.3.7, 1.3.8, 1.3.9, 1.3.11,
1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30,
1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 13.37, 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, 1.4.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75,
1.3.76, 1.3.77, 1.3.79, 1.3.80
Data Sets:
1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7
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Effective Date: 11/01/2010 Status: Effective FERC Docket: RP10-1266-000 First Revised Sheet No. 55A First Revised Sheet No. 55A Superseding: Superseding First Revised Sheet No. 55 Flowing Gas Related Standards: Definitions: 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5 Principles and Standards: 2.1.6, 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.49, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65 Data Sets: 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: Standards: 3.2.1, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26 Data Stes: 3.4.1, 3.4.2, 3.4.3, 3.4.4 Quadrant Electronic Delivery Mechanism Related Standards: Principles: 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22, 4.1.23, 4.1.24, 4.1.26, 4.1.27, 4.1.28, 4.1.29, 4.1.30, 4.1.31, 4.1.32, 4.1.33, 4.1.34, 4.1.35, 4.1.36, 4.1.37, 4.1.38, 4.1.39, 4.1.40 Definitions: 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20 Standards: 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, 4.3.55, 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, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99

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Principles and Definitions:
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5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 5.3.17, 5.3.18, 5.3.19, 5.3.20,
5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.26, 5.3.27, 5.3.28, 5.3.29,
5.3.30, 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, 5.3.44, 5.3.45, 5.3.46, 5.3.47,
5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56,
5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.3.61, 5.3.62, 5.3.63, 5.3.64, 5.3.65,
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Contract Related Standards:
6.3.4, 6.5.3
Internet Electronic Transport Related Standards:
Principles:
10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.6, 10.1.7, 10.1.8, 10.1.9,
10.1.10
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10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17,
10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.21, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38
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10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.13, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25,
10.3.26, 10.3.27
WGQ eTariff Related Standards:
             Definitions:
                     11.2.1, 11.2.2, 11.2.3, 11.2.4, 11.2.5
                      Standards:
                      11.3.1, 11.3.2
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FERC Docket: CP05- 15-003

Original Sheet No. 56 Original Sheet No. 56: Effective

- 16. DEFAULT, SUSPENSION AND TERMINATION
- Termination for Default. If (i) either Party shall fail in any material respect to comply with, observe, perform or shall default in any material respect upon any obligation under the Agreement, except due to causes excused by Force Majeure or attributable to the other's wrongful act or failure to act (Event of Default), and (ii) after written notice thereof from the Party claiming a right to terminate the Agreement, such failure shall continue for a period of thirty (30) Days, then the Party claiming the right to terminate may, by notice in writing, terminate the Agreement as of the date of the notice of termination; provided, however, that if such failure cannot be reasonably cured within such thirty (30) Days, the party claimed to be in default shall be entitled to such further time as shall reasonably be required to effect such cure, provided that such Party commences within such thirty (30) Days substantial efforts to effect such cure and at all times thereafter proceeds diligently to complete such cure, but in no event, shall the cure period exceed sixty (60) Days. If such cure is satisfactorily completed within such cure period, the non-defaulting party will not have the right to terminate the Agreement nor will the non-defaulting party have available to it the remedy set forth in Section 16(b).
- (b) Suspension for Default. Upon occurrence of an Event of Default, the non-defaulting Party shall have the right to suspend performance until such default has been remedied; provided, however, that an Event of Default does not include nonpayment of amounts owed that are disputed in good faith. A Customer shall not be obligated to pay any reservation or demand charges for suspended service attributable to the period when that service is suspended.
- (c) Rights Following Termination. In the event the Service Agreement(s) is (are) terminated, such termination shall be without prejudice, subject to such rights of offset as may exist, to any rights or obligations of the Parties accruing prior to such termination, including, but not limited to, (i) Customer's right to receive Gas that it has stored but has not received prior to the time of termination (unless Customer fails to remove such Gas from the Facility in the manner prescribed under the Service Agreement), (ii) Customer's right to refunds, if any, plus interest, of portions of the rate paid prior to such termination or release, or (iii) Caledonia's right to collect any amounts then due it for service provided to Customer prior to the time of such termination. Upon termination, Customer shall cause all Gas in its Gas Storage Balance Account to be removed from the Facility in the manner specified in the Rate Schedule.
- (d) Other Rights Preserved. The availability or exercise of the right to terminate a Service Agreement pursuant to this section shall not serve to diminish or effect the right of the Parties to seek damages or specific performance, for breach of the Service Agreement, as provided in such agreement.
- (e) Waiver of Default. No waiver by either Party of any one or more defaults by the other in the performance of any provisions of the Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

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17. ASSIGNMENT

Any company that succeeds by purchase, merger or consolidation to the gas properties of Caledonia or of Customer substantially as an entirety, and any affiliated successor in interest that acquires from Caledonia the properties of Caledonia used in interstate commerce in rendering service to Customer, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement; provided, however, that Caledonia reserves the right to evaluate and approve the creditworthiness of the new entity in accordance with Sections 3 and 24 of the General Terms and Conditions of this Tariff. Customer, Caledonia, and their successors may assign or pledge the Service Agreement under the provisions or any mortgage, deed of trust, indenture or similar instrument that it has executed or may execute hereafter; provided, however, that such mortgage, deed of trust, indenture or similar instrument shall cover the properties of such Party as an entirety unless such Party is an affiliated successor in interest, otherwise no Party shall assign the Service Agreement or any of its rights thereunder unless it first shall have obtained in writing the consent thereto of the other Party; provided, however, that Customer may release service rights contracted for under such Service Agreement pursuant to the conditions, and subject to the limitations, of Section 9 (Release of Service Rights) of the General Terms and Conditions. Any direct or indirect assignment of service rights by Customer under this paragraph shall be made in good faith and not for the purpose of avoiding the requirements of Section 9. 18. NOTICES

Any notice, demand, offer or other written instrument required or permitted to be given pursuant to the Service Agreement, except for those provisions in Caledonia's Tariff requiring otherwise, shall be in writing signed by the Party giving such notice and shall be hand delivered or sent by registered letter or overnight courier provided a receipt signed by the addressee is obtained, or telexed to the other Party. Unless otherwise specifically provided in the Service Agreement, any written notice or other communication shall be sufficiently given or shall be deemed given on the third business Day following the date on which the same is mailed by registered or certified mail, postage prepaid. Unless otherwise specified, Notices to Caledonia should be addressed to:

Caledonia Energy Partners, L.L.C. 2001 Timber Creek RoadFlower Mound, TX 75028 Attn: Mr. Jim Goetz Phone (972) 691-3332 Facsimile (972) 874-8743

Each Party shall have the right to change the place to which notice shall be sent or delivered by similar notice or like manner to the other Party. The effective date of notice issued pursuant to this Agreement shall be the earlier of the date of addressee's receipt of such notice or the third business Day following the date on which the same is mailed by registered or certified mail, postage prepaid.

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19. REGULATION

The operation of the provisions of this Tariff shall be subject to any and all governmental statutes and all lawful orders, rules, and regulations affecting the storage, injection, withdrawal or loaning of Gas hereunder or the equipment required in connection with such storage, injection, withdrawal or loaning of Gas. It is understood that performance under any Agreement shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control of the matter related hereto. Should either of the parties, by force of any such law, order, rule or regulation, at any time during the term of the Agreement be ordered or required to do any act inconsistent with the provisions thereof, then for that period only during which the requirements of such law, order, rule or regulation are applicable, the Agreement shall be deemed modified to conform with the requirement of such law, order, rule or regulation; provided, however, nothing herein shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate the Agreement under its terms and conditions. 20. POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF NEW FACILITIES 20.1 Except as provided in Section 20.2 herein, Customer shall reimburse Caledonia (a) for the costs of any facilities installed by Caledonia 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 Service Agreement that Caledonia is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due Caledonia by Customer pursuant to this Section 20.1 shall be due and payable to Caledonia within ten (10) Days of receipt by Customer of Caledonia's bill(s) for same; provided, however, subject to Caledonia'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 Service Agreement between Caledonia and Customer. Caledonia reserves the right to request pre payment for new construction or facilities required at it's discretion. Carrying charges shall be computed utilizing interest factors acceptable to both Caledonia and customer. Caledonia may waive from time to time, at its discretion, all or a portion 20.2 of the facility cost reimbursement requirement set forth in Section 20.1 for the FSS Rate Schedule if Customer provides Caledonia adequate assurances to make construction of the facilities economical to Caledonia. All requests for waiver shall be handled by Caledonia in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, Caledonia 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 Caledonia estimates will be generated, as a result of such construction, and the availability of capital funds on terms and conditions acceptable to Caledonia. In estimating the revenues to be generated, Caledonia will evaluate the existence of capacity limitations

downstream of the facilities, the marketability of the capacity, the

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Advanced Interruptible Storage Service under AISS Rate Schedule

Firm Storage Service under FSS Rate Schedule

Interruptible Storage Service under ISS Rate Schedule

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Effective Date: 12/05/2007 Status: Effective FERC Docket: RP08- 57-000 First Revised Sheet No. 61 First Revised Sheet No. 61: Effective Superseding: Superseding Original Sheet No. 61 Rate Customer proposes to pay for storage service under FSS Rate Schedules: Monthly Storage Capacity Charge (\$/Dth of MSC): Monthly Storage Deliverability (\$/Dth of MDWQ): Injection Charge (\$/Dth): Withdrawal Charge (\$/Dth):
Authorized Overrun Injection Charge (\$/Dth): Authorized Overrun Withdrawal Charge (\$/Dth): Fuel Reimbursement (% in kind): (d) Term of Service: Commencement Date: Termination Date: Requested Advanced Interruptible Storage Service: 22.4 Request Quantities: Maximum Advanced Interruptible Storage Capacity (MAISC) Maximum Daily Injection Quantity (MDIQ)
Injection Period: from: from: Injection Period: to: Maximum Daily Withdrawal Quantity (MDWQ) Withdrawal Period: from: (b) Ratchet Levels: Maximum Daily Injection Quantity Subject to the following Ratchets: Storage Balance* Percentage (%) Storage Balance (Dth) MDIQ Percentage (%) Available Daily Injection Quantity (ADIQ) (Dth) to ____% ____ to ____ % ____ to ____ % ____ to ____ %

____ to ____ %

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Maximum Daily Withdrawal Quantity Subject to the following Ratchets:
Storage Balance*
Percentage (%)
Storage Balance
(Dth)
MDWQ
Percentage (%)
Available Daily Withdrawal Quantity (ADWQ) (Dth)
       to _____%
____ to ____ %
____ to ___ %
____ to ____ %
____ to ____ %
^{\star} - Storage Balance expressed as a percentage of MAISC
(c)
       Points of Receipt and Delivery
Receipt Point:
Delivery Point:
(d) Rate Customer proposes to pay for storage service under AISS Rate
Schedules:
Monthly Storage Capacity Charge ($/Dth):
Identify if Reservation or Volumetric charge applies:
Injection Charge ($/Dth): Withdrawal Charge ($/Dth):
Authorized Overrun Injection Charge ($/Dth):
Authorized Overrun Withdrawal Charge ($/Dth):
Fuel Reimbursement (% in kind):
(e) Term of Service:
Commencement Date:
Termination Date:
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(a) Maximum Maximum Injecti Maximum Withdra (b)	Reque Inter Daily on Per Daily wal Per Ratch Daily Balar	y Withdrawal Quantit eriod: net Levels: y Injection Quantity nce*	pacity (I (MDIQ) from: y (MDWQ) from:	MISC)	to: _	Ratchets:
Storage (Dth) MDIQ Percent Availab	age (ty (ADIQ) (Dth)		
0	to _					
to		8				
to		8				
to		80				
to		ફ				

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First Revised Sheet No. 62 First Revised Sheet No. 62: Effective Superseding: Superseding Original Sheet No. 62 Maximum Daily Withdrawal Quantity Subject to the following Ratchets: Storage Balance* Percentage (%)
Storage Balance (Dth) MDWQ Percentage (%) Available Daily Withdrawal Quantity (ADWQ) (Dth)
0 to%
to%
to%
to%
to%
* - Storage Balance expressed as a percentage of MISC (c) Points of Receipt and Delivery Receipt Point: Delivery Point: (d) Rate Customer proposes to pay for storage service under ISS Rate Schedules:
Monthly Storage Capacity Charge (\$/Dth): Identify if Reservation or Volumetric charge applies: Injection Charge (\$/Dth): Withdrawal Charge (\$/Dth): Authorized Overrun Injection Charge (\$/Dth): Authorized Overrun Withdrawal Charge (\$/Dth): Fuel Reimbursement (% in kind): (e) Term of Service: Commencement Date: Termination Date:

FERC Docket: RP08- 57-000 First Revised Sheet No. 63 First Revised Sheet No. 63: Effective Superseding: Superseding Original Sheet No. 6322.6 Requested Advanced Interruptible Loan Service: Request Quantities: (a) Maximum Advanced Interruptible Loan Quantity (MAILQ) Maximum Daily Withdrawal Quantity (MDWQ) Withdrawal Period: from: to: Maximum Daily Injection Quantity (MDIQ) from: __ Injection Period: to: Ratchet Levels: (b) Maximum Daily Withdrawal Quantity Subject to the following Ratchets: Storage Balance* Percentage (%) Storage Balance (Dth) MDWQ Percentage (%) Available Daily Withdrawal Quantity (ADWQ) (Dth) to % _____ to ____% _____ to ____% _____ to ____% ____ to ___ % Maximum Daily Injection Quantity Subject to the following Ratchets: Storage Balance* Percentage (%) Storage Balance (Dth) MDIO Percentage (%) Available Daily Injection Quantity (ADIQ) (Dth) to ____% ____ to ____% _____ to ____% _____ to ____% ____ to ____% $\mbox{\scriptsize \star}$ - Storage Balance expressed as a percentage of MAILQ. (c) Points of Receipt and Delivery: Receipt Point: Delivery Point:

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(d) F Schedules	Rate Customer proposes to pay for stor s:	rage service under AILS	Rate
Identify Injection Withdrawa Authorize Authorize Fuel Reim (e) Tommencem Terminati 22.7 (a) Maximum I Maximum I Withdrawa Maximum Injection (b)		to:	
Storage E (Dth) MDWQ Percentag Available		ch)	
0 t	to%		
to _			
to _	9		
to _	<u> </u>		
to _	%		

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Maximum Daily Injection Quantity Subject to the following Ratchets:
Storage Balance*
Percentage (%)
Storage Balance
(Dth)
MDIQ
Percentage (%)
Available Daily Injection Quantity (ADIQ) (Dth)
       to _____%
_____ to ____%
_____ to ____%
_____ to ____%
_____ to ____%
^{\star} - Storage Balance expressed as a percentage of MILQ.
(c) Points of Receipt and Delivery:
Receipt Point:
Delivery Point:

(d) Rate Customer proposes to pay for storage service under ILS Rate
Schedules:
```

Effective Date: 12/05/2007 Status: Effective FERC Docket: RP08- 57-000
First Revised Sheet No. 64 First Revised Sheet No. 64: Effective Superseding: Superseding Original Sheet No. 64 Monthly Loan Capacity Charge (\$/Dth): Identify if Reservation or Volumetric charge applies: Injection Charge (\$/Dth): Withdrawal Charge (\$/Dth): Authorized Overrun Injection Charge (\$/Dth): Authorized Overrun Withdrawal Charge (\$/Dth): Fuel Reimbursement (% in kind): (e) Term of Service: Commencement Date: Termination Date: 22.8 Is Customer affiliated with Caledonia?
Yes No No If yes, type of affiliation and the percentage of ownership between Caledonia and Customer:22.9 Customer is a(n): (Check one)
Local Distribution Company Intrastate Pipeline Company Interstate Pipeline Company Marketer/Broker Producer End User Other (please describe 22.10 Customer's address for statements and invoices:
Attention: Telephone: ()

Effective Date: 12/05/2007 Status: Effective FERC Docket: RP08- 57-000 First Revised Sheet No. 65 First Revised Sheet No. 65 : Effective Superseding: Superseding Original Sheet No. 65 For all other matters: Telephone: (Attention:) Acceptance of a service request is contingent upon a satisfactory credit appraisal by Caledonia. Customer must provide evidence of creditworthiness as outlined in Sections 3 and 24 of the General Terms and Conditions of Caledonia's currently effective FERC Gas Tariff. By submitting this request, Customer certifies further that it will execute, if tendered by Caledonia, a Service Agreement for the level of service requested herein. THIS SERVICE REQUEST IS HEREBY SUBMITTED THIS ____ DAY OF __ Ву Title Telephone number ((Company Name) Customer:

23. CHOICE OF LAW
Unless otherwise specifically stated in the Service Agreement, interpretation of the provisions of all Service Agreements or other agreements entered into between Customer and Caledonia, including any provisions of this Tariff related to such agreements, and any disputes arising from such agreements, shall be governed by the law of the state of Texas.

- 24. CREDITWORTHINESS AND FINANCIAL ASSURANCES
- 24.1 "Acceptable Credit Rating" means: (a) for all Rate Schedules with the exception of Rate Schedule AILS and ILS, a Credit Rating no lower than BBB- from Standard and Poor's Corporation or Baa3 from Moody's Investor Services, Inc.; and (b) for Rate Schedules AILS and ILS, a Credit Rating for which Customer's Unsecured Collateral Limit is greater than Customer's Credit Exposure.
- 24.2 "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.

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- Credit Exposure means an amount equal to: (1) in the case of Firm Service to Customers whose service commences with the first day of authorized operation of Caledonia's facilities, reservation charges for twelve (12) Months or the duration of the Customer's bid or Service Agreement, whichever is shorter, at the rate specified in Customer's bid for service or Service Agreement; (2) for Firm Service to Customers taking service from expansion facilities and whose service commences on the first day of authorized operation of those facilities, an amount determined by Caledonia prior to the start of construction that is not less than the amount set forth in subsection (1) of this Section 24.3, but 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); (3) in the case of Firm Service to all other Customers, reservation charges for three (3) Months or the duration of the Customer's bid or Service Agreement, whichever is shorter, at the rate specified in Customer's bid for service or Service Agreement; or (4) in the case of Advanced Interruptible Storage or Loan Service and Interruptible Storage or Loan Service, charge(s) for service for three (3) Months or the duration of the Customer's Service Agreement, whichever is shorter, calculated on a one hundred percent (100%) load factor basis, plus, as applicable, the Market Value of any quantities of Gas provided to the Customer through a loan or negative storage balance.
- "Market Value of Gas" means the Customer's Interruptible Loan Balance for service under Rate Schedule ILS or the Customer's Advanced Interruptible Loan Balance for service under Rate Schedule AILS, as applicable, multiplied by the sum of the NYMEX Henry Hub Swap, as posted on the www.nymex.com web site, for the period under which the loaned gas is scheduled to be returned pursuant to the Customer's AILS or ILS Service Agreement, plus the maximum transportation charges for interruptible transportation service on Tennessee Gas Pipeline Company under Rate Schedule IT from TGPL 500 line Zone SL to Zone 1, as set forth in Tennessee Gas Pipeline's currently effective FERC Gas Tariff, including all applicable charges, surcharges, fees, and fuel under Rate Schedule IT, multiplied by the Customer's Interruptible Loan Balance or Advanced Interruptible Loan Balance, as applicable. Caledonia shall calculate Customer's Market Value of Gas at the time service is first requested under Rate Schedule ILS or Rate Schedule AILS, as applicable, and thereafter may recalculate Customer's Market Value of Gas from time to time but not more frequently than a daily basis.
- 24.5 "Unsecured Collateral Limit" means the maximum amount of credit that Caledonia will extend to a Customer pursuant to Rate Schedules AILS or ILS without Customer providing Financial Assurances pursuant to this Section 24, based on the Customer's Credit Rating, as provided in the table below:

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S&P AAA Moody's Aaa \$40,000,000

S&P AA+ to AA-Moody's Aa1 to Aaa \$40,000,000

S&P A+ to A-Moody's A1 to A3 \$5,000,000

S&P BBB+ to BBB-Moody's Baal to Baa3 \$1,600,000

S&P BB+ and lower Moody's Bal and lower \$0

- 24.6 "Material Adverse Change" means the failure of Customer at anytime to satisfy the requirements pertaining to creditworthiness set forth in Sections 3 and 24, to maintain an Acceptable Credit Rating or to maintain or reinstate one of the forms of Financial Assurances specified in Section 24.12 within the time prescribed by Section 24.8.
- 24.7 "Financial Assurances" means one or more of the forms of security set forth in Sections 24.12(a), 24.12(b), 24.12(c) and 24.12(d), in accordance with and in an amount as set forth in Section 24.12.

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- 24.8 If Customer suffers a Material Adverse Change, then, within five (5) days after written notice from Caledonia, Customer must pay for one month of service in advance to continue service, and Customer must, within thirty (30) days, provide Caledonia with one or more of the forms of Financial Assurances as set forth in this Section 24. If Customer fails to provide one of the credit alternatives within this time period, Caledonia may suspend service immediately (Customers are not responsible for reservation charges after service is suspended) and may provide simultaneous written notice to Customer, the Commission, and any replacement Customer that service will be terminated in thirty (30) days. Caledonia also may exercise any other remedy available to it.
- 24.9 If prior to initiation of service Customer does not have an Acceptable Credit Rating, then, as a condition of Caledonia initiating service, Customer shall provide Caledonia with one or more of the forms of Financial Assurances provided in this Section 24 and in an amount as set forth in Section 24.12.
- 24.10 Further Information and Notification Procedures
- (a) If Caledonia requests additional information to be used for credit evaluation after the initiation of Service, Caledonia, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to the Customer and designate to whom the response should be sent. Caledonia and the Customer may mutually agree to waive the requirements of this section.
- (b) Upon receipt of either an initial or follow-up request from Caledonia for information to be used for creditworthiness evaluation, the Customer's authorized representative(s) shall acknowledge receipt of Caledonia's request. Caledonia and the Customer may mutually agree to waive the requirements of this section.
- (c) The Customer's authorized representative(s) shall respond to Caledonia's request for credit information, as allowed by Caledonia's Tariff, on or before the due date specified in the request. The Customer shall provide all the credit information requested by Caledonia or provide the reason(s) why any of the requested information was not provided.
- (d) Upon receipt from the Customer of all credit information provided pursuant to the applicable NAESB WGQ standards, Caledonia shall notify the Customer's authorized representative(s) that it has received such information. Caledonia and the Customer may mutually agree to waive the requirements of this section.
- (e) The Customer shall designate up to two representatives who are authorized to receive notices regarding the Customer's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and shall provide to Caledonia the e-mail addresses of such representatives prior to the initiation of Service. Written requests and responses shall be provided via e-mail, unless otherwise agreed to by the Parties. The obligation of Caledonia to provide creditworthiness notifications is waived until the above requirement has been met, and failure to meet the requirement may result in delays in Service initiation or loss of Service until such time as creditworthiness has been established. The Customer shall manage internal distribution of any creditworthiness notices that are received.

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Caledonia shall designate on its Internet Website or in written notices to the Customer, the e-mail addresses of up to two representatives who are authorized to receive notices regarding the Customer's creditworthiness. The Customer's obligation to provide information of receipt is met by sending such confirmation to such representatives, and Caledonia shall manage internal distribution of any such confirmations.

- (f) At any time after the Customer is determined to be uncreditworthy by Caledonia, the Customer may initiate a creditworthiness re-evaluation by Caledonia. As part of the Customer's re-evaluation request, the Customer shall either update or confirm in writing the prior information provided to Caledonia related to the Customer's creditworthiness. Such update shall include any event(s) that the Customer believes could lead to a material change in the Customer's creditworthiness.
- (g) After Caledonia's receipt of a 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 Caledonia shall provide a written response to the Customer's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for Caledonia'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 the Customer's Request unless specified in Caledonia's Tariff or if the Parties mutually agree to some later date.
- (h) In complying with the creditworthiness related notifications pursuant to the applicable NAESB WGQ standards, the Customer(s) and Caledonia may mutually agree to other forms of communication in lieu of e-mail notification.
- 24.11 If Caledonia determines that a Customer is or, subsequent to the commencement of Service on Caledonia's system, has become uncreditworthy, Caledonia will notify Customer via e-mail and facsimile stating that the Customer has been determined to be uncreditworthy. Within ten (10) Days of such notice, Caledonia will provide the uncreditworthy Customer a written explanation of the reasons for such loss of creditworthiness and will provide a recourse for Customer to challenge such determination.
- 24.12 A Customer that does not have, or at anytime fails to maintain an Acceptable Credit Rating, shall provide to Caledonia, to secure its obligation to Caledonia pursuant to each of Customer's Service Agreements, one or more of the following forms of Financial Assurances.
- (a) An irrevocable Letter of Credit, subject to the following:
 (1) In the case of Customers whose firm service commences with the first day of authorized operation of Caledonia's facilities or Customers taking service from expansion facilities and whose service commences on the first day of authorized operation of those facilities, 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

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the Term of the transaction plus 120 days is greater than one (1) year, Customer shall ensure that its obligation to Caledonia is secured continuously, and accordingly shall provide Caledonia with a replacement Letter of Credit no later than 120 days prior to the expiration of the then-effective Letter of Credit. Caledonia will return the expiring Letter of Credit to Customer within five (5) days of the date of the Replacement Letter of Credit becomes effective;

- (2) For Customers other than those described in the first sentence of the previous paragraph, each Letter of Credit shall be in effect for the lesser of three (3) months or for the Term of the transaction. If the Term of the transaction is greater than three (3) months, Customer shall ensure that its obligation to Caledonia is secured continuously, and accordingly shall provide Caledonia with a replacement Letter of Credit no later than 120 days prior to the expiration of the then-effective Letter of Credit. Caledonia will return the expiring Letter of Credit to Customer within five (5) days of the date of the Replacement Letter of Credit becomes effective;
- (3) each Letter of Credit shall be in form and substance satisfactory to Caledonia, and shall provide for partial drawdowns and, without limiting the generality of the foregoing, shall be (i) issued by a financial institution acceptable to Caledonia that is rated at least BBB by Standards and Poor's Corporation and Baa3 by Moody's Investor Services, Inc.; and (ii) in the case Rate Schedules AILS and ILS, the amount of such Letter of Credit shall not exceed the Unsecured Collateral Limit for such financial institution as determined using the applicable limit associated with the financial institution's Credit Rating as set forth in Section 24.5 above; and
- (4) in addition to all other remedies available to Caledonia at law or in equity, if Customer fails to provide a replacement Letter of Credit in accordance with this Section 24.12(a), Caledonia 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 Service Agreements.

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(b) Customer shall provide to Caledonia, to secure its obligation to Caledonia pursuant to each of the Customer's Service Agreements, a Guarantee granted to Caledonia by its direct or indirect parent (the "Guarantor") provided that (a) Guarantor has a Credit Rating no lower than BBB- from Standard and Poor's Corporation or Baa3 from Moody's Investor Services, Inc.; and (b) in the case Rate Schedules AILS and ILS, the amount of such Guarantee shall not exceed the Unsecured Collateral Limit for such parent company as determined using the applicable limit associated with the parent company's Credit Rating as set forth in Section 24.5 above. The Guarantee shall be in the form set forth in this Tariff and the provisions of this section shall apply to the Guarantor as if the Guarantor were the Customer.

(c) If requested by Customer, Caledonia may accept other forms of Financial Assurances in a dollar value not to exceed that set forth in this Section 24.12, as applicable, to secure Customer's obligations under the Service Agreements, provided that

FERC Docket: RP08- 57-000

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Caledonia 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 or establish an interest-bearing escrow account to which Caledonia will have access to payments for service in an amount as set forth immediately below

The dollar value of the Financial Assurances set forth above in this Section 24.12 to be provided by Customer shall be in an amount equal to Customer's Credit Exposure, except for Customers taking service pursuant to Rate Schedules AILS or ILS, in which case the amount shall be equal to the Customer's Credit Exposure minus Customer's Unsecured Collateral Limit. Caledonia shall recalculate the dollar value of the Financial Assurances Customer is required to provide from time to time, but not more often than on a daily basis. Caledonia shall notify Customer when such recalculation indicates that additional credit support is required to comply with this Section. Customer shall have one (1) Business Day to comply with a notification by Caledonia of insufficient credit support.

- 24.13 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 Service Agreements and all transactions entered into thereunder. This obligation shall terminate when Customer has performed or satisfied all of its obligations under the Service Agreements. Upon the termination of the Service Agreement, Caledonia shall return to Customer, if applicable:
- (a) the Letter of Credit and funds held by Caledonia as security pursuant to Section 24.12(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 Caledonia pursuant to the provisions of the Service Agreements;
- (b) the Guarantee held by Caledonia pursuant to Section 24.12(b);
- (c) any security accepted by Caledonia pursuant to Section 24.12(c); or
- (d) any amount prepaid by Customer pursuant to Section 24.12(d) not required to pay charges for service rendered under the Service Agreements.
- 24.14 Any prepayment is considered collateral held for security and not advance payments for Services, Any prepayment held by Caledonia shall accrue interest at the rate specified in Section 154.501(d) of the Commission's regulations.

FERC Docket: RP07-444-000

First Revised Sheet No. 70 First Revised Sheet No. 70 : Effective

Superseding: Original Sheet No. 70 25. NON-WAIVER OF FUTURE DEFAULT

Caledonia 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 Caledonia of any one or more defaults by the other in performance of any of the provisions of the Agreement shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.

26. DISPUTE RESOLUTION PROCEDURES

Any Customer or Potential Customer may make a written complaint to Caledonia regarding any dispute between Customer and Caledonia arising under this tariff. Such notice shall be addressed to the person and address identified within Section 18 (NOTICES) of the General Terms and Condition of this Tariff. Customer must specify a reason for the dispute. Within two (2) business days of receiving a complaint, Caledonia shall provide an initial response to complainant, acknowledging receipt of the complaint and requesting further information as appropriate. Within 30 days after receipt of Customer's complaint, Caledonia shall review the complaint and provide a written decision to the complainant addressing each element thereof and, where appropriate, recommend a course of action. In the event the complainant disagrees with this determination and makes a written request for reconsideration or clarification, specifying each reason the complainant disagrees with the initial determination, Caledonia shall consider such request and within 30 days after receipt thereof shall render its final written decision to complainant, addressing each element thereof and, where appropriate recommending a course of action.

27. LIMITATION OF LIABILITY

Notwithstanding any provision of the Service Agreement or this FERC Gas Tariff, no Party, its affiliates and their respective directors, officers and employees shall be liable to another Party or its affiliates or any director, officer or employee of such Party or its affiliates, for any punitive, specials, or exemplary damages or consequential, indirect, or incidental damages or lost profits that arise out of, relate to or are otherwise attributable to the Service Agreement, even if such Party or its affiliates or any director, officer or employee of such Party or its affiliates has been made aware of the possibility of such damages or lost profits. THIS SECTION 27 SPECIFICALLY PROTECTS EACH PARTY, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS AND EMPLOYEES AGAINST SUCH DAMAGES OR LOST PROFITS EVEN IF WITH RESPECT TO THE NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OR RESPONSIBILITYOF SUCH PARTY, ITS AFFILIATES, AND THEIR RESPECTIVE DIRECTORS, OFFICERS AND EMPLOYEES; AND ALL RIGHTS TO RECOVER SUCH DAMAGES OR PROFITS ARE HEREBY WAIVED AND RELEASED. Nothing contained in the foregoing shall limit the liability of either Party to the other Party, if any, for direct damages. Notwithstanding the foregoing, nothing in this Section 27 shall limit the liability of either Party to the other Party, if any arising out of gross negligence, willful misconduct, or bad faith actions.

Effective Date: 12/05/2007 Status: Effective FERC Docket: RP08- 57-000
First Revised Sheet No. 71 First Revised Sheet No. 71: Effective Superseding: Superseding Original Sheet No. 71 FORM OF SERVICE AGREEMENT
Service Agreement No
FSS SERVICE AGREEMENT THIS AGREEMENT, made and entered into on this day of by and between Caledonia Energy Partners, L.L.C. ("Caledonia") and ("Customer").
WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:
Section 1. Service to be Rendered. Caledonia shall perform and Customer shall receive service in accordance with the provisions of the effective FSS Rate Schedule and applicable General Terms and Conditions of Caledonia's FERC Gas Tariff, Original Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. Caledonia shall store quantities of Gas for Customer up to, but not exceeding, Customer's Maximum Storage Capacity (MSC) as specified in Appendix A, as the same may be amended from time to time by agreement between Customer and Caledonia, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's Regulations.
Section 2. Term. Service under this Agreement shall commence as of and shall continue in full force and effect until unless otherwise agreed to by mutual agreement of Caledonia and Customer.
[TO THE EXTENT THAT A RIGHT OF FIRST REFUSAL IS AGREED TO BY CUSTOMER AND CALEDONIA, THE FOLLOWING LANGUAGE SHALL BE INCLUDED IN CUSTOMER'S AGREEMENT:
Upon the expiration of the term of this Agreement, Customer shall have a right of first refusal or a right to renew the Agreement as follows]
Pre-granted abandonment shall apply upon termination of this Agreement, subject to any rights of first refusal Customer may have negotiated with Caledonia.
Section 3. Rates. Customer shall pay Caledonia the charges as described in the FSS Rate Schedule, and specified in Appendix A to this Service Agreement.

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Original Sheet No. 71A Original Sheet No. 71A: Effective

Section 4. Notices. Notices to Caledonia under this Agreement shall be addressed to the following:

Caledonia Energy Partners, LLC 2001 Timber Creek Road Flower Mound, TX 75028 Attention: Jim Goetz, Phone: (972) 691-3332 Fax: (972) 874-8743

FERC Docket: RP08- 57-000

First Revised Sheet No. 72 First Revised Sheet No. 72: Effective

Superseding: Superseding Original Sheet No. 72

and notices to Customer shall be addressed to the following:

	
Attention:	
Phone:	
Fax:	
until changed by either Party k	oy written notice.
Section 5. Superseded Agree	ements. This Service Agreement supersedes ar
cancels, as of the effective da	ate hereof, the following Service
Agreements:	

Section 6. WAREHOUSEMEN'S LIEN.

6.1 CUSTOMER HEREBY ACKNOWLEDGES THAT CALEDONIA SHALL BE ENTITLED TO, AND CALEDONIA HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY CALEDONIA FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY CALEDONIA, AS PROVIDED IN SECTION 7.209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT CALEDONIA SHALL BE ENTITLED TO, AND CALEDONIA 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 THE LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

- 6.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7.202 OF THE TEXAS UNIFORM COMMERCIAL CODE, CUSTOMER HEREBY AGREES THAT:
- (i) THIS SERVICE AGREEMENT, WITH ALL APPENDICIES ATTACHED HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY CALEDONIA TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN CALEDONIA'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THIS SERVICE AGREEMENT IS RECEIVED;

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- (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 PRELIMINATY STATEMENT OF THE TARIFF, FSS RATE SCHEDULE, APPENDIX A TO THIS SERVICE AGREEMENT, THE MONTHLY STATEMENT (AS DESCRIBED IN SECTION 8.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 1.14 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 SERVICE AGREEMENT; AND
- (v) THE SIGNATURE OF CALEDONIA ON THE SERVICE AGREEMENT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

(CUSTOMER)	CALEDONIA	ENERGY	PARTNERS,	L.L.C	
Ву:				By:	
		=			
Title:				Title:	
		=			
Date:				Date:	

Effective Date: 05/01/2007 Status: Effective FERC Docket: CP05- 15-003

 $\textbf{Original Sheet No. 73} \; \texttt{Original Sheet No. 73} \; : \; \; \texttt{Effective}$

			Revision No
			Control No.
		Appendix A	
	to the Servi	ce Agreement No.	
		r FSS Rate Sched	
	onde.	Between	are
C	'aledonia Enero	y Partners, L.L.	C (Caledonia)
	arcaonia biicig	And	c. (careadhra)
		(Customer)
	Date		ous comer,
Maximum Storage Ca	macity (MSC)		
Maximum Daily Inje	ction Quantity	(MDTO)	
Maximum Daily With	drawal Quantit	(MDWO)	
Ratchet Levels:	.u.u.u.u. guunoio.		
	Gas that Custon	mer may inject o	r withdraw, pursuant to this
			following ratchets, as a
percentage of MDIQ		2001	rorrowing raconces, as a
Maximum Daily Inie	ction Quantity	Subject to the	following Ratchets:
Storage	Storage	MDTO A	vailable Daily Injection
Inventory*			Quantity (ADIQ) (Dth)
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0 to %			
			
to %			
			
to %			
			
to %			
			
to %			
			
Maximum Daily With	drawal Quantit	v Subject to the	following Ratchets:
Storage	Storage	MDTO A	vailable Daily Injection
Inventory*	Inventory	Percentage %	Quantity (ADIQ) (Dth)
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0 to %			
			
to %			
			
to %			
to %			
:			
to %			
:			
* - Storage Balanc	re expressed as	a nercentage of	Customer's MSC
Decrage Darane	.c chpicobca ab	a porcentage or	
Receipt Point:			

FERC Docket: CP05- 15-003 Original Sheet No. 74 Original Sheet No. 74: Effective Delivery Point: Rates and Charges: Monthly Storage Capacity Charge (\$/Dth of MSC): Monthly Storage Deliverability (\$/Dth of MDWQ): Injection Charge (\$/Dth): Withdrawal Charge (\$/Dth): Authorized Overrun Injection Charge (\$/Dth): Authorized Overrun Withdrawal Charge (\$/Dth): Fuel Reimbursement (% in kind): Other Terms (if applicable): (CUSTOMER) CALEDONIA ENERGY PARTNERS, L.L.C Ву: __ Ву: ____ Title: Title: Date: Date:

Effective Date: 05/01/2007 Status: Effective

Effective Date: 12/05/2007 Status: Effective FERC Docket: RP08- 57-000

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

FORM OF SERVICE AGREEMENT Service Agreement No. _____ Control No. AISS SERVICE AGREEMENT THIS AGREEMENT, made and entered into on this _____ day of ___ and between Caledonia Energy Partners, L.L.C. ("Caledonia") and ("Customer").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Service to be Rendered. Caledonia shall perform and Customer Section 1. shall receive service in accordance with the provisions of the effective AISS Rate Schedule and applicable General Terms and Conditions of Caledonia's FERC Gas Tariff, Original Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. Caledonia shall store quantities of Gas for Customer up to, but not exceeding, Customer's Maximum Advanced Interruptible Storage Capacity (MAISC) as specified in Appendix A, as the same may be amended from time to time by agreement between Customer and Caledonia, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's Regulations.

Section 2. Term. Service under this Agreement shall commence as of __ and shall continue in full force and effect until unless otherwise agreed to by mutual agreement of Caledonia and Customer. Pre-granted abandonment shall apply upon termination of this Agreement.

Section 3. Rates. Customer shall pay Caledonia the charges as described in the AISS Rate Schedule, and specified in Appendix A to this Service Agreement.

Notices. Notices to Caledonia under this Agreement shall be Section 4. addressed to the following:

Caledonia Energy Partners, LLC 2001 Timber Creek Road Flower Mound, TX 75028 Attention: Jim Goetz Phone: (972) 691-3332 (972) 874-8743

FERC Docket: RP08- 57-000

Original Sheet No. 74B Original Sheet No. 74B: Effective

and notices to Customer shall be addressed to the following:

Attention: Phone:	
Fax:	
i an .	 _

until changed by either Party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements:

Section 6. WAREHOUSEMEN'S LIEN.

- 6.1 CUSTOMER HEREBY ACKNOWLEDGES THAT CALEDONIA SHALL BE ENTITLED TO, AND CALEDONIA HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY CALEDONIA FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY CALEDONIA, AS PROVIDED IN SECTION 7.209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT CALEDONIA SHALL BE ENTITLED TO, AND CALEDONIA 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 THE LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.
- 6.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7.202 OF THE TEXAS UNIFORM COMMERCIAL CODE, CUSTOMER HEREBY AGREES THAT:
- (i) THIS SERVICE AGREEMENT, WITH ALL APPENDICIES ATTACHED HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY CALEDONIA TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN CALEDONIA'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL

FERC Docket: RP08- 57-000

Original Sheet No. 74C Original Sheet No. 74C: Effective

CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THIS SERVICE AGREEMENT 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 PRELIMINATY STATEMENT OF THE TARIFF, AISS RATE SCHEDULE, APPENDIX A TO THIS SERVICE AGREEMENT, THE MONTHLY STATEMENT (AS DESCRIBED IN SECTION 8.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 1.14 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 SERVICE AGREEMENT; AND
- (v) THE SIGNATURE OF CALEDONIA ON THE SERVICE AGREEMENT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

(CUSTOMER)	CALEDONIA	ENERGY	PARTNERS,	L.L.C
Ву:				By:
Title:				Title
Date:				Date:

Original Sheet No. 74D Original Sheet No. 74D: Effective Revision No. Control No. Appendix A to the Service Agreement No. __ Under AISS Rate Schedule Between Caledonia Energy Partners, L.L.C. (Caledonia) And ____ (Customer) Maximum Advanced Interruptible Storage Capacity (MAISC) Maximum Daily Injection Quantity (MDIQ) from: ___ Injection Period: Maximum Daily Withdrawal Quantity (MDWQ) Withdrawal Period: from: __ to: Ratchet Levels: The quantities of Gas that Customer may inject or withdraw, pursuant to this AISS Service Agreement shall be determined by the following ratchets, as a percentage of MDIQ and MDWQ. Maximum Daily Injection Quantity Subject to the following Ratchets: Storage Balance* Percentage (%) Storage Balance (Dth) MDIQ Percentage (%) Available Daily Injection Quantity (ADIQ) (Dth) to ____% _____ to ____% ____ to ____% ____ to ____%

Effective Date: 12/05/2007 Status: Effective

FERC Docket: RP08- 57-000

_____ to ____%

FERC Docket: RP08- 57-000 Original Sheet No. 74E Original Sheet No. 74E: Effective Maximum Daily Withdrawal Quantity Subject to the following Ratchets: Storage Balance* Percentage (%) Storage Balance (Dth) MDWQ Percentage (%) Available Daily Withdrawal Quantity (ADWQ) (Dth) to _____% _____ to ____% ____ to ____ % ____ to ___ % ____ to ___ % \star - Storage Balance expressed as a percentage of MISC. Receipt Point: Delivery Point: Rate Customer proposes to pay for storage service under AISS Rate Schedules:
Monthly Storage Capacity Charge (\$/Dth): Identify if Reservation or Volumetric charge applies: Injection Charge (\$/Dth): Withdrawal Charge (\$/Dth):
Authorized Overrun Injection Charge (\$/Dth): Authorized Overrun Withdrawal Charge (\$/Dth): Fuel Reimbursement (% in kind): Other Terms (if applicable): (CUSTOMER) CALEDONIA ENERGY PARTNERS, L.L.C By: By: Title: Title: Date: Date:

Effective Date: 12/05/2007 Status: Effective

Effective Date: 12/05/2007 Status: Effective
FERC Docket: RP08- 57-000

First Revised Sheet No. 75 First Revised Sheet No. 75: Effective
Superseding: Superseding Original Sheet No. 75

FORM OF
SERVICE AGREEMENT

Service Agreement No. ______
Control No. _____

ISS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into on this _____ day of _____ by and between Caledonia Energy Partners, L.L.C. ("Caledonia") and _____ ("Customer").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Caledonia shall perform and Customer shall receive service in accordance with the provisions of the effective ISS Rate Schedule and applicable General Terms and Conditions of Caledonia's FERC Gas Tariff, Original Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. Caledonia shall store quantities of Gas for Customer up to, but not exceeding, Customer's Maximum Interruptible Storage Capacity (MISC) as specified in Appendix A, as the same may be amended from time to time by agreement between Customer and Caledonia, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's Regulations.

Section 2. Term. Service under this Agreement shall commence as of and shall continue in full force and effect until unless otherwise agreed to by mutual agreement of Caledonia and Customer. Pre-granted abandonment shall apply upon termination of this Agreement.

Section 3. Rates. Customer shall pay Caledonia the charges as described in the ISS Rate Schedule, and specified in Appendix A to this Service Agreement.

Section 4. Notices. Notices to Caledonia under this Agreement shall be addressed to the following:

Caledonia Energy Partners, LLC 2001 Timber Creek Road Flower Mound, TX 75028 Attention: Jim Goetz Phone: (972) 691-3332 Fax: (972) 874-8743

FERC Docket: RP08- 57-000

First Revised Sheet No. 76 First Revised Sheet No. 76: Effective

Superseding: Superseding Original Sheet No. 76

and notices to Customer shall be addressed to the following:

		_
		_
Attention:		
Phone:		
Fax:		

until changed by either Party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements:

Section 6. WAREHOUSEMEN'S LIEN.

- 6.1 CUSTOMER HEREBY ACKNOWLEDGES THAT CALEDONIA SHALL BE ENTITLED TO, AND CALEDONIA HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY CALEDONIA FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY CALEDONIA, AS PROVIDED IN SECTION 7.209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT CALEDONIA SHALL BE ENTITLED TO, AND CALEDONIA 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 THE LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.
- 6.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7.202 OF THE TEXAS UNIFORM COMMERCIAL CODE, CUSTOMER HEREBY AGREES THAT:
- (i) THIS SERVICE AGREEMENT, WITH ALL APPENDICIES ATTACHED HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY CALEDONIA TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN CALEDONIA'S TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THIS SERVICE AGREEMENT IS RECEIVED;

FERC Docket: RP08- 57-000

Original Sheet No. 76A Original Sheet No. 76A: Effective

- (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 PRELIMINATY STATEMENT OF THE TARIFF, ISS RATE SCHEDULE, APPENDIX A TO THIS SERVICE AGREEMENT, THE MONTHLY STATEMENT (AS DESCRIBED IN SECTION 8.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 1.14 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 SERVICE AGREEMENT;
- (v) THE SIGNATURE OF CALEDONIA ON THE SERVICE AGREEMENT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

(CUSTOMER)	CALEDONIA	ENERGY	PARTNERS,	L.L.C
By:				By:
Title:		_		Title:
Date:				Date:

Effective Date: 05/01/2007 Status: Effective FERC Docket: CP05- 15-003

 $\textbf{Original Sheet No. 77} \; \texttt{Original Sheet No. 77} \; : \; \; \texttt{Effective}$

			Revision No
		Appendix A e Agreement No. ISS Rate Schedu Between Partners, L.L.C	le
		(C	Customer)
	Dated	· · · · · · · · · · · · · · · · · · ·	
Maximum Daily Injection Per Maximum Daily Withdrawal Pe Ratchet Level The quantitie ISS Service A percentage of	Withdrawal Quantity riod: s: s of Gas that Custom greement shall be de MDIQ and MDWQ. Injection Quantity Storage	(MDIQ) from: (MDWQ) from: er may inject or termined by the Subject to the f	to: to: to: to: withdraw, pursuant to this following ratchets, as a following Ratchets: vailable Daily Injection Quantity (ADIQ) (Dth)
0 to	ଚ		
	%		
to	8		
to	%		

Effective Date: 12/05/2007 Status: Effective FERC Docket: RP08- 57-000
First Revised Sheet No. 78 First Revised Sheet No. 78: Effective
Superseding: Superseding Original Sheet No. 78 Maximum Daily Withdrawal Quantity Subject to the following Ratchets: Storage Balance* Percentage (%)
Storage Balance (Dth) MDWQ Percentage (%) Available Daily Withdrawal Quantity (ADWQ) (Dth)
0 to%
to%
to %
to %
to %
* - Storage Balance expressed as a percentage of MISC. Receipt Point: Delivery Point:
Rate Customer proposes to pay for storage service under ISS Rate Schedules: Monthly Storage Capacity Charge (\$/Dth): Identify if Reservation or Volumetric charge applies: Injection Charge (\$/Dth): Withdrawal Charge (\$/Dth): Authorized Overrun Injection Charge (\$/Dth):
Authorized Overrun Withdrawal Charge (\$/Dth): Fuel Reimbursement (% in kind): Other Terms (if applicable):
(CUSTOMER) CALEDONIA ENERGY PARTNERS, L.L.C
By: By:
Title: Title:
Date: Date:

FERC Docket: RP08- 57-000

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

FORM OF SERVICE AGREEMENT		
Service Agreement No Control No.	·	
AILS SERVICE AGREEMEN	NT	
	and entered into on this a Energy Partners, L.L.C.	 _ by

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Caledonia shall perform and Customer shall receive service in accordance with the provisions of the effective AILS Rate Schedule and applicable General Terms and Conditions of Caledonia's FERC Gas Tariff, Original Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. Caledonia shall loan quantities of Gas for Customer up to, but not exceeding, Customer's Maximum Advanced Interruptible Loan Quantity (MAILQ) as specified in Appendix A, as the same may be amended from time to time by agreement between Customer and Caledonia, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's Regulations.

Section 2. Term. Service under this Agreement shall commence as of and shall continue in full force and effect until unless otherwise agreed to by mutual agreement of Caledonia and Customer. Pre-granted abandonment shall apply upon termination of this Agreement.

Section 3. Rates. Customer shall pay Caledonia the charges as described in the AILS Rate Schedule, and specified in Appendix A to this Service Agreement.

Section 4. Notices. Notices to Caledonia under this Agreement shall be addressed to the following:

Caledonia Energy Partners, LLC 2001 Timber Creek Road Flower Mound, TX 75028 Attention: Jim Goetz Phone: (972) 691-3332 Fax: (972) 874-8743

Effective Date: 12/05/200 FERC Docket: RP08- 57-	
Original Sheet No. 7	78B Original Sheet No. 78B : Effective
and notices to Cust	omer shall be addressed to the following:
Phone:	
until changed by ei	ther Party by written notice.
	rseded Agreements. This Service Agreement supersedes and effective date hereof, the following Service
(CUSTOMER) CALE	DONIA ENERGY PARTNERS, L.L.C
Ву:	By:
Title:	Title:
Date:	Date:

FERC Docket: RP08- 57-000 Original Sheet No. 78C Original Sheet No. 78C: Effective Revision No. Control No. Appendix A to the Service Agreement No. __ Under AILS Rate Schedule Between Caledonia Energy Partners, L.L.C. (Caledonia) And (Customer) Request Quantities: Maximum Advanced Interruptible Loan Quantity (MAILQ) Maximum Daily Withdrawal Quantity (MDWQ) from: Withdrawal Period: to: Maximum Daily Injection Quantity (MDIQ) Injection Period: from: ___ to: Ratchet Levels: The quantities of Gas that Customer may inject or withdraw, pursuant to this AILS Service Agreement shall be determined by the following ratchets, as a percentage of MDWQ and MDIQ. Maximum Daily Withdrawal Quantity Subject to the following Ratchets: Storage Balance* Percentage (%) Storage Balance (Dth) MDWQ Percentage (%) Available Daily Withdrawal Quantity (ADWQ) (Dth) to _____% _____ to ____% ____ to ___ % ____ to ____ %

Effective Date: 12/05/2007 Status: Effective

____ to ____ %

FERC Docket: RP08- 57-000 Original Sheet No. 78D Original Sheet No. 78D: Effective Maximum Daily Injection Quantity Subject to the following Ratchets: Storage Balance* Percentage (%) Storage Balance (Dth) MDIQ Percentage (%) Available Daily Injection Quantity (ADIQ) (Dth) to % _____ to ____% _____ to ____% _____ to ____% _____ to ____% * - Storage Balance expressed as a percentage of MAILQ. Receipt Point: Delivery Point: Rate Customer proposes to pay for storage service under ILS Rate Schedules: Monthly Loan Capacity Charge (\$/Dth): Identify if Reservation or Volumetric charge applies: Injection Charge (\$/Dth): Withdrawal Charge (\$/Dth): Authorized Overrun Injection Charge (\$/Dth): Authorized Overrun Withdrawal Charge (\$/Dth): Fuel Reimbursement (% in kind): Other Terms (if applicable): (CUSTOMER) CALEDONIA ENERGY PARTNERS, L.L.C By: By: Title: Title: Date: Date:

Effective Date: 12/05/2007 Status: Effective

Effective Date: 12/05/2007 Status: Effective
FERC Docket: RP08- 57-000

First Revised Sheet No. 79 First Revised Sheet No. 79: Effective
Superseding: Superseding Original Sheet No. 79

FORM OF
SERVICE AGREEMENT

Service Agreement No. ______
Control No. _____

ILS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into on this _____ day of ______ by and between Caledonia Energy Partners, L.L.C. ("Caledonia") and _____ ("Customer").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Caledonia shall perform and Customer shall receive service in accordance with the provisions of the effective ILS Rate Schedule and applicable General Terms and Conditions of Caledonia's FERC Gas Tariff, Original Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. Caledonia shall loan quantities of Gas for Customer up to, but not exceeding, Customer's Maximum Loan Quantity (MLQ) as specified in Appendix A, as the same may be amended from time to time by agreement between Customer and Caledonia, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's Regulations.

Section 2. Term. Service under this Agreement shall commence as of and shall continue in full force and effect until unless otherwise agreed to by mutual agreement of Caledonia and Customer. Pre-granted abandonment shall apply upon termination of this Agreement.

Section 3. Rates. Customer shall pay Caledonia the charges as described in the ILS Rate Schedule, and specified in Appendix A to this Service Agreement.

Section 4. Notices. Notices to Caledonia under this Agreement shall be addressed to the following:

Caledonia Energy Partners, LLC 2001 Timber Creek Road Flower Mound, TX 75028 Attention: Jim Goetz Phone: (972) 691-3332 Fax: (972) 874-8743

Effective Date: 05/01/2007 Status: Effective FERC Docket: CP05- 15-003 Original Sheet No. 80 original Sheet No. 80: Effective					
and notices to Customer shall be addresse	ed to the following:				
Attention: Phone: Fax:					
until changed by either Party by written	notice.				
Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements:					
(CUSTOMER) CALEDONIA ENERGY PARTNERS	, L.L.C				
By:	Ву:				
Title:	Title:				
Date:	Date:				

FERC Docke	et: RP08- 57-000					
First Revi	sed Sheet No.	81 First Rev	ised Sheet	No. 81 :	Effective	
Supersedir	ng: Superseding	Original Sh	neet No. 81			
Revision 1	No					
Control No	o					
Appendix A	Δ					
	rvice Agreement	No.				
	Rate Schedule					
Between						
Caledonia And	Energy Partner	rs, L.L.C. (0	Caledonia)			
		(Customer)				
Dated						
	uantities: nterruptible Lo	an Quantity	(MILQ)			
Mavimum Da	aily Withdrawal	Ouantity (N	NDMO)			
Maximum Da Withdrawal		. Qualitity (i	from:			
	aily Injection	Quantity (MI	OTO)			
Injection		Qualities (III	from:	_	to:	
Ratchet Le						
ILS Servi	ities of Gas th ce Agreement sh e of MDWQ and M	all be deter				
percentage	s or MDWQ and M	IDIQ.				
Storage Ba		Quantity St	ubject to t	he follow	ing Ratchets:	;
Percentage	3 (6)					
Storage Ba	alance					
(Dth)	2141166					
MDWQ						
Percentage	e (%)					
Available	Daily Withdraw	al Quantity	(ADWQ) (Dt	h)		
0 to	o%					
+0	2					
to _						
to	્રે					
to _	%					
to	%					

FERC Docket: CP05- 15-003

Original Sheet No. 83 Original Sheet No. 83: Effective

FORM OF CUSTOMER GUARANTY

	THIS G	UARANTY	is	exect	uted a	s of	the		day o	£			, 2	200 ,	by
[] .	, []	(Guaranto	or)	in	favor	of	Cale	edonia
Energ	y Part	ners, L	.L.C	., a	Delaw	are	limit	ed	liability	com	ıpar	ıy			
(Comp	any).														

RECITAL

[Name of Customer], a _____ (Customer), and Company may from time to time enter into contracts for natural gas Storage Services and/or Loan Services pursuant to which Customer may utilize Company's Gas Storage Facility (Contract(s)). As an inducement to Company to enter into the Contracts and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor covenants and agrees as follows:

- 1. Guaranty of Payment. Guarantor hereby irrevocably and unconditionally guarantees the due and punctual payment of any and all present and future obligations and liabilities of all kinds of Customer to Company pursuant to the Contracts (collectively, the "Guaranteed Obligations"). Upon any failure by Customer to pay any of the Guaranteed Obligations, Guarantor agrees that it will forthwith on demand pay any amounts, which Customer has failed to pay Company, at the place and in the manner specified in the Contract. This Guaranty is a guaranty of payment and not merely a guaranty of collection. Guarantor agrees that Company may resort to Guarantor for payment of any of the Guaranteed Obligations, whether or not Company shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations. Guarantor hereby waives the right to assert defenses which Customer may have to payment of any Guaranteed Obligations.
- 2. Guaranty Unconditional and Absolute. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:
- (i) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations of Customer:
- (ii) the existence, extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;
- (iii) any modification, amendment, waiver, extension of or supplement to any of the Contract(s) or the Guaranteed Obligations agreed to from time to time by Customer and Company;
- (iv) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Customer or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Customer or its assets, Guarantor or any other guarantor of any of the Guaranteed Obligations;

FERC Docket: CP05- 15-003

Original Sheet No. 84 Original Sheet No. 84: Effective

(v) the existence of any claim, set-off or other rights which Guarantor may have any time against Customer, Company or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(vi) the invalidity or unenforceability in whole or in part of the Contract(s) or any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment by Customer of amounts to be paid by it under the Contract(s) or any of the Guaranteed Obligations;

(vii) any other act or omission to act or delay of any kind of Customer or Company which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

- 3. Term: Reinstatement in Certain Circumstances. The term of this Guaranty shall be the same as the term of the Contract(s); provided, however, that termination of the Contract(s) shall not release Guarantor from liability for any Guaranteed Obligations arising prior to the effective date of such termination or during any grace period post-termination. If at any time any payment of any of the Guaranteed Obligations is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of Customer or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made.
- 4. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Customer's rights against Company under the Contract(s) or otherwise, and any requirement that at any time any person exhaust any right to take any action against Customer or its assets or any other guarantor or person.
- 5. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Company against Customer with respect to such payment; provided, that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations then due shall have been paid in full and Company agrees to take, at Guarantor's sole expense, such steps as Guarantor may reasonably request to implement such subrogation.
- 6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by Customer under the Contract(s) is stayed upon the insolvency, bankruptcy or reorganization of Customer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Contract(s) shall nonetheless be payable by the Guarantor hereunder forthwith on demand by Company.

FERC Docket: RP08- 57-000

First Revised Sheet No. 85 First Revised Sheet No. 85 : Effective

Superseding: Superseding Original Sheet No. 85

and assigns. Guarantor may not assign its rights and obligations hereunder without the prior express written consent of Company, and any such purported assignment without such express written consent will be void.

- 8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by Guarantor and Company.
- 9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement
- 10. Representations and Warranties.
- (A) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (B) Guarantor has a credit rating of at least BBB- by Standard & Poor's Corporation and Baa3 by Moody's Investor Services, Inc. for the terms of this Guaranty and, in the case of a Guaranty for service under Rate Schedules AILS and ILS, the amount of such Guaranty complies with the Unsecured Collateral Limit for Guarantor as determined using the applicable limit associated with Guarantor's Credit Rating as set forth in Section 24.5 of the General Terms and Conditions of Company's currently effective FERC Gas Tariff.
- (C) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.
- (D) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty.
- (E) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights to general equity principles.
- 11. Notices. All notices or communications to the other party shall be in writing and shall be directed by registered or certified mail or overnight delivery service to

Caledonia Energy Partners, LLC 2001 Timber Creek Road_ Flower Mound, TX 75028_ Attention: __Jim Goetz_ To Guarantor: Attention: or such other address as each party shall from time to time supply. 12. Governing Law and Jurisdiction. This Guaranty will be governed by and construed in accordance with the laws of the State of Texas, without reference to choice of law doctrine. Guarantor hereby irrevocably submits itself to the non-exclusive jurisdiction of the state and federal courts of the State of New York and agrees and consents and does hereby waive the defense that any proceeding arising out of or in any way related to the guaranty is brought in is an inconvenient forum or that venue thereof is improper, and further agrees to a transfer of any such proceeding to a federal court sitting in the State of New York, to the extent it has subject matter jurisdiction. IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered as of the date first above written. [GUARANTOR] By: Name: Title:

Effective Date: 05/01/2007 Status: Effective

Original Sheet No. 86 Original Sheet No. 86: Effective

FERC Docket: CP05- 15-003

FERC Docket: CP05- 15-003

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

FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER FSS RATE SCHEDULE

This Capacity Release Umbrella Agreement, made and entered into this ____ day of _____, ___ by and between _____ (herein called Replacement Customer), and CALEDONIA ENERGY PARTNERS, L.L.C., a Delaware limited liability corporation (herein called Caledonia),

WITNESSETH:

WHEREAS

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Customer and Caledonia 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 Caledonia's approved bidder list for capacity releases and execute this Capacity Release Umbrella Agreement pursuant to Section 9 of Caledonia's General Terms and Conditions, and this Capacity Release Umbrella Agreement is effective, Replacement Customer may bid from time to time on proposed capacity releases under FSS Rate Schedule pursuant to the procedures set forth in Section 9 of Caledonia's General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by Caledonia with respect to a given capacity release, Caledonia 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 Caledonia 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 Caledonia's FSS Rate Schedule, Caledonia agrees to provide the released service for Replacement Customer under the applicable rate schedule, provided however, the Replacement Customer qualified under the financial evaluation and credit appraisal requirements set forth in Sections 3 and 24 of Caledonia's General Terms and Conditions at the time it submitted the bid Caledonia accepted with respect to such release.

Replacement Customer hereby agrees to promptly provide any information necessary for Caledonia to reevaluate Caledonia's credit appraisal as contemplated by Sections 3 and 24 of Caledonia's General Terms and Conditions and to advise Caledonia of any material change in the information previously provided by the Replacement Customer to Caledonia.

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FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER FSS RATE SCHEDULES(continued)

ARTICLE II TERM OF AGREEMENT

The term of this Capacity Release Umbrella Agreement shall commence on and shall continue in force and effect until and to thereafter unless this Capacity Release Umbrella Agreement is terminated as hereinafter provided. If Caledonia determines at any time that Replacement Customer fails to meet the financial standards or credit criteria

terminated as hereinafter provided. If Caledonia determines at any time that Replacement Customer fails to meet the financial standards or credit criteria of Sections 3 and 24 of the General Terms and Conditions, Caledonia may terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto prospectively in accordance with Sections 3 and 24 the General Terms and Conditions of its 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 for a Replacement Customer to utilize a service subject to the applicable provisions of the relevant Service Agreement and the terms and conditions for FSS Rate Schedule, 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 Caledonia 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. Caledonia 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 Caledonia'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:

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(a) Caledonia Energy Partners, LLC 2001 Timber Creek Road Flower Mound, TX 75028

Attention: Jim Goetz

(b) Replacement Customer:

or such other address as either party shall designate by formal written notice. ARTICLE V $_{_{\perp}}$

INTERPRETATION

The interpretation and performance of this Capacity Release Umbrella Agreement shall be in accordance with the laws of the State of Texas, 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 VIRELATIONSHIP BETWEEN REPLACEMENT CUSTOMERAND 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 Caledonia, fails to timely pay Caledonia, or otherwise breaches this Capacity Release Umbrella Agreement with Caledonia: (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 9 of the General Teams and Conditions and except with respect to penalties attributable to Replacement Customer's conduct) shall be liable to Caledonia for such failure to pay or breach (it being understood that nothing in this Article VI relieves Releasing Customer from responsibility to pay Caledonia in accordance with its Service Agreements with Caledonia) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay Caledonia or otherwise perform, Releasing Customer may have a cause of action for breach against Replacement Customer.

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FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER FSS RATE SCHEDULES (continued)

IN WITNESS WHEREOF, the parties hereto have caused this Capacity Release Umbrella 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, the day and year first above written.

CALEDONIA ENERGY PARTNERS, L.L.C.

Ву:		
Title:		
Date:		
(Replace	ement Customer)	
Ву:		
Title:		
Date:		

Effective Date: 05/01/2007 Status: Effective FERC Docket: CP05- 15-003

Original Sheet No. 91 original Sheet No. 91 : Effective

FORM OF SERVICE AGREEMENT FOR CAPACITY RELEASE UMBRELLA AGREEMENT UNDER FSS RATE SCHEDULES (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:		
<pre>Rates: (Volumetric or Reservation] Reservation Charge \$</pre>		
Surcharges:		
Description	Rate	
	\$ \$ \$	
Volume Commitment (Dth/Billing Maximum Storage Capacity (MSC): Maximum Daily Injection Quantity (MDIQ): Maximum Daily Withdrawal Quantity (MDWQ):	Period)	(Dth) (Dth) (Dth)
Ratchet Levels: The quantities of Gas that Replacement Customer may pursuant to this FSS Service Agreement shall be deteratchets, as a percentage of MDIQ and MDWQ.	_	·

Original Sheet No. 92 Original Sheet No. 92: Effective Maximum Daily Injection Quantity Subject to the following Ratchets: Storage MDIQ Available Daily Injection Inventory* Percentage % Quantity (ADIQ) (Dth) Inventory 0 to ____% ____ to ____ % ____ to ____ % ___ to ____ % Maximum Daily Withdrawal Quantity Subject to the following Ratchets: Storage Inventory* Storage MDIQ Available Daily Injection Inventory Percentage % Quantity (ADIQ) (Dth) 0 to ____% ____ to ____ % ____ to ____ % ____ to ____ % * - Storage Balance expressed as a percentage of MSC.

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Receipt Point: ___
Delivery Point: ___

Effective Date: 05/01/2007 Status: Effective FERC Docket: CP05- 15-003

 $\textbf{Original Sheet No. 93} \; \texttt{Original Sheet No. 93 :} \quad \texttt{Effective}$

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

Addendum No (Con't) Capacity Release Rate Schedule	
Is this capacity subject to right of recall? Yes Notification and Recall Conditions (if applicable):	No
Are there any restrictions on released capacity? Yes Restrictions (if applicable):	No
Was Caledonia's default bid evaluation criteria used? Yes Evaluation Criteria (if applicable):	No
Were contingent bids accepted? Contingency comments (if applicable):	No

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	ase: (e.g., restrictions on release, third ty agency relationship, and agreements eleasing Customer)					
and to the executed Capacity Releas	ant to Caledonia's capacity release program se Umbrella Agreement between Caledonia and ofore made a part of and subject to the prella Agreement.					
	CALEDONIA ENERGY PARTNERS, L.L.C.					
	Ву:					
	Title:					
	Date:					
	(Replacement Customer)					
	Ву:					

Title: ______
Date: _____