

FERC GAS TARIFF  
FIRST REVISED VOLUME NO. 1  
of  
TRES PALACIOS GAS STORAGE LLC  
Filed with the  
FEDERAL ENERGY REGULATORY COMMISSION

Any communications regarding this Tariff should be addressed to:

Arthur Diestel  
Director, Regulatory  
TRES PALACIOS GAS STORAGE LLC  
915 N. Eldridge Parkway, Suite 1100  
Houston, Texas 77079  
Telephone: (713) 627-5116  
Facsimile: (713) 627-5947

FERC GAS TARIFF  
ORIGINAL VOLUME NO. 1  
OF  
TRES PALACIOS GAS STORAGE LLC  
1.0 TABLE OF CONTENTS

TABLE OF CONTENTS .....	1.0
PRELIMINARY STATEMENT .....	2.0
MAP OF SYSTEM .....	3.0
RATE STATEMENTS .....	4.0
FSS RATE STATEMENT - FIRM STORAGE SERVICE .....	4.1
NNSS RATE STATEMENT - NO-NOTICE STORAGE SERVICE .....	4.2
FP RATE STATEMENT - FIRM PARKING SERVICE .....	4.3
FL RATE STATEMENT - FIRM LOAN SERVICE .....	4.4
ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE .....	4.5
IHBS RATE STATEMENT - INTERRUPTIBLE HOURLY BALANCING SERVICE .....	4.6
IP RATE STATEMENT - INTERRUPTIBLE PARKING SERVICE .....	4.7
IW RATE STATEMENT - INTERRUPTIBLE WHEELING SERVICE .....	4.8
IL RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE .....	4.9
EIWS RATE STATEMENT - ENHANCED INTERRUPTIBLE WHEELING SERVICE .....	4.10
FWS RATE STATEMENT - FIRM WHEELING SERVICE .....	4.11
ACA UNIT CHARGE .....	4.12
RATE SCHEDULES .....	5.0
FSS RATE SCHEDULE - FIRM STORAGE SERVICE .....	5.1
NNSS RATE SCHEDULE - NO-NOTICE STORAGE SERVICE .....	5.2
FP RATE SCHEDULE - FIRM PARKING SERVICE .....	5.3
FL RATE SCHEDULE - FIRM LOAN SERVICE .....	5.4
ISS RATE SCHEDULE - INTERRUPTIBLE STORAGE SERVICE .....	5.5
IHBS RATE SCHEDULE - INTERRUPTIBLE HOURLY BALANCING SERVICE .....	5.6
IP RATE SCHEDULE - INTERRUPTIBLE PARKING SERVICE .....	5.7
IW RATE SCHEDULE - INTERRUPTIBLE WHEELING SERVICE .....	5.8
IL RATE SCHEDULE - INTERRUPTIBLE LOAN SERVICE .....	5.9
EIWS RATE SCHEDULE - ENHANCED INTERRUPTIBLE WHEELING SERVICE .....	5.10
FWS RATE SCHEDULE - FIRM WHEELING SERVICE .....	5.11
GENERAL TERMS AND CONDITIONS .....	6.0
1. INTRODUCTORY STATEMENT .....	6.1
2. DEFINITIONS .....	6.2
3. REQUEST FOR SERVICE .....	6.3
4. CAPACITY RELEASE .....	6.4
5. PRIORITY, INTERRUPTION OF SERVICE AND OFOS .....	6.5
6. STORAGE OPERATIONS .....	6.6
7. WHEELING OPERATIONS .....	6.7
8. NOMINATIONS AND SCHEDULING .....	6.8
9. POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY .....	6.9
10. QUALITY .....	6.10

11. PRESSURE AND INJECTION/WITHDRAWAL RATES .....	6.11
12. TITLE AND RISK OF LOSS .....	6.12
13. MEASUREMENT .....	6.13
14. BILLINGS AND PAYMENTS .....	6.14
15. TAXES .....	6.15
16. INSURANCE .....	6.16
17. FORCE MAJEURE, RESERVATION CHARGE CREDITS .....	6.17
18. NOTICES .....	6.18
19. FUEL REIMBURSEMENT .....	6.19
20. GAS TITLE TRANSFERS .....	6.20
21. PENALTIES .....	6.21
22. TRANSMISSION PROVIDER STANDARDS OF CONDUCT .....	6.22
23. NORTH AMERICAN ENERGY STANDARDS BOARD .....	6.23
24. JOINT OBLIGATIONS .....	6.24
25. NONDISCRIMINATORY WAIVER OF TARIFF PROVISIONS .....	6.25
26. MODIFICATION .....	6.26
27. SUCCESSORS IN INTEREST .....	6.27
28. DEFAULT AND TERMINATION .....	6.28
29. FEES AND CONSTRUCTION OF NEW FACILITIES .....	6.29
30. OFF-SYSTEM CAPACITY .....	6.30
31. CREDITWORTHINESS .....	6.31
32. DISPOSITION OF RETAINED QUANTITIES .....	6.32
33. TRES PALACIOS CONTACT ADDRESS .....	6.33
34. ELECTRONIC COMMUNICATIONS .....	6.34
FORMS OF SERVICE AGREEMENTS .....	7.0
FIRM STORAGE SERVICE AGREEMENT	
(FOR USE UNDER RATE SCHEDULE FSS) .....	7.1
NO-NOTICE STORAGE SERVICE AGREEMENT	
(FOR USE UNDER RATE SCHEDULE NNSS) .....	7.2
FIRM PARKING SERVICE AGREEMENT	
(FOR USE UNDER RATE SCHEDULE FP) .....	7.3
FIRM LOAN SERVICE AGREEMENT	
(FOR USE UNDER RATE SCHEDULE FL) .....	7.4
INTERRUPTIBLE STORAGE SERVICE AGREEMENT	
(FOR USE UNDER RATE SCHEDULE ISS) .....	7.5
INTERRUPTIBLE HOURLY BALANCING SERVICE AGREEMENT	
(FOR USE UNDER RATE SCHEDULE IHBS) .....	7.6
HUB SERVICES AGREEMENT	
(FOR USE UNDER RATE SCHEDULES IP, IW, IL and EIWS) .....	7.7
CAPACITY RELEASE UMBRELLA AGREEMENT .....	7.8
FIRM WHEELING SERVICE AGREEMENT	
(FOR USE UNDER RATE SCHEDULE FWS) .....	7.9
LINK SYSTEM AGREEMENT .....	7.10
INDEX OF NON-CONFORMING AGREEMENTS .....	8.0
COPANO ENERGY SERVICES/UPPER GULF COAST, L.P. ....	8.1

## 2.0 PRELIMINARY STATEMENT

This First Revised Volume No. 1 of the FERC Gas Tariff of TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") contains the Rate Statements, Rate Schedules and General Terms and Conditions applicable to open-access storage, hourly balancing, parking, wheeling, and loaning, services performed by TRES PALACIOS through use of its facilities located in Texas, pursuant to the Rate Schedules set forth in this FERC Gas Tariff.

TRES PALACIOS will charge and collect market-based rates for all of the services it performs. These market-based rates will cover all storage and storage-related transportation services TRES PALACIOS renders.

TRES PALACIOS is a limited liability company principally engaged in the business of storing and transporting natural gas in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission. The TRES PALACIOS facility is connected to the facilities of the following natural gas pipelines and processing plants:

- Transcontinental Gas Pipe Line Company, LLC
- Florida Gas Transmission Company, LLC
- Tennessee Gas Pipeline Company, L.L.C.
- Texas Eastern Transmission, L.P.
- Enterprise Texas Pipeline L.P.
- Enterprise Intrastate L.P.
- Natural Gas Pipeline Company of America LLC
- Kinder Morgan Tejas Pipeline, L.P.
- Central Texas Gathering System
- Copano Energy Houston Central Plant
- Gulf South Pipeline Company, LP
- Oxy USA WTP LP
- Houston Pipe Line Company LP
- Permian Highway Pipeline LLC (receipts only)

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

### 3.0 MAP OF SYSTEM

The system map may be displayed and downloaded at the Internet Web site below.

<https://linkwc.enbridge.com/Regulatory/TPSSystemMap.pdf>

#### 4.0 RATE STATEMENTS

- 4.1 FSS RATE STATEMENT - FIRM STORAGE SERVICE
- 4.2 NNSS RATE STATEMENT - NO-NOTICE STORAGE SERVICE
- 4.3 FP RATE STATEMENT - FIRM PARKING SERVICE
- 4.4 FL RATE STATEMENT - FIRM LOAN SERVICE
- 4.5 ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE
- 4.6 IHBS RATE STATEMENT - INTERRUPTIBLE HOURLY BALANCING SERVICE
- 4.7 IP RATE STATEMENT - INTERRUPTIBLE PARKING SERVICE
- 4.8 IW RATE STATEMENT - INTERRUPTIBLE WHEELING SERVICE
- 4.9 IL RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE
- 4.10 EIWS RATE STATEMENT - ENHANCED INTERRUPTIBLE WHEELING SERVICE
- 4.11 FWS RATE STATEMENT - FIRM WHEELING SERVICE
- 4.12 ACA UNIT CHARGE

4.1 FSS RATE STATEMENT - FIRM STORAGE SERVICE

	RATE	UNITS
Storage Reservation Charge	Market Based/ Negotiable	\$/Dth/Month
Withdrawal Reservation Charge	Market Based/ Negotiable	\$/Dth/Month
Injection Reservation Charge	Market Based/ Negotiable	\$/Dth/Month
Storage Injection Charge	Market Based/ Negotiable	\$/Dth
Storage Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Authorized Overrun Injection Charge	Market Based/ Negotiable	\$/Dth
Authorized Overrun Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.2 NNSS RATE STATEMENT - NO-NOTICE STORAGE SERVICE

	RATE	UNITS
No-Notice Reservation Charge	Market Based/ Negotiable	\$/Dth/Month

The No-Notice Reservation Charge is in addition to applicable charges under Rate Schedule FSS pursuant to Customer's related Firm Storage Service Agreement.

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.



4.3 FP RATE STATEMENT - FIRM PARKING SERVICE

	RATE	UNITS
Firm Parking Reservation Charge	Market Based/ Negotiable	\$/Dth/[Time Period]
Firm Parking Injection Charge	Market Based/ Negotiable	\$/Dth
Firm Parking Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.4 FL RATE STATEMENT - FIRM LOAN SERVICE

	RATE	UNITS
Firm Loan Reservation Charge	Market Based/ Negotiable	\$/Dth/[Time Period]
Firm Loan Injection Charge	Market Based/ Negotiable	\$/Dth
Firm Loan Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.5 ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE

	RATE	UNITS
Storage Inventory Charge	Market Based/ Negotiable	\$/Dth
Storage Injection Charge	Market Based/ Negotiable	\$/Dth
Storage Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.6 IHBS RATE STATEMENT - INTERRUPTIBLE HOURLY BALANCING SERVICE

	RATE	UNITS
Hourly Balancing Charge	Market Based/ Negotiable	\$/Dth
Storage Inventory Charge	Market Based/ Negotiable	\$/Dth
Storage Injection Charge	Market Based/ Negotiable	\$/Dth
Storage Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA surcharge

4.7 IP RATE STATEMENT - INTERRUPTIBLE PARKING SERVICE

	RATE	UNITS
Interruptible Parking Charge	Market Based/ Negotiable	\$/Dth/[Time Period]
Interruptible Parking Injection Charge	Market Based/ Negotiable	\$/Dth
Interruptible Parking Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.8 IW RATE STATEMENT - INTERRUPTIBLE WHEELING SERVICE

	RATE	UNITS
Interruptible Wheeling Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.9 IL RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE

	RATE	UNITS
Interruptible Loan Charge	Market Based/ Negotiable	\$/Dth/[Time Period]
Interruptible Loan Injection Charge	Market Based/ Negotiable	\$/Dth
Interruptible Loan Withdrawal Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.10 EIWS RATE STATEMENT - ENHANCED INTERRUPTIBLE WHEELING SERVICE

	RATE	UNITS
Enhanced Interruptible Wheeling Capacity Charge	Market Based/ Negotiable	\$/Dth/Month
Enhanced Interruptible Wheeling Commodity Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.



4.11 FWS RATE STATEMENT - FIRM WHEELING SERVICE

	RATE	UNITS
Firm Wheeling Reservation Charge	Market Based/ Negotiable	\$/Dth/Month
Firm Wheeling Commodity Charge	Market Based/ Negotiable	\$/Dth
Fuel Reimbursement	Market Based/ Negotiable	In Kind %

Rates are exclusive of all applicable taxes, charges, and surcharges, including without limitation the ACA charge.

4.12 ACA UNIT CHARGE

	RATE	UNITS
ACA Unit Charge	**	\$/Dth

Payment shall be equal to the ACA Unit Charge multiplied by the Dth quantity of Gas TRES PALACIOS shall have delivered for Customer's account at Point(s) of Delivery under the Rate Schedules specified in this FERC Gas Tariff during a given invoice period.

\*\* ACA Unit Charge in effect for the relevant fiscal year as published on the Federal Energy Regulatory Commission's Internet website ([www.ferc.gov](http://www.ferc.gov)).

## 5.0 RATE SCHEDULES

- 5.1 FSS RATE SCHEDULE - FIRM STORAGE SERVICE
- 5.2 NNSS RATE SCHEDULE - NO-NOTICE STORAGE SERVICE
- 5.3 FP RATE SCHEDULE - FIRM PARKING SERVICE
- 5.4 FL RATE SCHEDULE - FIRM LOAN SERVICE
- 5.5 ISS RATE SCHEDULE - INTERRUPTIBLE STORAGE SERVICE
- 5.6 IHBS RATE SCHEDULE - INTERRUPTIBLE HOURLY BALANCING SERVICE
- 5.7 IP RATE SCHEDULE - INTERRUPTIBLE PARKING SERVICE
- 5.8 IW RATE SCHEDULE - INTERRUPTIBLE WHEELING SERVICE
- 5.9 IL RATE SCHEDULE - INTERRUPTIBLE LOAN SERVICE
- 5.10 EIWS RATE SCHEDULE - ENHANCED INTERRUPTIBLE WHEELING SERVICE
- 5.11 FWS RATE SCHEDULE - FIRM WHEELING SERVICE

## 5.1 FSS RATE SCHEDULE -FIRM STORAGE SERVICE

### 1. AVAILABILITY

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

(a) TRES PALACIOS has determined that it has sufficient operationally available and uncommitted firm storage capacity and injection and withdrawal capacity to perform the service Customer has requested;

(b) Customer and TRES PALACIOS have executed a Firm Storage Service Agreement under this Rate Schedule;

(c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule;

(d) Availability of service under this Rate Schedule shall be subject to a determination by TRES PALACIOS that its performance of the service requested hereunder shall not cause a reduction in TRES PALACIOS' ability to provide Firm Services under currently effective Service Agreements; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all firm storage service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Firm Storage Service Agreement.

2.1 Firm Storage Service rendered to Customer under this Rate Schedule shall consist of:

(a) Receipt on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Injection Quantity ("MDIQ") as stated in the executed Firm Storage Service Agreement, plus Fuel Reimbursement at the Point(s) of Receipt and the injection of Gas so received into storage, provided Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;

(b) The storage of Gas in amounts up to Customer's firm Maximum Storage Quantity ("MSQ"); and

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

2.2 Customer's rights to utilize Points of Receipt and Points of Delivery as primary points shall be specified in Customer's Firm Storage Service Agreement as a Maximum Daily Receipt Quantity ("MDRQ") or Maximum Daily Delivery Quantity ("MDDQ") applicable to each such point. TRES PALACIOS shall afford a prospective Firm Storage Service Customer the right to negotiate with TRES PALACIOS to elect on its Firm Storage Service Agreement the right to use any of TRES PALACIOS' Points of Receipt or Points of Delivery that are posted on TRES PALACIOS' Internet Web Site under Location Data Download, and primary points in excess of MDRQ or MDDQ, on a secondary basis, subject to Customer's MDIQ and MDWQ, the priorities of service and other provisions of this Tariff and the Federal Energy Regulatory Commission's regulations and policies generally governing receipt and delivery point flexibility; provided that (i) the Injection Pooling Point shall only be available as a Point of Receipt, (ii) the Withdrawal Pooling Point shall only be available as a Point of Delivery, and (iii) movements from the Injection Pooling Point to the Withdrawal Pooling Point are prohibited.

### 2.3 Authorized Overrun Service

(a) Customer may request TRES PALACIOS to inject quantities greater than Customer's MDRQs at individual Receipt Points, or in the aggregate greater than Customer's MDIQ. If TRES PALACIOS has injection and applicable pipeline capacity available, TRES PALACIOS shall inject such quantities and Customer shall pay TRES PALACIOS for such injections at the Authorized Overrun Injection Rate set forth in Customer's Service Agreement.

(b) Customer may request TRES PALACIOS to withdraw quantities greater than MDDQs at individual Delivery Points, or in the aggregate greater than Customer's MDWQ. If TRES PALACIOS has withdrawal and applicable pipeline capacity available, TRES PALACIOS shall withdraw such quantities and Customer shall pay TRES PALACIOS for such withdrawals at the Authorized Overrun Withdrawal Rate set forth in Customer's Service Agreement.

(c) Customer's use of Authorized Overrun Service shall not result in Customer's Storage Inventory exceeding Customer's Maximum Storage Quantity or dropping below zero.

(d) TRES PALACIOS shall have the right to interrupt all or part of Customer's nominated overrun quantities as the operation of its storage facilities may require pursuant to Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff.

(e) Customer shall have two options for requesting Authorized Overrun Service on Exhibit D to the Customer's Firm Storage Service Agreement, as follows:

(1) Method 1. Customer may request Authorized Overrun Service where the Authorized Overrun Injection Charge and the Authorized Overrun Withdrawal Charge shall be the rates for the specified Point(s) of Receipt and Point(s) of Delivery as set forth on Exhibit D to Customer's Firm Storage Service Agreement.

(2) Method 2. To the extent Customer has the right to

utilize receipt and delivery points on a secondary basis as set forth in Section 2.2 and elected on Exhibit A of Customer's Firm Storage Service Agreement, Customer may request Authorized Overrun Service from or to any of Customer's primary or secondary receipt or delivery points, where the Authorized Overrun Injection Charge for authorized overrun injection and the Authorized Overrun Withdrawal Charge for authorized overrun withdrawal shall be the rate for such movement as posted on TRES PALACIOS' Internet Web Site under Non-Critical Notices no later than 11:00 am Central time on the day before the nominated Gas Day.

(3) Authorized Overrun Service for transactions executed prior to October 1, 2023 and that (i) remain or become effective on October 1, 2023, and (ii) indicate "market based rates" and "all points" in Exhibit D to Customer's firm storage service agreement are considered to be Method 2 transactions.

### 3. RATES AND CHARGES

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

(a) Storage Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Storage Quantity. Customer's payment shall be equal to the Storage Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Storage Quantity.

(b) Withdrawal Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Daily Withdrawal Quantity. Customer's payment shall be equal to the Withdrawal Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Daily Withdrawal Quantity.

(c) Injection Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Daily Injection Quantity. Customer's payment shall be equal to the Injection Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Daily Injection Quantity.

(d) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule for each Day during a given Month. Customer's payment shall be equal to the Storage Injection Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

(e) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule for each Day during a given Month. Customer's payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Firm Storage Service Agreement

multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

(f) Authorized Overrun Injection Charge. A usage charge for each Dth of Authorized Overrun Injection Gas injected into TRES PALACIOS' facilities during a given Month in accordance with Section 2.3(a) of this Rate Schedule. Customer's payment shall be equal to (i) for Authorized Overrun Service requested pursuant to Method 1, the sum of the following calculation for each point at which Customer utilized Authorized Overrun Service for injection into storage during the month: the Authorized Overrun Injection Charge specified in Customer's executed Firm Storage Service Agreement at such point multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage as Authorized Overrun Injection Gas at such point during such Month or (ii) for Authorized Overrun Service requested pursuant to Method 2, the sum for all days in the month of the following calculation for each day for each point at which Customer utilized Authorized Overrun Service for injection into storage: the Authorized Overrun Injection Charge specified in Customer's executed Firm Storage Service Agreement for the given day for the given point multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage as Authorized Overrun Injection Gas during such day at such point.

(g) Authorized Overrun Withdrawal Charge. A usage charge for each Dth of Authorized Overrun Withdrawal Gas withdrawn from TRES PALACIOS' facilities during a given Month in accordance with Section 2.3(b) of this Rate Schedule. Customer's payment shall be equal to (i) for Authorized Overrun Service requested pursuant to Method 1, the sum of the following calculation for each point at which Customer utilized Authorized Overrun Service for withdrawal from storage during the month: the Authorized Overrun Withdrawal Charge specified in Customer's executed Firm Storage Service Agreement at such point multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account as Authorized Overrun Withdrawal Gas at such point during the given Month or (ii) for Authorized Overrun Service requested pursuant to Method 2, the sum for all days in the month of the following calculation for each point at which Customer utilized Authorized Overrun Service for withdrawal from storage: the Authorized Overrun Withdrawal Charge specified in Customer's executed Firm Storage Service Agreement for the given day for the given point multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account as Authorized Overrun Withdrawal Gas during such day at such point.

(h) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with the General Terms and Conditions of this FERC Gas Tariff and Customer's Firm Storage Service Agreement.

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

(j) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Firm Storage Service Agreement.

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. EXPIRATION OF TERM

8.1 Upon expiration without renewal or upon termination of Customer's Firm Storage Service Agreement, any of Customer's Gas remaining in the TRES PALACIOS storage facility shall be deemed sold to TRES PALACIOS at a price equal to 80% of the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff. However, if Customer was unable to withdraw its FSS Gas



quantities due to an interruption of Customer's withdrawal service by TRES PALACIOS during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

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

8.3 In the event that TRES PALACIOS purchases and takes title to any of Customer's Gas pursuant to this Section 8, TRES PALACIOS shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

#### 9. GENERAL TERMS AND CONDITIONS

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

## 5.2 NNSS RATE SCHEDULE - NO-NOTICE STORAGE SERVICE

### 1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of firm no-notice Gas storage service from TRES PALACIOS, provided that:

(a) TRES PALACIOS has determined that it has sufficient operationally available and uncommitted firm storage capacity and injection and withdrawal capacity to perform the no-notice service Customer has requested;

(b) Customer and TRES PALACIOS have executed a No-Notice Storage Service Agreement under this Rate Schedule;

(c) Customer and TRES PALACIOS have executed a Firm Storage Service Agreement under Rate Schedule FSS of this FERC Gas Tariff;

(d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule, including making any necessary arrangements with pipeline Transporter(s) for Customer to utilize no-notice service at one or more delivery points on the Transporter's (s') pipeline system(s) (any such arrangements for utilization of no-notice service must be acceptable to TRES PALACIOS, in its reasonable judgment);

(e) Availability of service under this Rate Schedule shall be subject to a determination by TRES PALACIOS that its performance of the service requested hereunder shall not cause a reduction in TRES PALACIOS' ability to provide Firm Services under currently effective Service Agreements; and

(f) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all no-notice service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed No-Notice Storage Service Agreement. No-notice service is combined with a Customer's rights to Firm Storage Service under an executed Firm Storage Service Agreement for service under Rate Schedule FSS to allow Customer the added flexibility of automatically netting any deviations from its nominations against Customer's Storage Inventory.

2.1 No-notice storage service rendered to Customer under this Rate Schedule shall allow Customer to alter its injections or withdrawals, at points specified in Customer's Rate Schedule NNSS Storage Service Agreement, of Gas from levels nominated by Customer pursuant to Section 8 of the General Terms and Conditions, including a nomination of zero, by an amount, plus or minus, up to Customer's No-Notice Maximum Daily Quantity without complying

with the deadlines for revised nominations under Section 8 of the General Terms and Conditions; provided:

(a) Customer's rights at primary Point(s) of Receipt shall at all times be subject to the Maximum Daily Receipt Quantity(ies) set forth in Customer's Firm Storage Service Agreement;

(b) Customer may not use no-notice deviations from nominations to exceed the Maximum Daily Injection Quantity set forth in Customer's Firm Storage Service Agreement unless TRES PALACIOS agrees to Authorized Overrun Injection Gas (as defined in the FSS Rate Schedule Section 2.3);

(c) Customer's rights at primary Point(s) of Delivery shall at all times be subject to the Maximum Daily Delivery Quantity(ies) set forth in Customer's Firm Storage Service Agreement;

(d) Customer may not use no-notice deviations from nominations to exceed the Maximum Daily Withdrawal Quantity set forth in Customer's Firm Storage Service Agreement unless TRES PALACIOS agrees to Authorized Overrun Withdrawal Gas (as defined in the FSS Rate Schedule Section 2.3); and

(e) Customer may not use no-notice deviations from nominations to allow its Storage Inventory to exceed Customer's Maximum Storage Quantity set forth in its Firm Storage Service Agreement or to be less than zero (0).

2.2 Customer's rights to utilize Points of Receipt and Points of Delivery as primary points shall be specified in Customer's No-Notice Storage Service Agreement as a Maximum Daily Receipt Quantity ("MDRQ") or Maximum Daily Delivery Quantity ("MDDQ") applicable to each such point.

### 3. RATES AND CHARGES

Customer shall pay rates and charges for no-notice storage service under this Rate Schedule including the applicable storage rate components set forth in the NNSS Rate Statement and as described below:

(a) No-Notice Reservation Charge. A Monthly charge for each Dth of Customer's No-Notice Maximum Daily Quantity. Customer's payment shall be equal to the No-Notice Reservation Charge specified in Customer's No-Notice Storage Service Agreement multiplied by Customer's No-Notice Maximum Daily Quantity.

(b) Regulatory Fees and Charges. Customer shall reimburse TRES PALACIOS for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's No-Notice Storage Service Agreement.

(c) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in

Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's No-Notice Storage Service Agreement.

4. INVOICE

Each invoice for no-notice storage service shall reflect the applicable charges set forth under Section 3 of this Rate Schedule, at rates set forth in Customer's No-Notice Storage Service Agreement.

5. TERM

The term for service under this Rate Schedule shall be as set forth in the executed No-Notice Storage Service Agreement.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

6.1 The No-Notice Storage Service Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for TRES PALACIOS to provide the storage service contemplated hereby and to construct and operate the facilities necessary to provide such service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the service provided for herein.

6.2 TRES PALACIOS shall have the right to propose to FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the No-Notice Storage Service Agreement executed by the parties shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided however, that any market-based rates negotiated between TRES PALACIOS and its Customer(s) shall remain in effect during the term(s) of the No-Notice Storage Service Agreement(s) specifying such rates.

7. CURTAILMENT

Curtailment of Customer's no-notice service shall be governed by the curtailment of Customer's Firm Storage Service pursuant to Customer's Firm Storage Service Agreement and the provisions of Rate Schedule FSS.

8. GENERAL TERMS AND CONDITIONS

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

### 5.3 FP RATE SCHEDULE -FIRM PARKING SERVICE

#### 1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of firm parking service from TRES PALACIOS, provided that:

(a) TRES PALACIOS has determined that it has sufficient operationally available firm storage capacity, injection and withdrawal capacity to perform the firm parking service Customer has requested;

(b) Customer and TRES PALACIOS have executed a Firm Parking Service Agreement under this Rate Schedule;

(c) Customer accepts responsibility for arranging any transportation service required for utilization of the firm parking service provided under this Rate Schedule;

(d) Availability of service under this Rate Schedule shall be subject to a determination by TRES PALACIOS that its performance of the service requested hereunder shall not cause a reduction in TRES PALACIOS' ability to provide Firm Services under currently effective Service Agreements; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

#### 2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all firm parking service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Firm Parking Service Agreement.

Firm parking service rendered by TRES PALACIOS to Customer under this Rate Schedule shall consist of:

(a) The receipt on any Day during the Injection Period stated in Customer's executed Firm Parking Service Agreement and injection into storage of Customer's Gas per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ") stated in Customer's executed Firm Parking Service Agreement, provided that Customer delivers the nominated quantity plus Fuel Reimbursement to the Point(s) of Receipt, and Customer's Park Balance has not exceeded Customer's Maximum Park Quantity;

(b) The tender by Customer of sufficient quantities of Gas under Section 2(a) to ensure that Customer's Park Balance equals Customer's Maximum Park Quantity at the end of the Injection Period, provided that, if Customer's injections during the Injection Period are curtailed by TRES PALACIOS, Customer shall have a reasonable period of time immediately following the Injection Period to make injections as necessary for Customer's Park Balance to equal its Maximum Park Quantity;

(c) The storage of Gas in amounts up to Customer's Maximum Park Quantity; and

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

2.2 Customer's rights to utilize Points of Receipt and Points of Delivery as primary points shall be specified in Customer's Firm Parking Service Agreement as a Maximum Daily Receipt Quantity ("MDRQ") or Maximum Daily Delivery Quantity ("MDDQ") applicable to each such point. TRES PALACIOS shall afford a prospective firm parking service Customer the right to negotiate with TRES PALACIOS to elect on its Firm Parking Service Agreement the right to use any of TRES PALACIOS' Points of Receipt or Points of Delivery that are posted on TRES PALACIOS' Internet Web Site under Location Data Download, and primary points in excess of MDRQ or MDDQ, on a secondary basis, subject to Customer's MDIQ and MDWQ, the priorities of service and other provisions of this Tariff and the Federal Energy Regulatory Commission's regulations and policies generally governing receipt and delivery point flexibility; provided that the (i) Injection Pooling Point shall only be available as a Point of Receipt, (ii) the Withdrawal Pooling Point shall only be available as a Point of Delivery, and (iii) movements from the Injection Pooling Point to the Withdrawal Pooling Point are prohibited.

2.3 Customer shall not have the right to inject or withdraw Gas during the period of time between the Injection Period and the Withdrawal Period.

2.4 TRES PALACIOS and Customer may agree to terms for separate transactions under a service agreement that are each set forth on a separate Exhibit A with a separate transaction number designation, each of which shall be executed by TRES PALACIOS and Customer, and any of which may be effective for a portion or all of the term as set forth on the respective Exhibit A.

2.5 Shipper's respective Maximum Park Quantity and Maximum Daily Withdrawal Quantity, as set forth on an Exhibit A for a specific transaction, may be aggregated for nominations purposes with the respective Maximum Park Quantity and Maximum Daily Withdrawal Quantity agreed to in other transactions executed under the same service agreement, to the extent that each such transaction contains an identical Withdrawal Period and that the injection periods for each such transaction do not overlap. To the extent a transaction is eligible to be aggregated, it shall contain a Group number, and Customer shall be permitted to aggregate the Maximum Park Quantities and Maximum Daily Withdrawal Quantities for nominations purposes of each such transaction containing an identical Group number.

### 3. RATES AND CHARGES

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

(a) Firm Parking Reservation Charge. A charge for each Dth of Customer's Maximum Park Quantity. Customer's payment shall be equal to the Firm Parking Reservation Charge specified in Customer's executed Firm Parking Service Agreement multiplied by Customer's Maximum Parking Quantity. The frequency of the charge shall be as specified as the time period on Exhibit A to the Firm Parking Service Agreement.

(b) Firm Parking Injection Charge. A charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule during a given Month. Customer's payment shall be equal to the Firm Parking Injection Charge specified in Customer's executed Firm Parking Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

(c) Firm Parking Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(d) of this Rate Schedule during a given Month. Customer's payment shall be equal to the Firm Parking Withdrawal Charge specified in Customer's executed Firm Parking Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

(d) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance the General Terms and Conditions of this FERC Gas Tariff and Customer's Firm Parking Service Agreement.

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

(f) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Firm Parking Service Agreement.

### 4. INVOICE

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

5. TERM

The term for service under this Rate Schedule shall be as set forth in Customer's Firm Parking Service Agreement.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. EXPIRATION OF TERM

8.1 Upon expiration without renewal or upon termination of Customer's Firm Parking Service Agreement, any of Customer's Gas remaining in the TRES PALACIOS storage facility shall be deemed sold to TRES PALACIOS at a price equal to 80% of the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff. However, if Customer was unable to withdraw its FP Gas quantities due to an interruption of Customer's withdrawal service by TRES PALACIOS during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

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



expiration or termination.

8.3 In the event that TRES PALACIOS purchases and takes title to any of Customer's Gas pursuant to this Section 8, TRES PALACIOS shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

9. GENERAL TERMS AND CONDITIONS

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

## 5.4 FL RATE SCHEDULE - FIRM LOAN SERVICE

### 1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of firm loan service from TRES PALACIOS, provided that:

(a) TRES PALACIOS has determined that it has sufficient operationally available firm storage capacity, injection and withdrawal capacity to perform the firm loan service Customer has requested ;

(b) Customer and TRES PALACIOS have executed a Firm Loan Service Agreement under this Rate Schedule;

(c) Customer accepts responsibility for arranging any transportation service required for utilization of the firm loan service provided under this Rate Schedule;

(d) Availability of service under this Rate Schedule shall be subject to a determination by TRES PALACIOS that its performance of the service requested hereunder shall not cause a reduction in TRES PALACIOS' ability to provide Firm Services under currently effective Service Agreements; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all firm loan service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Firm Loan Service Agreement.

Firm loan service rendered by TRES PALACIOS to Customer under this Rate Schedule shall consist of:

(a) The withdrawal from storage on any Day during the Withdrawal Period stated in Customer's executed Firm Loan Service Agreement and delivery of Gas to the Point(s) of Delivery, upon nomination and confirmation, of daily quantities of Gas up to the Maximum Daily Withdrawal Quantity ("MDWQ"), as stated in Customer's executed Firm Loan Service Agreement, provided that Customer's total withdrawals shall not exceed its Maximum Loan Quantity;

(b) The withdrawal by Customer of sufficient quantities of Gas under Section 2.1(a) to ensure that Customer's Loan Balance equals Customer's Maximum Loan Quantity at the end of the Withdrawal Period; provided that, if Customer's withdrawals during the Withdrawal Period are curtailed by TRES PALACIOS, Customer shall have a reasonable period of time immediately following the Withdrawal Period to make withdrawals as necessary for Customer's Loan Balance to equal its Maximum Loan Quantity;

(c) The receipt on any Day during the Injection Period stated in Customer's executed Firm Loan Service Agreement and injection into storage of Customer's Gas per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ") stated in Customer's executed Firm Loan Service Agreement, provided that Customer delivers the nominated quantity plus Fuel Reimbursement to the Point(s) of Receipt, and Customer's total injections may not exceed Customer's Maximum Loan Quantity; and

(d) The tender by Customer of sufficient quantities of Gas under Section 2.1(c) to ensure that Customer's Loan Balance equals zero (0) at the end of the Injection Period.

Customer shall not have the right to inject or withdraw Gas during the period of time between the Withdrawal Period and the Injection Period.

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

2.3 Customer's rights to utilize Points of Receipt and Points of Delivery as primary points shall be specified in Customer's Firm Loan Service Agreement as a Maximum Daily Receipt Quantity ("MDRQ") or Maximum Daily Delivery Quantity ("MDDQ") applicable to each such point. TRES PALACIOS shall afford a prospective firm loan service Customer the right to negotiate with TRES PALACIOS to elect on its Firm Loan Service Agreement the right to use any of TRES PALACIOS' Points of Receipt or Points of Delivery that are posted on TRES PALACIOS' Internet Web Site under Location Data Download, and primary points in excess of MDRQ or MDDQ, on a secondary basis, subject to Customer's MDIQ and MDWQ, the priorities of service and other provisions of this Tariff and the Federal Energy Regulatory Commission's regulations and policies generally governing receipt and delivery point flexibility; provided that (i) the Injection Pooling Point shall only be available as a Point of Receipt, (ii) the Withdrawal Pooling Point shall only be available as a Point of Delivery, and (iii) movements from the Injection Pooling Point to the Withdrawal Pooling Point are prohibited.

2.4 TRES PALACIOS and Customer may agree to terms for separate transactions under this service agreement that are each set forth on a separate Exhibit A with a separate transaction number designation, each of which shall be executed by TRES PALACIOS and Customer, and any of which may be effective for a portion or all of the term as set forth on the respective Exhibit A.

2.5 Shipper's respective Maximum Loan Quantity and Maximum Daily Injection Quantity, as set forth on an Exhibit A for a specific transaction, may be aggregated for nominations purposes with the respective Maximum Loan

Quantity and Maximum Daily Injection Quantity agreed to in other transactions executed under the same service agreement, to the extent that each such transaction contains an identical Injection Period and that the withdrawal periods for each such transaction do not overlap. To the extent a transaction is eligible to be aggregated, it shall contain a Group number, and Customer shall be permitted to aggregate the Maximum Loan Quantities and Maximum Daily Injection Quantities for nominations purposes of each such transaction containing an identical Group number.

### 3. RATES AND CHARGES

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

(a) Firm Loan Reservation Charge. A charge for each Dth of Customer's Maximum Loan Quantity. Customer's payment shall be equal to the Firm Loan Reservation Charge specified in Customer's executed Firm Loan Service Agreement multiplied by Customer's Maximum Loan Quantity. The frequency of the charge shall be as specified as the time period on Exhibit A to the Firm Loan Service Agreement.

(b) Firm Loan Injection Charge. A charge for each Dth of Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule. Customer's payment shall be equal to the Firm Loan Injection Charge specified in Customer's executed Firm Loan Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

(c) Firm Loan Withdrawal Charge. A charge for each Dth of Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule. Customer's payment shall be equal to the Firm Loan Withdrawal Charge specified in Customer's executed Firm Loan Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

(d) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with the General Terms and Conditions of this FERC Gas Tariff and Customer's Firm Loan Service Agreement.

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

(f) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Firm Loan Service Agreement.

4. INVOICE

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

5. TERM

The term for service under this Rate Schedule shall be as set forth in the Customer's Firm Loan Service Agreement.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. GENERAL TERMS AND CONDITIONS

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

## 5.5 ISS RATE SCHEDULE - INTERRUPTIBLE STORAGE SERVICE

### 1. AVAILABILITY

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

(a) TRES PALACIOS has determined that it has sufficient operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform the service Customer has requested;

(b) Customer and TRES PALACIOS have executed an Interruptible Storage Service Agreement under this Rate Schedule;

(c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule;

(d) TRES PALACIOS has determined that the service Customer has requested will not interfere with the efficient operation of its system or with Firm Services; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible storage service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Interruptible Storage Service Agreement.

2.1 Interruptible storage service rendered to Customer under this Rate Schedule shall consist of:

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

(b) The storage of Gas in amounts up to Customer's Interruptible Maximum Storage Quantity, as stated in the executed Interruptible Storage Service Agreement, provided that all Firm Service requests to utilize Storage Inventory have been satisfied; and

(c) The withdrawal from storage on any Day of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") as stated in the executed Interruptible Storage Service Agreement and the delivery of such Gas to the Point(s) of Delivery, provided that all Firm Service nominations for withdrawal

have been satisfied and Customer has a quantity of Gas in Customer's Interruptible Storage Inventory not less than the quantity Customer shall have nominated for withdrawal on such Day; and

(d) The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Rate Schedule shall be the Injection Pooling Point or any of the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site under Location Data Download, and the point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Rate Schedule shall be the Withdrawal Pooling Point or any of the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site under Location Data Download.

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

In the event that TRES PALACIOS retains and takes title to any of Customer's Gas pursuant to this Section, TRES PALACIOS shall credit the value of such gas, net of any costs incurred by TRES PALACIOS to take title to and/or resell such Gas, in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

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

### 3. RATES AND CHARGES

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

(a) Storage Inventory Charge. A usage charge for each Dth of Gas in Customer's Storage Inventory pursuant to Section 2.1(b) of this Rate Schedule at the end of each Day, for each Day during a given Month. Customer's payment shall be equal to the Storage Inventory Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity of Customer's Storage Inventory at the end of each Day, such amounts summed for all Days in a given Month.

(b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule. Customer's payment shall be equal to the Storage Injection Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

(c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule. Customer's payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

(d) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with the General Terms and Conditions of this FERC Gas Tariff and Customer's Interruptible Storage Service Agreement.

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

(f) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Interruptible Storage Service Agreement.

#### 4. INVOICE

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

#### 5. TERM

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

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

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



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

## 7. CURTAILMENT

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

## 8. EXPIRATION OF TERM

8.1 Upon expiration without renewal or upon termination of Customer's Interruptible Storage Service Agreement, any of Customer's Gas remaining in the TRES PALACIOS storage facility shall be deemed sold to TRES PALACIOS at a price equal to 80% of the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff. However, if Customer was unable to withdraw its ISS Gas quantities due to an interruption of Customer's withdrawal service by TRES PALACIOS during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

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

8.3 In the event that TRES PALACIOS purchases and takes title to any of Customer's Gas pursuant to this Section 8, TRES PALACIOS shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

## 9. GENERAL TERMS AND CONDITIONS

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

## 5.6 IHBS RATE SCHEDULE - INTERRUPTIBLE HOURLY BALANCING SERVICE

### 1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible hourly balancing storage service from TRES PALACIOS, provided that:

(a) TRES PALACIOS has determined that it has sufficient operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform the service Customer has requested;

(b) Customer and TRES PALACIOS have executed an Interruptible Hourly Balancing Service Agreement under this Rate Schedule;

(c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule, including making any necessary arrangements with pipeline Transporter(s) for Customer to utilize hourly balancing service at one or more delivery points on the Transporter's (s') pipeline system(s) (any such arrangements for utilization of hourly balancing service must be acceptable to TRES PALACIOS, in its reasonable judgment);

(d) TRES PALACIOS has determined that it can offer Interruptible hourly balancing service between the Customer's point(s) of delivery on the transporting pipeline(s) and TRES PALACIOS' Point(s) of Delivery/Receipt;

(e) TRES PALACIOS has determined that the service Customer has requested will not interfere with the efficient operation of its system or with Firm Services; and

(f) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible hourly balancing service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Interruptible Hourly Balancing Service Agreement.

2.1 Interruptible hourly balancing service rendered to Customer under this Rate Schedule shall consist of:

(a) The receipt on any Day of Customer's Gas per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ") as stated in Customer's executed Interruptible Hourly Balancing Service Agreement, plus Fuel Reimbursement, at the Point(s) of Receipt and the injection of Gas so received into storage, provided that all Firm Service nominations for injections have been satisfied and Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;

(b) The storage of Gas in amounts up to the Interruptible Maximum Storage Quantity, as stated in Customer's executed Interruptible Hourly Balancing Service Agreement, provided that all Firm Service requests to utilize Storage Inventory have been satisfied;

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

(d) For each hour during a Day, subject to the maximum hourly limit as set forth in Customer's Interruptible Hourly Balancing Service Agreement, the receipt or delivery by TRES PALACIOS at the Point(s) of Receipt/Delivery designated by Customer of hourly balancing quantities of Gas which shall be the difference, on an hourly basis, between (i) the injections to or withdrawals from TRES PALACIOS' storage of Gas as nominated by Customer to meet Customer's desired hourly pattern of deliveries at its delivery point(s) on the Transporter's (s') pipeline system(s) and (ii) Customer's ratable flow quantities on TRES PALACIOS' system (1/24 of Daily nominated quantities); provided that all Firm Service nominations have been satisfied and that hourly balancing quantities shall not cause Customer's Interruptible Storage Inventory to exceed the Maximum Storage Quantity set forth in Customer's Interruptible Hourly Balancing Service Agreement or to be less than zero (0).

2.2 Hourly balancing quantities must be nominated and scheduled pursuant to this Rate Schedule and Section 8 of the General Terms and Conditions of this FERC Gas Tariff. In addition to the day-ahead and intraday nominations provided for in Section 8 of the General Terms and Conditions, Customer shall be permitted to submit nominations for hourly balancing quantities, and to adjust its hourly balancing quantity nominations within a Day by providing not less than one hour notice to TRES PALACIOS before the start of an hour for which Customer requests to change a nomination, provided that such hourly nominations, including changes in hourly nominations, are subject to confirmation with the transporting pipeline. Interruptible Hourly Balancing Service is not intended to serve as an Operational Balancing Agreement to account for hourly deviations between scheduled volumes and volumes actually taken by Customer at its point(s) of delivery on the transporting pipeline(s). Such deviations shall be subject to reconciliation pursuant to the Customer's transportation agreement(s) with its pipeline Transporter(s) and the pipeline Transporter's (s') tariff(s).

2.3 In the event Customer desires to use Interruptible balancing service for balancing at more than one delivery point on Transporters' pipeline systems under its Interruptible Hourly Balancing Service Agreement, hourly balancing quantities for each such delivery point shall be separately determined, nominated and used for purposes of billing Hourly Balancing Charges.

2.4 To the extent Interruptible storage capacity which is being utilized by an Interruptible Customer hereunder is needed by TRES PALACIOS in

order to satisfy TRES PALACIOS' obligations to Firm Service Customers, TRES PALACIOS shall require Customer to withdraw all, or any portion of, the IHBS Gas quantities held in storage by TRES PALACIOS for the account of Customer as specified by TRES PALACIOS. Unless TRES PALACIOS otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw such IHBS Gas from storage, TRES PALACIOS may take, free and clear of any adverse claims, title to such IHBS Storage Inventory as Customer was instructed to withdraw. TRES PALACIOS' notice to Customer may be given orally, but shall be confirmed in writing via e-mail to the Customer.

2.5 The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Rate Schedule on any Day for injection to storage shall be any of the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site under Location Data Download, excluding the Withdrawal Pooling Point. The point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Rate Schedule on any Day for withdrawal from storage shall be any of the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site under Location Data Download, excluding the Injection Pooling Point.

The point(s) at which the hourly balancing quantities of Gas are to be tendered by Customer to TRES PALACIOS under this Agreement shall be any of the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site under Location Data Download, excluding the Withdrawal Pooling Point. The point(s) at which the hourly balancing quantities of Gas are to be tendered by TRES PALACIOS to Customer under this Agreement shall be any of the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site under Location Data Download, excluding the Injection Pooling Point.

Notwithstanding the previous paragraphs in this section, Customer movements from the Injection Pooling Point to the Withdrawal Pooling Point are prohibited.

In the event that TRES PALACIOS retains and takes title to any of Customer's Gas pursuant to this Section, TRES PALACIOS shall credit the value of such Gas, net of any costs incurred by TRES PALACIOS to take title to and/or resell such Gas, in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

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

### 3. RATES AND CHARGES

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

(a) Hourly Balancing Charge. A usage charge for each Dth of hourly balancing quantities injected to or withdrawn from storage for Customer's account pursuant to Section 2.1(d) of this Rate Schedule. Customer's payment shall be equal to the Hourly Balancing Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth of Customer's hourly balancing quantity, such amounts summed for all hours in a given Month.

(b) Storage Inventory Charge. A usage charge for each Dth of Gas in Customer's Storage Inventory pursuant to Section 2.1(b) of this Rate Schedule at the end of each Day, for each Day during a given Month. Customer's payment shall be equal to the Storage Inventory Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth quantity of Customer's Storage Inventory at the end of each Day, such amounts summed for all Days in a given Month.

(c) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule. Customer's payment shall be equal to the Storage Injection Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

(d) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule. Customer's payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

(e) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with the General Terms and Conditions of this FERC Gas Tariff and Customer's Interruptible Hourly Balancing Service Agreement.

(f) Regulatory Fees and Charges. Customer shall reimburse TRES PALACIOS for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Interruptible Hourly Balancing Service Agreement.

(g) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Interruptible Hourly Balancing Service Agreement.

#### 4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. EXPIRATION OF TERM

8.1 Upon expiration without renewal or upon termination of Customer's Interruptible Hourly Balancing Service Agreement, any of Customer's Gas remaining in the TRES PALACIOS storage facility shall be deemed sold to TRES PALACIOS at a price equal to 80% of the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff. However, if Customer was unable to withdraw its IHBS Gas quantities due to an interruption of Customer's withdrawal service by TRES PALACIOS during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

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

8.3 In the event that TRES PALACIOS purchases and takes title to any of Customer's Gas pursuant to this Section 8, TRES PALACIOS shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

9. GENERAL TERMS AND CONDITIONS

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

## 5.7 IP RATE SCHEDULE - INTERRUPTIBLE PARKING SERVICE

### 1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible parking service from TRES PALACIOS, provided that:

(a) TRES PALACIOS has determined that it has sufficient operationally available Interruptible storage capacity, injection or withdrawal capacity to perform the parking service Customer has requested;

(b) TRES PALACIOS has determined that the parking service Customer has requested will not interfere with efficient operation of its system or with Firm Services;

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement and Exhibit(s) B to such Hub Services Agreement under this Rate Schedule;

(d) Customer accepts responsibility for arranging any transportation service required for utilization of the parking service provided under this Rate Schedule; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible parking service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Hub Services Agreement.

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

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

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

(c) The withdrawal from storage on any Day and delivery of Customer's Gas per Customer's nomination to the Point(s) of Delivery up



to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") stated in Exhibit(s) B of Customer's Hub Services Agreement, provided that all Firm Service nominations or withdrawals have been satisfied, and that Customer has a quantity of Gas stored in Customer's Park Balance not less than the quantity the Customer shall have nominated for withdrawal on such Day; and

(d) The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Rate Schedule shall be any of the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site under Location Data Download, and the point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Rate Schedule shall be any of the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site under Location Data Download; provided that (i) the Injection Pooling Point shall only be available as a Point of Receipt, (ii) the Withdrawal Pooling Point shall only be available as a Point of Delivery, and (iii) movements from the Injection Pooling Point to the Withdrawal Pooling Point are prohibited.

TRES PALACIOS and Customer may agree to terms for separate transactions under a service agreement that are each set forth on a separate Exhibit B with a separate contract number designation, each of which shall be executed by TRES PALACIOS and Customer, and any of which may be effective for a portion or all of the term as set forth on the respective Exhibit B.

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

In the event that TRES PALACIOS retains and takes title to any of Customer's Gas pursuant to this Section, TRES PALACIOS shall credit the value of such gas, net of any costs incurred by TRES PALACIOS to take title to and/or resell such Gas, in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

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

3. RATES AND CHARGES

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

(a) Interruptible Parking Charge. A charge for each Dth of Customer's Maximum Park Quantity. Customer's payment shall be as specified on Exhibit(s) B of Customer's Hub Services Agreement.

(b) Interruptible Parking Injection Charge. A charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2(a) of this Rate Schedule during a given invoice period. Customer's payment shall equal the Interruptible Park Injection Charge multiplied by the quantity TRES PALACIOS shall have injected for Customer's account, as applicable and specified in Exhibit(s) B of the Customer's Hub Services Agreement.

(c) Interruptible Parking Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2(c) of this Rate Schedule during a given invoice period. Customer's payment shall be equal to the Interruptible Park Withdrawal Charge multiplied by the quantity TRES PALACIOS shall have withdrawn for Customer's account, as applicable and specified in Exhibit(s) B of the Customer's Hub Services Agreement.

(d) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with the General Terms and Conditions of this FERC Gas Tariff and Exhibit(s) B of the Customer's Hub Services Agreement.

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

(f) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 6.15 of the General Terms and Conditions of this FERC Gas Tariff and in Exhibit(s) B of Customer's Hub Services Agreement.

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. EXPIRATION OF TERM

8.1 Upon expiration without renewal or upon termination of the Customer's Hub Services Agreement, any of Customer's Gas remaining in the TRES PALACIOS storage facility shall be deemed sold to TRES PALACIOS at a price equal to 80% of the price realized for such Gas pursuant to an auction held in accordance with Section 32 of the General Terms and Conditions of this FERC Gas Tariff. However, if Customer was unable to withdraw its IP Gas quantities due to an interruption of Customer's withdrawal service by TRES PALACIOS during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

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

8.3 In the event that TRES PALACIOS purchases and takes title to any of Customer's Gas pursuant to this Section 8, TRES PALACIOS shall dispose of such gas at auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 32 of the General Terms and Conditions of this FERC Gas Tariff.

9. GENERAL TERMS AND CONDITIONS

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

## 5.8 IW RATE SCHEDULE - INTERRUPTIBLE WHEELING SERVICE

### 1. AVAILABILITY

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

(a) TRES PALACIOS has determined that it has sufficient operationally available Interruptible wheeling, receipt and delivery capacity to perform service Customer has requested;

(b) TRES PALACIOS has determined that service Customer has requested will not interfere with efficient operation of its system or with Firm Services;

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement and an Exhibit A to such Hub Services Agreement under this Rate Schedule;

(d) Customer accepts responsibility for arranging any upstream and/or downstream transportation service required for utilization of the wheeling service provided under this Rate Schedule; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible wheeling service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Hub Services Agreement.

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

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

Customer's rights to utilize Point(s) of Receipt and Point(s) of Delivery shall be specified in Exhibit(s) A to the Customer's Hub Services Agreement. Customer may negotiate to utilize any of TRES PALACIOS' Point(s) of Receipt and Point(s) of Delivery posted on TRES PALACIOS' Internet Web Site under Location Data Download, with the exception of the Storage Point.

3. RATES AND CHARGES

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

(a) Interruptible Wheeling Charge. A charge for each Dth of Customer's Gas wheeled by TRES PALACIOS as set forth in Exhibit(s) A of the Customer's Hub Services Agreement. Customer's payment shall be equal to (i) for Interruptible Wheeling Service requested pursuant to Method 1, the sum for all of Customer's scheduled interruptible wheeling paths during a given invoice period of the product of the applicable Interruptible Wheeling Charge for the wheeling path as specified in the Customer's Hub Services Agreement multiplied by the applicable Dth quantity TRES PALACIOS shall have wheeled on such path for Customer during the invoice period or (ii) for Interruptible Wheeling Service requested pursuant to Method 2, the sum for all days in the invoice period for each of Customer's scheduled interruptible wheeling paths during the given invoice period of the product of the applicable Interruptible Wheeling Charge for the wheeling path for the day as specified in Customer's Hub Services Agreement multiplied by the applicable Dth quantity TRES PALACIOS shall have wheeled on such path for Customer on such day.

(b) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with this FERC Gas Tariff and Exhibit(s) A of the Customer's Hub Services Agreement.

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

(d) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed, as set forth in Section 6.15 of the General Terms and Conditions of this FERC Gas Tariff and in Exhibit(s) A of the Customer's Hub Services Agreement.

4. RECEIPT POINT, DELIVERY POINT, INTERRUPTIBLE WHEELING CHARGE AND FUEL REIMBURSEMENT STRUCTURING OPTIONS

Customer shall have two options for requesting Interruptible wheeling service on Exhibit A to the Customer's Hub Services Agreement for Interruptible wheeling, as follow:

(a) Structuring Method 1. Customer may request Interruptible wheeling service from specified Point(s) of Receipt to specified Point(s) of Delivery (as such Point(s) of Receipt and Point(s) of Delivery are listed in Exhibit A), where the Interruptible Wheeling Charge shall be the rate set forth in Exhibit A for each Point of Receipt to Point of Delivery combination. Customer shall be charged a single fuel reimbursement percentage that is applicable to all Point of Receipt to Point of Delivery combinations specified in Exhibit A.

(b) Structuring Method 2. Customer may request Interruptible wheeling service from any Point of Receipt available to Interruptible Wheeling Service to any Point of Delivery available to Interruptible Wheeling Service, where the Interruptible Wheeling Charge for any such nominated and scheduled wheeling transaction shall be the rate for such movement as posted on the TRES PALACIOS' Internet Web Site under Non-Critical Notices no later than 11:00 am Central time on the day before the nominated Gas Day. For each Point of Receipt to Point of Delivery combination, Customer shall be charged the fuel reimbursement percentage posted on TRES PALACIOS' Internet Web Site under Non-Critical Notices no later than 11:00 am Central time on the day before the nominated Gas Day.

5. INVOICE

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

6. TERM

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

7. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

8. CURTAILMENT

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

9. GENERAL TERMS AND CONDITIONS

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



## 5.9 IL RATE SCHEDULE - INTERRUPTIBLE LOAN SERVICE

### 1. AVAILABILITY

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

(a) TRES PALACIOS has determined that it has sufficient operationally available Interruptible storage capacity, injection or withdrawal capacity to perform service Customer has requested;

(b) TRES PALACIOS has determined that the loan service Customer has requested will not interfere with efficient operation of its system or with Firm Services;

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement and Exhibit(s) C to such Hub Services Agreement under this Rate Schedule;

(d) Customer accepts responsibility for arranging any transportation service required for utilization of the loan service provided under this Rate Schedule; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible loan service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility located in Texas pursuant to an executed Hub Services Agreement.

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

The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Rate Schedule shall be the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site under Location Data Download, and the point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Rate Schedule shall be the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site under Location Data Download, provided that (i) the Injection Pooling Point shall only be available as a Point of Receipt, (ii) the Withdrawal Pooling Point shall only be available as a Point of

Delivery, and (iii) movements from the Injection Pooling Point to the Withdrawal Pooling Point are prohibited.

TRES PALACIOS and Customer may agree to terms for separate transactions under a service agreement that are each set forth on a separate Exhibit C with a separate contract number designation, each of which shall be executed by TRES PALACIOS and Customer, and any of which may be effective for a portion or all of the term as set forth on the respective Exhibit C.

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

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

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

### 3. RATES AND CHARGES

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

(a) Interruptible Loan Charge. A charge for each Dth of Customer's Maximum Loan Quantity. Customer's payment shall be as specified on Exhibit(s) C of Customer's Hub Services Agreement.

(b) Interruptible Loan Injection Charge. A charge for each Dth of Gas injected into TRES PALACIOS' facilities pursuant to Section 2 of this Rate Schedule. Customer's payment shall be equal to the Interruptible Loan Injection Charge multiplied by the quantity TRES PALACIOS shall have injected for Customer's account, as applicable and specified in Exhibit(s) C of the Customer's Hub Services Agreement.

(c) Interruptible Loan Withdrawal Charge. A charge for each Dth of Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2 of this Rate Schedule. Customer's payment shall be the equal to Interruptible Loan Withdrawal Charge multiplied by the quantity TRES PALACIOS shall have withdrawn for Customer's account, as applicable and specified in Exhibit(s) C of the Customer's Hub Services Agreement.

(d) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with this FERC Gas Tariff and Exhibit(s) C of the Customer's Hub Services Agreement.

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

(f) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 6.15 of the General Terms and Conditions of this FERC Gas Tariff and in Exhibit(s) C of Customer's Hub Services Agreement.

#### 4. INVOICE

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

#### 5. TERM

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

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

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

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

7. CURTAILMENT

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

8. GENERAL TERMS AND CONDITIONS

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

## 5.10 EIWS RATE SCHEDULE - ENHANCED INTERRUPTIBLE WHEELING SERVICE

### 1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Enhanced Interruptible Wheeling Service from TRES PALACIOS, provided that:

(a) TRES PALACIOS has determined that it has sufficient operationally available Interruptible wheeling, receipt and delivery capacity to perform service Customer has requested;

(b) TRES PALACIOS has determined that service Customer has requested will not interfere with efficient operation of its system or with Firm Services;

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement and Exhibit(s) D to such Hub Services Agreement under this Rate Schedule;

(d) Customer accepts responsibility for arranging any upstream and/or downstream transportation service required for utilization of the wheeling service provided under this Rate Schedule; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Enhanced Interruptible Wheeling Service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' storage facility pursuant to an executed Hub Services Agreement.

Enhanced Interruptible Wheeling Service rendered under this Rate Schedule shall consist of the wheeling of Gas, on an Interruptible basis, by TRES PALACIOS for Customer on TRES PALACIOS' system between agreed upon Point(s) of Receipt and Point(s) of Delivery.

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

Customer's rights to utilize Point(s) of Receipt and Point(s) of Delivery shall be specified in Exhibit(s) D to the Customer's Hub Services Agreement. Customer may negotiate the right to utilize any of TRES PALACIOS' Point(s) of Receipt and Point(s) of Delivery posted on TRES PALACIOS' Internet Web Site under Location Data Download, with the exception of the Storage Point.

3. RATES AND CHARGES

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

(a) Enhanced Interruptible Wheeling Capacity Charge. A monthly charge for each Dth of Customer's Maximum Daily Wheeling Quantity. Customer's payment shall be equal to the Monthly Enhanced Interruptible Wheeling Capacity Charge specified in Exhibit(s) D of the Customer's Hub Services Agreement multiplied by Customer's Maximum Daily Wheeling Quantity.

TRES PALACIOS shall credit Customer's account for an amount equal to the daily Enhanced Interruptible Wheeling Capacity Charge for any Day as to which TRES PALACIOS interrupts Customer's Enhanced Interruptible Wheeling Service. If Customer's Hub Services Agreement specifies a monthly Enhanced Interruptible Wheeling Capacity Charge, the daily Enhanced Interruptible Wheeling Capacity Charge shall be calculated by dividing the monthly Enhanced Interruptible Wheeling Capacity Charge by the number of Days in the Month.

(b) Enhanced Interruptible Wheeling Commodity Charge. A charge for each Dth of Customer's Gas wheeled by TRES PALACIOS. Customer's payment shall be equal to the Enhanced Interruptible Wheeling Commodity Charge specified in Exhibit(s) D of the Customer's Hub Services Agreement multiplied by the Dth quantity TRES PALACIOS shall have wheeled for Customer during a given invoice period.

(c) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with the General Terms and Conditions of this FERC Gas Tariff and Exhibit(s) D of the Customer's Hub Services Agreement.

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

(e) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed, as set forth in Section 6.15 of this FERC Gas Tariff and in Exhibit(s) D of Customer's Hub Services Agreement.

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

If, due to any cause whatsoever, TRES PALACIOS' capability to receive or deliver quantities of Gas is impaired so that TRES PALACIOS is unable to receive or deliver the quantities provided for in its Service Agreements with Customers for Interruptible services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 6.5 of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

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

## 5.11 FWS RATE SCHEDULE - FIRM WHEELING SERVICE

### 1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Firm Wheeling Service from TRES PALACIOS, provided that:

(a) TRES PALACIOS has determined that it has sufficient operationally available firm wheeling, receipt and delivery capacity to perform the service Customer has requested;

(b) TRES PALACIOS has determined that the service Customer has requested will not interfere with efficient operation of its system or with other firm services;

(c) Customer and TRES PALACIOS have executed a Firm Wheeling Service Agreement under this Rate Schedule;

(d) Customer accepts responsibility for arranging any upstream and/or downstream transportation service required for utilization of the wheeling service provided under this Rate Schedule; and

(e) Service under this Rate Schedule may not be available to the extent that TRES PALACIOS would be required to construct, modify, expand or acquire any facilities to enable TRES PALACIOS to perform the requested services.

### 2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Firm Wheeling Service rendered by TRES PALACIOS to Customer through use of TRES PALACIOS' system pursuant to an executed Firm Wheeling Service Agreement.

Firm Wheeling Service rendered under this Rate Schedule shall consist of the wheeling of Gas, on a firm basis, by TRES PALACIOS for Customer on TRES PALACIOS' system between agreed upon Point(s) of Receipt and Point(s) of Delivery.

TRES PALACIOS shall, on a firm basis, in response to Customer's nominations scheduled in accordance with this FERC Gas Tariff, receive on each Day for Customer at Point(s) of Receipt and shall wheel and deliver at the Point(s) of Delivery, less Fuel Reimbursement, quantities of Gas up to the Maximum Daily Firm Wheeling Quantity ("MDFWQ"), as specified in the Customer's Firm Wheeling Service Agreement; provided, however, TRES PALACIOS shall not be obligated to receive, wheel and/or deliver quantities of Gas on any Day in excess of the quantity nominated and scheduled for that Day. In addition, Customer shall deliver the applicable Fuel Reimbursement quantity, as set forth in Customer's Firm Wheeling Service Agreement, to the Point(s) of Receipt.

The maximum hourly flow rate for Firm Wheeling Service shall be as specified in Customer's Firm Wheeling Service Agreement. TRES PALACIOS and a Customer may agree on a maximum hourly flow rate of 1/24, 1/16 or 1/12 applicable to Customer's MDFWQ, Maximum Daily Receipt Quantity ("MDRQ") for each primary Receipt Point, and Maximum Daily Delivery Quantity ("MDDQ") for each primary Delivery Point, provided that Customer may not



exceed any MDRQ or MDDQ during a Gas Day. As determined by TRES PALACIOS in its sole and reasonable judgment, hourly flow rates above the level specified in Customer's Firm Wheeling Service Agreement may be permitted.

Customer's rights to utilize Points of Receipt and Points of Delivery as primary points shall be specified in Customer's Firm Wheeling Service Agreement as a Maximum Daily Receipt Quantity ("MDRQ") or Maximum Daily Delivery Quantity ("MDDQ") applicable to each such point. TRES PALACIOS shall afford a prospective Firm Wheeling Service Customer the right to negotiate with TRES PALACIOS to include in its Firm Wheeling Service Agreement the right to use any other TRES PALACIOS Point(s) of Receipt or Point(s) of Delivery that are posted on TRES PALACIOS' Internet Web Site under Location Data Download, with the exception of the Storage Point, or primary points in excess of MDRQ or MDDQ, on a secondary basis, subject to Customer's MDIQ and MDWQ, the priorities of service and other provisions of this Tariff and the Federal Energy Regulatory Commission's regulations and policies generally governing receipt and delivery point flexibility.

### 3. RATES AND CHARGES

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

(a) Firm Wheeling Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Daily Firm Wheeling Quantity. Customer's payment shall be equal to the Firm Wheeling Reservation Charge specified in Customer's executed Firm Wheeling Service Agreement multiplied by Customer's Maximum Daily Firm Wheeling Quantity.

(b) Firm Wheeling Commodity Charge. A charge for each Dth of Customer's Gas wheeled by TRES PALACIOS. Customer's payment shall be equal to the Firm Wheeling Commodity Charge specified in Customer's executed Firm Wheeling Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have wheeled for Customer during a given invoice period.

(c) Fuel Reimbursement. Customer shall reimburse a percentage of Gas to TRES PALACIOS in kind for fuel and losses determined in accordance with the General Terms and Conditions of this FERC Gas Tariff and Customer's Firm Wheeling Service Agreement.

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

(e) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed, as set forth in Section 6.15 of this FERC Gas Tariff and in Customer's Firm Wheeling Service Agreement.

### 4. INVOICE

Each invoice for Firm Wheeling Service shall reflect the

applicable charges set forth under Section 3 of this Rate Schedule at rates and terms set forth in Customer's Firm Wheeling Service Agreement.

5. TERM

The primary term for service under this Rate Schedule shall be as set forth in Customer's Firm Wheeling Service Agreement. Unless specified otherwise in the Firm Wheeling Service Agreement, the Firm Wheeling Service Agreement shall terminate at the end of the primary term, and Customer shall have no rights of extension or of first refusal.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, TRES PALACIOS' capability to receive or deliver quantities of Gas is impaired such that TRES PALACIOS is unable to receive or deliver the quantities provided for in its Service Agreements with Customers for Firm Services, then capacity will be allocated according to the priority of service as set forth in Section 6.5 of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

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

## 6.0 GENERAL TERMS AND CONDITIONS

- 6.1 INTRODUCTORY STATEMENT
- 6.2 DEFINITIONS
- 6.3 REQUEST FOR SERVICE
- 6.4 CAPACITY RELEASE
- 6.5 PRIORITY, INTERRUPTION OF SERVICE AND OFOS
- 6.6 STORAGE OPERATIONS
- 6.7 WHEELING OPERATIONS
- 6.8 NOMINATIONS AND SCHEDULING
- 6.9 POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY
- 6.10 QUALITY
- 6.11 PRESSURE AND INJECTION/WITHDRAWAL RATES
- 6.12 TITLE AND RISK OF LOSS
- 6.13 MEASUREMENT
- 6.14 BILLINGS AND PAYMENTS
- 6.15 TAXES
- 6.16 INSURANCE
- 6.17 FORCE MAJEURE, RESERVATION CHARGE CREDITS
- 6.18 NOTICES
- 6.19 FUEL REIMBURSEMENT
- 6.20 GAS TITLE TRANSFERS
- 6.21 PENALTIES
- 6.22 TRANSMISSION PROVIDER STANDARDS OF CONDUCT
- 6.23 NORTH AMERICAN ENERGY STANDARDS BOARD
- 6.24 JOINT OBLIGATIONS
- 6.25 NONDISCRIMINATORY WAIVER OF TARIFF PROVISIONS
- 6.26 MODIFICATION
- 6.27 SUCCESSORS IN INTEREST
- 6.28 DEFAULT AND TERMINATION
- 6.29 FEES AND CONSTRUCTION OF NEW FACILITIES
- 6.30 OFF-SYSTEM CAPACITY
- 6.31 CREDITWORTHINESS
- 6.32 DISPOSITION OF RETAINED QUANTITIES
- 6.33 TRES PALACIOS CONTACT ADDRESS
- 6.34 ELECTRONIC COMMUNICATIONS

## 6.1 GENERAL TERMS AND CONDITIONS

### 1. INTRODUCTORY STATEMENT

Except where expressly stated otherwise, the General Terms and Conditions of TRES PALACIOS' currently effective FERC Gas Tariff shall apply to all Gas services rendered by TRES PALACIOS under any Storage Service Agreement, including, but not limited to, service under the Rate Schedules set forth in this FERC Gas Tariff.

## 6.2 GENERAL TERMS AND CONDITIONS - DEFINITIONS

### 2. DEFINITIONS

"Action Alert" shall have the meaning set forth in Section 5.5(f).

"Bcf" means billion (1,000,000,000) cubic feet.

"Btu" means one British Thermal Unit, and shall be the quantity of heat required to raise the temperature of one (1) pound of water from fifty-eight and five-tenths degrees (58.5 degrees) to fifty-nine and five-tenths degrees (59.5 degrees) Fahrenheit. The reporting basis for Btu is 14.73 dry psia and 60 degrees Fahrenheit (101.325 kPa and 15 degrees C, and dry).

"Business Day" means Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico.

"Contract Year" means the twelve (12) month period beginning on the date storage service under a Service Agreement commences and each subsequent twelve month period thereafter during the term of the Service Agreement.

"Critical Notices" shall mean information pertaining to TRES PALACIOS conditions that affect scheduling or adversely affect scheduled Gas flow.

"A cubic foot of Gas" equals the volume of Gas that occupies one cubic foot at a temperature of 60 degrees Fahrenheit, a pressure of 14.73 psia, and dry. Mcf means one thousand (1,000) cubic feet and Mmcf means one million (1,000,000) cubic feet.

"Customer" means the party that holds all lawful right and/or title to the Gas that is being stored, parked and/or wheeled and who executes a Service Agreement with TRES PALACIOS.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 a.m. (Central Clock Time ("CCT")).

"Dekatherm" ("Dth") means the quantity of heat energy which is equivalent to 1,000,000 Btu. One "Dekatherm" of Gas means the quantity of Gas which contains one Dekatherm of heat energy.

"Elapsed Prorata Capacity" means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

"Elapsed-prorated-scheduled Quantity" shall mean that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

"FERC" or "Commission" means the Federal Energy Regulatory Commission or any successor agency.

"Firm Service" means any service under Rate Schedules FSS, FWS, NNSS, FP or FL.

"Fuel Reimbursement" shall have the meaning set forth in Section 19 of the General Terms and Conditions of this FERC Gas Tariff.

"Gas" means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells and residue gas resulting from processing both casinghead gas and gas well gas.

"Injection Pooling Point" means the logical point utilized to aggregate Gas from multiple physical or logical points for subsequent injection into storage or for subsequent delivery to other physical or logical points.

"Internet Web Site" means TRES PALACIOS' HTML site accessible via the Internet's World Wide Web and located at <https://link.enbridge.com>.

"Interruptible" means that the storage, parking, wheeling, loaning, or authorized overrun is subject to interruption at any time by TRES PALACIOS. A Customer may be required to withdraw Gas held in storage pursuant to Customer's Service Agreement for Interruptible service or Customer's Hub Services Agreement, or provide Gas to TRES PALACIOS, should such capacity or quantities be required by a Firm Service.

"Intraday nomination" means a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Day and runs through the end of that Day.

"Loan Balance" means the quantity of Gas, expressed in Dth, that TRES PALACIOS has loaned to Customer, provided that the Loan Balance shall never exceed Customer's Maximum Loan Quantity specified in Customer's Firm Loan Service Agreement or Customer's Hub Services Agreement.

"Maximum Daily Delivery Quantity" or "MDDQ" means the maximum quantity of Gas, expressed in Dths, specified in Customer's Service Agreement, that Customer may nominate and that TRES PALACIOS shall deliver at a Point of Delivery, subject to Section 8.3 of these General Terms and Conditions.

"Maximum Daily Firm Wheeling Quantity" or "MDFWQ" means the maximum quantity of Gas, expressed in Dths, specified in the Customer's Firm Wheeling Service Agreement that Customer may nominate and that TRES PALACIOS shall transport from a Point of Receipt to a Point of Delivery, subject to Section 8.3 of these General Terms and Conditions.

"Maximum Daily Injection Quantity" or "MDIQ" means the maximum quantity of Gas, expressed in Dth, specified in Customer's Service Agreement, that Customer may nominate and that TRES PALACIOS shall receive at all Point(s) of Receipt for injection into storage each Day, subject to Section 8.3 of these General Terms and Conditions.

"Maximum Daily Receipt Quantity" or "MDRQ" means the maximum quantity of Gas, expressed in Dths specified in Customer's Service Agreement, that Customer may nominate and that TRES PALACIOS shall receive at each Point of Receipt, subject to Section 8.3 of these General Terms and Conditions.

"Maximum Daily Wheeling Quantity" or "MDTQ" means the maximum quantity of Gas, expressed in Dths, specified in Customer's Hub Services Agreement for service under Rate Schedule IW or EIWS that Customer may nominate and that TRES

PALACIOS shall transport from a Point of Receipt to a Point of Delivery, subject to Section 8.3 of these General Terms and Conditions.

"Maximum Daily Withdrawal Quantity" or "MDWQ" means the maximum quantity of Gas, expressed in Dth, specified in Customer's Service Agreement, that Customer may nominate and that TRES PALACIOS shall withdraw from storage and tender to Customer at all Point(s) of Delivery, subject to Section 8.3 of these General Terms and Conditions.

"Maximum Loan Quantity" means the maximum quantity of Gas, expressed in Dth, that TRES PALACIOS is obligated to loan to Customer at TRES PALACIOS' storage facility located in Texas, as specified in Customer's Firm Loan Service Agreement or in Customer's Hub Services Agreement.

"Maximum Park Quantity" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in TRES PALACIOS' storage facility located in Texas, at any given time as specified in Customer's Firm Parking Service Agreement or Customer's Hub Services Agreement.

"Maximum Storage Quantity" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in TRES PALACIOS' storage facility located in Texas, at any given time as specified in the Service Agreement.

"Month" means the period beginning at 9:00 a.m. Central Clock Time on the first Day of a calendar month and ending at 9:00 a.m. Central Clock Time on the first Day of the next succeeding month.

"No-Notice Maximum Daily Quantity" means the quantity of Gas, expressed in Dth, by which Customer may deviate from its nominations pursuant to its Firm Storage Service Agreement, as set forth in Customer's No-Notice Service Agreement.

"North American Energy Standards Board" or "NAESB" means that accredited organization established to set standards for certain natural gas industry business practices and procedures. "WGQ" shall mean the Wholesale Gas Quadrant of NAESB. "NAESB Standards" shall mean the standardized business practices, procedures and criteria which have been adopted and published by the Wholesale Gas Quadrant of the North American Energy Standards Board and which have been adopted by reference by the Commission.

"Operational Flow Order" or "OFO" means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of TRES PALACIOS' system or to maintain operations required to provide efficient and reliable firm service. Whenever TRES PALACIOS experiences these conditions, any pertinent order will be referred to as an Operational Flow Order.

"Park Balance" means quantity of Gas, expressed in Dth, that Customer has in TRES PALACIOS' storage facilities for Customer's account, provided that the Park Balance shall never exceed Customer's Maximum Park Quantity specified in Customer's Firm Parking Service Agreement or in Customer's Hub Services Agreement.

"Point(s) of Delivery" means the point or points located on TRES PALACIOS' system, or a third party pipeline system used by TRES PALACIOS to provide

service to its Customers pursuant to Section 30 of these General Terms and Conditions, specified in Customer's Service Agreement at which TRES PALACIOS shall tender Gas to Customer.

"Point(s) of Receipt" means the point or points located on TRES PALACIOS' system, or a third party pipeline system used by TRES PALACIOS to provide service to its Customers pursuant to Section 30 of these General Terms and Conditions, specified in Customer's Service Agreement at which TRES PALACIOS shall receive Gas from Customer.

"Pooling" means 1) the aggregation of Gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the disaggregation of Gas from a single physical or logical point to multiple physical and/or logical points.

"Psig" means pounds per square inch gauge.

"Releasing Customer" means a Customer who has agreed to release some or all of its rights under its Service Agreement for Firm Service.

"Replacement Customer" means a Customer who has assumed any released rights to capacity of a Releasing Customer.

"Service Agreement" means a Firm Storage Service Agreement, a Firm Wheeling Service Agreement, a No-Notice Storage Service Agreement, a Firm Parking Service Agreement, a Firm Loan Service Agreement, an Interruptible Storage Service Agreement, an Interruptible Hourly Balancing Service Agreement, a Hub Services Agreement or a Capacity Release Umbrella Agreement, including the Exhibits to those agreements as set forth in this FERC Gas Tariff.

"Storage Inventory" means the quantity of working Gas, expressed in Dths, that a Customer has in place in TRES PALACIOS' storage facilities for Customer's account.

"Storage Point" means the logical point utilized by storage, parking and loan customers for the injection into storage or the withdrawal from storage.

"Transporter" means the Customer's transporter designated to deliver Gas to the Point(s) of Receipt or Customer's transporter designated to receive Gas from the Point(s) of Delivery.

"Withdrawal Pooling Point" means the logical point utilized to disaggregate Gas withdrawn from storage or received from other physical or logical points for subsequent delivery to multiple physical and / or logical points.



## 6.3 GENERAL TERMS AND CONDITIONS - REQUEST FOR SERVICE

### 3. REQUEST FOR SERVICE

#### 3.1 Procedures for Sale of Capacity.

(a) Sale of Capacity. Upon the availability of new storage or wheeling capacity resulting from an expansion of TRES PALACIOS' facilities, TRES PALACIOS shall sell such capacity to prospective Customers either via the open season procedures described in Sections 3.1(b)-(f) below or via the first-come, first-served procedures described in Section 3.1(g) below, with the selection of the procedures being at TRES PALACIOS' sole option. This Section 3.1 shall apply to sales of capacity under Rate Schedules FSS, FWS, NNSS, FP and FL.

(b) Notice of open season. If TRES PALACIOS elects to conduct an open season pursuant to Section 3.1(a) above, TRES PALACIOS shall post notice of the open season on its Internet Web Site. Such notice shall set forth when the open season begins and ends, the type of service being offered, how and where interested parties may submit requests for service, the criteria that will be used to evaluate bids ("Bid Evaluation Procedures"), and additional details about the open season.

(c) Duration. An open season held pursuant to Section 3.1(b) above shall be held for a period of not less than five (5) Business Days. During this time, TRES PALACIOS will accept bids from potential Customers for the service identified in the notice of the open season.

(d) At the conclusion of the open season, the value of each submitted bid will be determined according to the Bid Evaluation Procedures. TRES PALACIOS reserves the right to reject any bid which (i) may detrimentally impact the operational integrity of TRES PALACIOS' facility, (ii) yields an economic value that is unacceptable to TRES PALACIOS, (iii) does not satisfy all of the terms of a specific open season, (iv) does not contain all of the required information specified in the notice of the open season, (v) contains terms and conditions other than those contained in TRES PALACIOS' FERC Gas Tariff, and/or (vi) does not meet TRES PALACIOS' creditworthiness requirements set forth in Section 3.4 and Section 31 of these General Terms and Conditions. If TRES PALACIOS rejects any request for available capacity posted pursuant to this Section 3.1(d), TRES PALACIOS will notify the potential Customer that submitted the rejected bid of the reason(s) for such rejection via e-mail.

All requests received during an open season remain binding on the requesting party through the end of the open season, unless withdrawn by the requesting party prior to the close of the open season; provided, however, a requesting party may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting party nor an affiliate thereof may submit a request with a lower net present value during the open season.

(e) During the allocation process at the conclusion of an open season, storage capacity will be allocated to the acceptable bid(s) in accordance with the Bid Evaluation Procedures.

If the winning bid is submitted by the requesting party and the requesting party has complied with the requirements of Sections 3.2, 3.3 and 3.4, such winning bid shall be binding on the requesting party and a service agreement shall be executed pursuant to the requirements of Sections 3.1 or 3.6 of these General Terms and Conditions; in the event Customer does not execute the service agreement as required by Sections 3.1 or 3.6, Customer shall nonetheless be bound by the terms of its winning bid and the provisions of such service agreement as though it had been fully executed.

In the event the winning bidder is not the requesting party, the winning bidder must submit a request for service, and the winning bidder shall be required to comply with the provisions of this Section 3; if the winning bidder does not execute the service agreement as required by Sections 3.1 or 3.6, such winning bidder shall nonetheless be bound by the terms of its winning bid and the provisions of such service agreement as though it had been fully executed. If TRES PALACIOS is unable to approve the winning bidder's request for service, the capacity shall be awarded to the party that submits the next highest bid for the posted capacity, subject to the requirements of Sections 3.2, 3.3 and 3.4, unless, within one (1) Business Day of notification of the award of capacity, such party notifies TRES PALACIOS via the LINK® System that it rejects such award.

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

(g) Firm storage capacity that is or becomes available in TRES PALACIOS' facilities outside of an open season or for which TRES PALACIOS determines, pursuant to Section 3.1(a) above, that an open season will not be held shall be posted on TRES PALACIOS' 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 TRES PALACIOS finds acceptable. From time to time, TRES PALACIOS may negotiate with Customers for prearranged storage service for a future period or for interim service. TRES PALACIOS will post information regarding available storage capacity on its Internet Web Site before it provides such information to any potential Customer.

(h) TRES PALACIOS shall have all necessary abandonment authorizations under the Natural Gas Act upon (1) the expiration of the contractual term, (2) the partial reduction of service levels pursuant to any contractual right for such reduction, or (3) termination of the Service Agreement by either TRES PALACIOS or Customer.

3.2 Requests for Service. Any prospective Customer wishing to obtain service from or amend existing service provided by TRES PALACIOS must be a LINK® System User pursuant to Section 34 of the General Terms and Conditions of this FERC Gas Tariff and must submit a request for service electronically via the LINK® System. A request to amend existing service that will affect a Customer's financial obligations to TRES PALACIOS is referred to as a Billing Amendment. A request to amend existing service that will not affect a Customer's financial obligations to TRES PALACIOS is referred to as a Non-Billing Amendment. TRES PALACIOS shall evaluate and respond to prospective Customer's request within five (5) Business Days of its receipt. If TRES PALACIOS and prospective Customer mutually agree to the rates prospective Customer will pay for service, TRES PALACIOS shall, subject to execution of a Service Agreement, endeavor to provide service within the time specified in the written request. Prospective Customer's request for service shall be considered complete only if the information specified in Sections 3.3 through 3.5 and Section 31 of these General Terms and Conditions is submitted to TRES PALACIOS. If TRES PALACIOS rejects any request for service, TRES PALACIOS shall notify Customer via e-mail of its reason(s) for such rejection.

3.3 Information Requirements. Each request for service shall include the following information:

(a) Each request for service shall contain the information identified on the Request for Service Information List posted on TRES PALACIOS' Internet Web Site, as such list may be amended from time to time.

(b) A Customer or potential Customer requesting new service or an amendment to existing service shall also provide the following to TRES PALACIOS:

(1) Either at the time of the request for new service or an amendment to existing service is submitted to TRES PALACIOS or at the time of execution of the Service Agreement, such other information (if any), in writing, as may be required to comply with regulatory reporting or filing requirements; and

(2) Within ten (10) Business Days of the submittal of the request for new service or a request for a Billing Amendment, any credit information required to be provided pursuant to Section 3.4 and Section 31 of these General Terms and Conditions.

(c) If Customer does not submit the information required in Section 3.3(b) above within the required timeframes, the request for service shall be rejected by TRES PALACIOS. In addition, TRES PALACIOS shall reject any request for service created in the LINK® System by Customer, but not submitted to TRES PALACIOS within ninety (90) days of Customer's creation of such request.

3.4 Creditworthiness. TRES PALACIOS shall not be required to perform or to continue service under any Rate Schedule on behalf of any Customer or

prospective Customer who is or has become insolvent, however evidenced, or who, at TRES PALACIOS' request, fails within a reasonable period to demonstrate creditworthiness in a manner reasonably acceptable to TRES PALACIOS as included in Section 31 of the General Terms and Conditions; provided, however, that such Customer or prospective Customer may receive service under any Rate Schedule if it provides Financial Assurances pursuant to Section 31 of the General Terms and Conditions of this FERC Gas Tariff.

TRES PALACIOS' acceptance of a request for new service or a request resulting in a Billing Amendment under any of TRES PALACIOS' Rate Schedules is contingent upon a satisfactory credit appraisal by TRES PALACIOS. TRES PALACIOS shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition. TRES PALACIOS shall not use any criteria, formula, ranking system or other methodology that would give any preference or advantage to an affiliate of TRES PALACIOS. To enable TRES PALACIOS to conduct such credit appraisal, a Customer shall submit the information specified in Section 31 of the General Terms and Conditions of this FERC Gas Tariff; provided, however, that submission of such material shall not be deemed acceptance of a request for service by TRES PALACIOS, which determination shall be made by TRES PALACIOS only after submission of the material and information required by Section 31 of the General Terms and Conditions of this FERC Gas Tariff and a determination by TRES PALACIOS that Customer is sufficiently creditworthy. In the event Customer cannot provide the information required by this Section 3.4, Customer shall, if applicable, provide such information for its parent company.

### 3.5 Additional Information.

(a) Customer shall also promptly provide such additional Customer credit information as may be reasonably required by TRES PALACIOS, at any time during the term of service under a Service Agreement, to enable TRES PALACIOS to determine Customer's creditworthiness.

(b) After receipt of a request for service, TRES PALACIOS may require that prospective Customer furnish additional information as a prerequisite to TRES PALACIOS offering to execute a Service Agreement with such prospective Customer. Such information may include proof of prospective Customer's lawful right and/or title to cause the Gas to be delivered to TRES PALACIOS for service under this FERC Gas Tariff and of prospective Customer's contractual or physical ability to cause such Gas to be delivered to and received from such prospective Customer's designated Point(s) of Delivery and/or Receipt.

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

(d) Customer shall provide TRES PALACIOS with such other information with respect to Customer or Customer's requested

service if: (i) TRES PALACIOS reasonably requests such other information; (ii) Customer has such information in its possession; and (iii) the information is required to enable TRES PALACIOS to comply with any FERC reporting or other requirement.

### 3.6 Execution of Service Agreements and Amendments.

(a) A Firm Storage Service Agreement, a No-Notice Storage Service Agreement, a Firm Wheeling Service Agreement, a Firm Park Service Agreement, a Firm Loan Service Agreement, any relevant exhibit to any of these firm service agreements, and/or an amendment to an existing Firm Storage Service Agreement, No-Notice Storage Service Agreement, Firm Wheeling Service Agreement, Firm Park Service Agreement, Firm Loan Service Agreement, or relevant exhibit to any of these firm service agreements shall be executed, as specified in this Section 3.6, by Customer and TRES PALACIOS following the completion of the open season process pursuant to Section 3.1(b) above and/or the completion of the approval process for capacity sold on a first-come, first-served basis pursuant to Section 3.1(g) above and the determination by TRES PALACIOS that Customer is creditworthy. An Interruptible Storage Service Agreement, an Interruptible Hourly Balancing Service Agreement, a Hub Services Agreement, any relevant exhibit to any of these interruptible service agreements, and / or an amendment to an existing Interruptible Storage Service Agreement, Interruptible Hourly Balancing Service Agreement, Hub Services Agreement or relevant exhibit to any of these interruptible service agreements shall be executed, as specified in this Section 3.6, by Customer and TRES PALACIOS following the determination by TRES PALACIOS that Customer is creditworthy.

(b) All Interruptible Storage Service Agreements, all amendments to Interruptible Storage Service Agreements, all Interruptible Hourly Balancing Service Agreements, all amendments to Interruptible Hourly Balancing Service Agreements, all Capacity Release Umbrella Agreements, all amendments to Capacity Release Umbrella Agreements, all Hub Services Agreements (excluding exhibits), all amendments to Hub Services Agreements (excluding exhibits), all Exhibit(s) A to Customer's Hub Services Agreement for interruptible wheeling transactions, all amendments to Exhibit(s) A to Customer's Hub Services Agreement for interruptible wheeling transactions, all Exhibit(s) B & C to Customer's Hub Services Agreement for interruptible park and loan transactions with a transaction term of two (2) years or less, all Exhibit(s) D to Customer's Hub Services Agreement for enhanced interruptible wheeling transactions with a term of two (2) years or less, all amendments to Exhibit(s) D to Customer's Hub Services Agreement for enhanced interruptible wheeling transactions with a term of two (2) years or less, all Firm Storage Service Agreements with a term of two (2) years or less, all amendments to Firm Storage Service Agreements with a term of two (2) years or less, all No-Notice Storage Service Agreements with a term of two (2) years or less, all amendments to No-Notice Storage Service Agreements with a term of two (2) years or less, all Firm Wheeling Service agreements with a term of two (2) years or less, all amendments to Firm Wheeling Service agreements with a term of two (2) years or less, all Firm Park Service Agreements (excluding exhibits), all amendments to Firm Park Service Agreements (excluding exhibits), all Firm Loan Service Agreements (excluding exhibits), all amendments

to Firm Loan Service Agreements (excluding exhibits), and all Exhibit(s) A to Firm Park Service Agreements and Firm Loan Service Agreements with a term of two (2) years or less shall be executed electronically via the LINK® System by Customer and TRES PALACIOS; any Service Agreement that is executed in full utilizing electronic transmission through the LINK® System is a valid and enforceable Service Agreement that is binding on all parties. All Exhibit(s) B, C, and D to Customer's Hub Services Agreement for interruptible park and loan transactions and enhanced interruptible wheeling transactions with a transaction term of more than two (2) years, all Firm Storage Service Agreements with a term of more than two (2) years, all amendments to Firm Storage Service Agreements with a term of more than two (2) years, all No-Notice Storage Service Agreements with a term of more than two (2) years, all amendments to No-Notice Storage Service Agreements with a term of more than two (2) years, all Firm Wheeling Service Agreements with a term of more than two (2) years, all amendments to Firm Wheeling Service Agreements with a term of more than two (2) years, and all Exhibit(s) A to Firm Park Service Agreements and Firm Loan Service Agreements with a term of more than two (2) years shall be executed in writing by Customer and TRES PALACIOS. A Service Agreement shall be executed and returned to TRES PALACIOS within fifteen (15) days of the tender of a Service Agreement by TRES PALACIOS.

(c) For TRES PALACIOS' firm Rate Schedules, the Firm Storage Service Agreement, No-Notice Storage Service Agreement, Firm Park Service Agreement, Firm Loan Service Agreement, or Firm Wheeling Service Agreement executed in writing or electronically via the LINK® System, as applicable, by Customer and TRES PALACIOS, the Exhibit(s) executed by Customer and TRES PALACIOS, the applicable Rate Schedule, and the General Terms and Conditions of this FERC Gas Tariff will comprise the entire Firm Storage Service Agreement, No-Notice Storage Service Agreement, Firm Park Service Agreement, Firm Loan Service Agreement, or Firm Wheeling Service Agreement, as applicable, between Customer and TRES PALACIOS.

(d) For each of TRES PALACIOS' enhanced and Interruptible Rate Schedules, the Interruptible Storage Service Agreement, Interruptible Hourly Balancing Service Agreement, or Hub Services Agreement, as applicable, executed in writing or electronically via the LINK® System, as applicable, the exhibit(s) executed by Customer and TRES PALACIOS, the applicable Rate Schedule and the General Terms and Conditions of this FERC Gas Tariff will comprise the entire Interruptible Storage Service Agreement, Interruptible Hourly Balancing Service Agreement, or Hub Services Agreement, as applicable, between Customer and TRES PALACIOS.

3.7 Request Validity. If TRES PALACIOS has tendered a Service Agreement for execution to a prospective Customer and such prospective Customer fails to execute the agreement as tendered within 30 consecutive days from the date it receives the agreement, TRES PALACIOS may consider prospective Customer's service request void. For service under Rate Schedule FSS, FWS, NNSS, FP or FL, TRES PALACIOS will not be required to tender a Service Agreement to a prospective Customer for execution that relates to requests for service for which TRES PALACIOS does not have sufficient available firm capacity.

3.8 Customer's Performance. Upon request, Customer is required to provide to TRES PALACIOS information identifying (1) the State of the source of Gas that is to be stored and/or transported and (2) such other information if required in order for TRES PALACIOS to comply with any FERC reporting or other requirements.

3.9 Complaints. Complaints regarding service pursuant to any of the Rate Schedules contained in this FERC Gas Tariff shall be communicated to TRES PALACIOS' designated contact personnel with a designation regarding the service that is the subject of the complaint. Such complaint shall contain a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any. Information regarding the appropriate contact personnel shall be posted under the Chief Compliance Officer Link on the LINK System.

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

#### 3.10 Information.

(a) Any person may request information on pricing, terms of storage, parking or wheeling service or capacity availability by directing requests to the Marketing Department at the address provided for in Section 33.2 of TRES PALACIOS' General Terms and Conditions or as provided for below:

Telephone: 1-800-827-LINK, or in Houston, 713-989-LINK

(b) A list of phone numbers for TRES PALACIOS' Gas dispatch and control personnel, who are on-call 24-hours a day, will be posted on TRES PALACIOS' Internet Web Site.

3.11 Extension of Service Agreements. Prior to the expiration of the term of a Firm Storage Service Agreement, a Firm Wheeling Service Agreement, or a No-Notice Storage Service Agreement, TRES PALACIOS and Customer may mutually agree to an extension of the term of such service agreement (the exact length of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

3.12 No request for service from a Point(s) of Receipt or to a Point(s) of Delivery shall be granted if to do so would impair TRES PALACIOS' ability to render services pursuant to TRES PALACIOS' Firm Service Rate Schedules.

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

## 6.4 GENERAL TERMS AND CONDITIONS - CAPACITY RELEASE

### 4. CAPACITY RELEASE

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

4.1 Notice of Offer. A Customer offering to release firm service entitlements shall notify TRES PALACIOS via the LINK® System of the terms of its offer by the posting deadline as determined pursuant to Section 4.3 herein. This information will be posted on TRES PALACIOS' LINK® System. The Customer may propose a designated Pre-arranged Replacement Customer to which the capacity would be released. Offers shall be binding until notice of withdrawal is received by TRES PALACIOS via the LINK® System. Customer shall have the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made. The notice must contain the reason for withdrawal which TRES PALACIOS shall post on the LINK® System. Any contingencies or special terms and conditions included in the offer to release capacity shall not be contrary to any applicable provision of this FERC Gas tariff. The offer shall contain the following minimum information:

(a) Customer's legal name and the name of the individual who has authorized the offer to release;

(b) TRES PALACIOS' Service Agreement number;

(c) The release quantity expressed as a numeric quantity, and a description of the capacity to be released, including the Maximum Storage Quantity, Maximum Daily Firm Wheeling Quantity, No-Notice Maximum Daily Quantity, Maximum Park Quantity or Maximum Loan Quantity, as applicable, and the Maximum Daily Receipt Quantity, the Maximum Daily Delivery Quantity, the Maximum Daily Injection Quantity, and the Maximum Daily Withdrawal Quantity and the associated Point(s) of Receipt and Point(s) of Delivery (Replacement Customer may request changes to such Receipt and Delivery Point(s) subject to the proposed release and subject to the daily quantity limitations described in Section 4.2 below);

(d) The proposed effective date and term of the release;

(e) The identity of any designated Pre-arranged Replacement Customer (pursuant to Section 4.4), a statement as to whether the Pre-arranged Replacement Customer is an asset manager (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(3)) or marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(4)), the full terms of such pre-arranged release, and if the proposed release is part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect;

(f) For biddable releases, the method to be applied in



evaluating bids, allocating capacity and breaking ties, as described in Section 4.6 below; provided, however, if the Releasing Customer specifies a bid evaluation methodology other than the standard methods of highest rate, net revenue or present value, such alternative capacity release bid evaluation method must be set forth with sufficient specificity that TRES PALACIOS' evaluation of the bids to determine the "best bid" is a purely ministerial matter that does not require any discretionary exercise or judgment by TRES PALACIOS. In addition, Releasing Customer must specify the method that TRES PALACIOS will apply to award capacity among multiple bids that yield the same value ("Tie Break Method");

(g) Whether, to what extent, and the conditions pursuant to which capacity will be subject to recall for a full Day or a partial Day; if recallable, (1) whether the Releasing Customer's recall notification must be provided exclusively on a Business Day, and (2) any repeat 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 and any other special conditions;

(i) Whether contingent bids that extend beyond the bid period may be submitted, how to evaluate and prioritize such bids against non-contingent bids, and the terms and conditions under which, and/or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder withdraw its bid;

(j) Any extensions of the minimum posting/bid periods;

(k) Whether Releasing Customer desires to utilize the first-come, first-served option for short-term releases described in Section 4.6 below and any minimum terms applicable thereto;

(l) Other special terms and conditions Releasing Customer imposes on the release of its capacity, including, but not limited to, minimum rates, term and quantity, and whether Releasing Customer may elect not to reveal minimum conditions to anyone other than TRES PALACIOS;

(m) For a non-index based release, whether to specify dollars and cents or percents of rates in the denomination of bids or, for an index-based release, the offer shall specify the index-based formula;

(n) Whether the release is on a permanent or a temporary basis;

(o) An e-mail address for the Releasing Customer contact person. It is Customer's responsibility to update e-mail address information provided to TRES PALACIOS, as necessary;

(p) The recall notification period(s), as identified in Section 4.13(e) below, that will be available for use by the parties;

(q) A description of any Storage Inventory that must be transferred with released storage capacity, including (i) the quantity of Gas in Storage Inventory to be transferred to the Replacement Customer at the beginning of the release term, (ii) the quantity of Gas which Replacement Customer is to cause to be in the Storage Inventory to be transferred to the Releasing Customer at the end of the release term, (iii) the price(s) (if applicable) to be paid by the Replacement Customer to the Releasing Customer and/or by the Releasing Customer to the Replacement Customer for the transfers of Gas in Storage Inventory described in items (i) and (ii), and (iv) any other reasonable conditions that the Releasing Customer chooses to place on the storage inventory transfers;

(r) Whether the Releasing Customer will allow the Replacement or Prearranged Customer to amend the Point(s) of Receipt and/or Point(s) of Delivery after the capacity is awarded;

(s) Whether the Prearranged Customer is affiliated with the Releasing Customer; and

(t) Whether the Releasing Customer will allow the Replacement or Prearranged Customer to re-release the capacity acquired from the Releasing Customer.

In addition, Releasing Customer's offer to release capacity may include conditions concerning the sale and/or repurchase of gas in Storage Inventory outside of the context of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations, 18 C.F.R. § 284.8(h)(3), as well as further negotiated terms and conditions related to the commodity portion of the transaction.

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

(a) the quantity contained in the offer submitted by the Releasing Customer; or

(b) a quantity equal to 1/24th of the Releasing Customer's MDFWQ, MDIQ and/or MDWQ (or such other relevant hourly quantity specified in Customer's Service Agreement) for the contract to be released multiplied by the number of hours between the effective time of the release and the end of the Day.

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

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

Inventory or Loan Balance.

4.3 Posting and Bidding Timeline. For the Capacity Release business process timing model, only the following methodologies shall be supported by TRES PALACIOS 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. For index-based capacity release transactions, the Releasing Customer shall provide the necessary information and instruction to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) can be accorded similar timeline evaluation treatment at TRES PALACIOS' discretion; however, TRES PALACIOS is not required to offer other choices or similar timeline treatment for other choices. Further, TRES PALACIOS shall not be held to the timeline specified in Sections 4.3(a) and 4.3(b) below should the Releasing Customer elect another method of evaluation. Should the Releasing Customer elect another method of evaluation, the timeline specified in Section 4.3(c) below shall apply. The proposed duration of Customer's release determines the minimum bid period for the Customer's offer pursuant to this Section 4. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process provided that: (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, (ii) for index-based capacity release transactions, the Releasing Customer has provided TRES PALACIOS with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (iii) there are no special terms or conditions of the release. Further, TRES PALACIOS may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by TRES PALACIOS).

The Capacity Release timeline is as follows:

- (a) For biddable releases (one (1) year or less):
- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
  - Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
  - Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
  - If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.
  - Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.

TRES PALACIOS will issue a contract within one hour of the award posting (with a new contract number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 8 of the General Terms and

Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

- (b) For biddable releases (more than one (1) year):
- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
  - Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
  - Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
  - If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.
  - Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.

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

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

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

For non-biddable releases: the posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

- Timely Cycle 12:00 Noon
- Evening Cycle 5:00 p.m.
- Intraday 1 Cycle 9:00 a.m.
- Intraday 2 Cycle 1:30 p.m.
- Intraday 3 Cycle 6:00 p.m.

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

TRES PALACIOS shall post offers and bids, including pre-arranged deals, upon receipt; provided, however, offers and bids must be complete before posting. Only posted offers and bids will be available electronically. If Releasing Customer requests a later posting time, TRES PALACIOS shall support such request insofar as it comports with the standard timeline. A Releasing Customer cannot specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.

4.4 Pre-arranged Releases. Releasing Customer may designate an entity (a designated "Pre-arranged Replacement Customer") to which it has agreed to release the capacity upon specified terms and conditions. Customer's offer to release under such a pre-arranged transaction shall be subject to the prior posting and bidding procedures described in Sections 4.5 and 4.6, herein, with the designated Pre-arranged Replacement Customer being given a right to match the best bid submitted during the bid period; provided, however, if a pre-arranged transaction with a Pre-arranged Replacement Customer is for a period of thirty-one (31) Days or less, to an asset manager (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(3)) or to a marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(4)), the Releasing Customer shall provide notice to TRES PALACIOS in accordance with this Section and may implement the release without complying with such prior posting and bidding procedures; provided, however, the Releasing Customer may not rollover, extend, or in any way continue the capacity release to the same Replacement Customer which utilizes the same capacity or overlaps such capacity using the thirty-one (31) Days or less bidding exemption described in Section 4.3(d) above until twenty-eight (28) Days after the first release period

has ended. The twenty-eight (28) Day hiatus does not apply to any re-release to the same Replacement Customer that is posted for bidding or that qualifies for any of the other exemptions from the bidding described in Section 4.3(d) above. Notice of such exempted releases shall be posted on the LINK® System in accordance with Section 4.3 above.

4.5 Posting. Following receipt of a notice of offer to release capacity which satisfies the requirements set forth in this Section, TRES PALACIOS will post such information on its LINK® System in accordance with the timeline set forth in Section 4.3 herein; however, TRES PALACIOS shall not post any minimum conditions that Releasing Customer has elected not to disclose. TRES PALACIOS shall also post offers to purchase capacity from those who desire current Customers to release capacity upon receipt of the applicable information as set forth below.

#### 4.6 Bidding and Selection of Replacement Customer.

(a) If Releasing Customer desires to solicit bids for releases of thirty-one (31) Days or less, it may direct TRES PALACIOS to post notice of the availability of such capacity and, in lieu of permitting bids during the otherwise applicable posting period, Releasing Customer may direct TRES PALACIOS to award the capacity to the bidder which submits first in time a valid bid meeting any minimum terms specified by the Releasing Customer.

(b) Any bid submitted by a prospective Replacement Customer shall include an e-mail address for at least one contact person, and it is the Customer's responsibility to update e-mail address information provided to TRES PALACIOS, as necessary. Any contingencies included in the bid shall not be contrary to any applicable provision of this FERC Gas tariff. A bidder may not have more than one eligible bid for the same release offer at any time. Bids shall be binding until notice of withdrawal is received by TRES PALACIOS via the LINK® System, 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.

(c) TRES PALACIOS shall evaluate the bids in accordance with the provisions of Section 4.7 and determine the best bid in accordance with the timelines set forth in Section 4.3 herein. TRES PALACIOS shall notify Releasing Customer, the best bidder, and any designated Pre-arranged Replacement Customer of such determination in accordance with the timelines set forth in Section 4.3 herein. If there is a designated Pre-arranged Replacement Customer, it may exercise its right to match such best bid by providing notice of such exercise to TRES PALACIOS and Releasing Customer via the LINK® System in accordance with the timelines set forth in Section 4.3 herein. After the Replacement Customer is selected, TRES PALACIOS will provide an appropriate Addendum to the Capacity Release Umbrella Agreement in the form contained in this FERC Gas Tariff to the Replacement Customer via email, at which time the Replacement Customer will have the same rights and obligations as any other existing Customer on TRES PALACIOS'

system, including capacity release under this Section 4, subject to the re-release rights specified by Releasing Customer pursuant to Section 4.1(t) above. TRES PALACIOS will notify the Releasing Customer with recall rights of the name of new Replacement Customers who subsequently obtain all or a portion of Releasing Customer's capacity after the Addendum to the Capacity Release Umbrella Agreement is tendered. TRES PALACIOS and the Replacement Customer will enter into a Service Agreement for Firm Service with respect to any capacity that is released on a permanent basis. Following implementation of the release, TRES PALACIOS shall post notice of the winning bidder on its LINK System®.

4.7 Best Bid. When TRES PALACIOS makes awards of capacity for which there have been multiple bids meeting minimum conditions, TRES PALACIOS shall award the bids, best bid first, until all offered capacity is awarded; provided, however, that in the event that both a contingent bid and a non-contingent bid meet the minimum conditions stated in Section 4.1(l) above and generate the "best bid", TRES PALACIOS shall reject the contingent bid, even if the bid with no contingency was received later in time. The capacity being awarded represents the Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, Maximum Storage Quantity or Maximum Daily Firm Wheeling Quantity. These quantities are separate parts of the capacity and are awarded until one of the quantities is fully awarded, at which point all capacity is deemed to be fully awarded. TRES PALACIOS shall evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by the Releasing Customer as follows:

(a) TRES PALACIOS shall apply the standard or criteria for such determination specified by the Releasing Customer, including the standard to be used for breaking ties. Any standard or criteria so specified must be objective, economic, not unduly discriminatory, not contrary to applicable provisions of this FERC Gas Tariff, applicable to all prospective Replacement Customers and require TRES PALACIOS in applying such standard to exercise no more than a ministerial function. The Releasing Customer shall indemnify and hold TRES PALACIOS harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by TRES PALACIOS 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) TRES PALACIOS shall evaluate bids in accordance with the bid evaluation method identified, pursuant to Section 4.1(f) of the General Terms and Conditions of this FERC Gas Tariff, in the Releasing Customer's offer to release capacity.

- (1) If there is only one valid bid, TRES PALACIOS shall award the capacity to the bidder that submitted such bid, subject to any Prearranged Customer's exercise of its matching rights.
- (2) If there is more than one valid bid, then, subject to any Prearranged Customer's exercise of its matching rights, TRES PALACIOS shall award the capacity to the bidder whose bid yields the highest value based on the bid evaluation method specified in the Releasing

Customer's offer to release capacity, taking into account the price, volume and term of the bid, as applicable. If more than one bid yields the same value under this subsection (2), TRES PALACIOS shall award the capacity according to the Tie Break Method specified in the Releasing Customer's offer to release capacity.

- (3) For purposes of determining the value of a bid, TRES PALACIOS shall use only the reservation charge (including reservation charges stated on a volumetric basis). If the bid evaluation method specified by the Releasing Customer is present value, TRES PALACIOS shall use a discount rate of ten (10) percent.
- (4) If the winning bid is a contingent bid, the bidder that submitted such contingent bid will be required to satisfy or eliminate any contingency in accordance with the capacity release timeline set forth in Section 4.3 above or in the Releasing Customer's offer to release capacity, as applicable, and shall confirm to TRES PALACIOS via e-mail to link-help@enbridge.com that the contingency has been satisfied or eliminated. In the event that such bidder fails to satisfy or eliminate its contingency pursuant to this subsection (4), the capacity will be awarded to the next highest bidder(s) as determined pursuant to this Section 4.7(b).

4.8 Qualification of Prospective Replacement Customer. A prospective Replacement Customer must be on TRES PALACIOS' approved bidders list before bids may be posted on the LINK® System, 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 TRES PALACIOS' credit requirements as outlined in Section 3.4 and Section 31 of the General Terms and Conditions, and, if applicable, provide the information required by Section 3.4 and Section 31 of the General Terms and Conditions. TRES PALACIOS will apply its creditworthiness criteria to assess the submission. Such credit appraisal shall be reevaluated and updated pursuant to Section 3.4 and Section 31 of the General Terms and Conditions. The prospective Replacement Customer shall remain on the approved bidders list until such prospective Replacement Customer (i) notifies TRES PALACIOS to the contrary, (ii) no longer meets the credit qualifications established in Section 3.4 and Section 31 of the General Terms and Conditions, or (iii) is suspended from the approved bidders list in the event, and for such time as, such Replacement or Prearranged Replacement Customer fails to pay part or all of the amount of any bill for service in accordance with Section 14 of the General Terms and Conditions. TRES PALACIOS will apply its creditworthiness criteria to assess the submission. TRES PALACIOS will waive the creditworthiness requirement on a non-discriminatory basis for Replacement Customers and permit them to submit bids, if the Releasing Customer provides TRES PALACIOS with a guarantee or other form of credit assurance in form and substance satisfactory to TRES PALACIOS of all financial obligations of the Replacement Customer with respect to the capacity being released by Releasing Customer prior to the commencement of service to the



Replacement Customer. TRES PALACIOS shall not award capacity release offers to a prospective Replacement Customer until and unless the Customer meets TRES PALACIOS' creditworthiness requirements applicable to all services that it receives from TRES PALACIOS, including the service represented by the capacity release.

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

4.10 Billing. The Replacement Customer shall be billed and make payments to TRES PALACIOS in accordance with the applicable Rate Schedule, other provisions of this FERC Gas Tariff and of its Service Agreement incorporating its bid terms, and the terms set forth on the applicable Addendum to the Capacity Release Umbrella Agreement. In accordance with the terms of the release, the Replacement Customer shall pay or be liable for the usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) applicable under the relevant Rate Schedule and Releasing Customer's Service Agreement attributable to its usage of the released capacity. TRES PALACIOS shall continue to bill the Releasing Customer all applicable charges under its existing Service Agreement, excluding usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to Replacement Customer's usage of the released capacity. Invoices sent to the Releasing Customer shall reflect a credit equal to any reservation charges (plus all surcharges applicable thereto) being billed 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 and has not notified TRES PALACIOS of a billing dispute pursuant to Section 14.5 of the General Terms and Conditions of this FERC Gas Tariff, TRES PALACIOS shall pursue payment from the Replacement Customer by notifying such Customer by registered letter, return receipt requested, that it has five (5) days from receipt of such letter to pay the amount due including any applicable interest. If the Replacement Customer fails to pay such amount by the end of the fifth day, TRES PALACIOS shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. In addition, TRES PALACIOS shall provide a notice to the Replacement Customer's Releasing Customer in accordance with the provisions of Section 4.15 below.

4.11 Rights and Obligations of the Parties. The Service Agreement between the Releasing Customer and TRES PALACIOS shall remain in full force and effect with the Releasing Customer to receive a credit to its invoice as described in Section 4.10 above. If the Replacement Customer fails to pay all or part of the amounts credited to the Releasing Customer after the five Day notification period specified in Section 4.10, TRES PALACIOS shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. The Addendum to the Capacity Release Umbrella Agreement sent to 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 4, and in such event and for such purposes, shall be considered the Releasing Customer, subject to the re-release rights specified by Releasing Customer pursuant to Section 4.1(t) above.

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

4.13 Limitations.

(a) Releases and assignments hereunder shall be for period(s) of one or more 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.

(b) TRES PALACIOS may invalidate any offer to release or any bid subsequent to its posting on the LINK® System, which does not conform to the requirements of this Section 4 and the other provisions of this FERC Gas Tariff and such invalidated offer or bid shall be deemed null and void.

(c) Any terms and conditions imposed on the offer to release by the Releasing Customer as provided for in this Section 4 must be objectively stated, reasonable, capable of administration or implementation by TRES PALACIOS 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 4.4, for a term of 31 Days or less, only if: 1) a period of 28 Days has elapsed after the first release for 31 Days or less has expired or 2) the Point(s) of Receipt and/or Point(s) of Delivery for the re-release is (are) different from the Point(s) of Receipt and/or Point(s) of Delivery of the first release or 3) the Releasing Customer causes the posting of an offer to release capacity or of a pre-arranged transaction to be made, and capacity is allocated on the basis of bids submitted.

(e) Recall Provisions. If the Releasing Customer retains recall rights, Releasing Customer's offer to release capacity shall clearly specify the conditions precedent to such recall and whether

the recall right retained by Releasing Customer is on a full Day or partial Day basis. The Releasing Customer shall provide capacity recall notification to TRES PALACIOS via the LINK® System. The recall notification shall specify the recall notification period for the specified effective Day, as well as any other information needed to uniquely identify the capacity being recalled. TRES PALACIOS shall support the following recall notification periods for all released capacity subject to recall rights:

(1) Timely Recall Notification:

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

(B) TRES PALACIOS shall provide notification of such recall to all affected Replacement Customers no later than 9:00 A.M. CCT on the Day that Timely Nominations are due;

(2) Early Evening Recall Notification:

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

(B) TRES PALACIOS shall provide notification of such recall to all affected Replacement Customers no later than 4:00 P.M. CCT on the Day that Evening Nominations are due;

(3) Evening Recall Notification:

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

(B) TRES PALACIOS shall provide notification of such recall to all affected Replacement Customers no later than 6:00 P.M. CCT on the Day that Evening Nominations are due;

(4) Intraday 1 Recall Notification:

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

(B) TRES PALACIOS shall provide notification of such recall to all affected Replacement Customers no later than 8:00 A.M. CCT on the Day that Intraday 1 Nominations are due;

(5) Intraday 2 Recall Notification:

(A) A Releasing Customer recalling capacity should provide notice of such recall to TRES PALACIOS and the first Replacement Customer no later than 12:00 P.M. CCT on the Day that Intraday 2 Nominations are due;

(B) TRES PALACIOS shall provide notification of such recall to all affected Replacement Customers no later than 1:00 P.M. CCT on the Day that Intraday 2 Nominations are due;

(6) Intraday 3 Recall Notification:

(A) A Releasing Customer recalling capacity should provide notice of such recall to TRES PALACIOS and the first Replacement Customer no later than 4:00 P.M. CCT on the Day that Intraday 3 Nominations are due;

(B) TRES PALACIOS shall provide notification of such recall to all affected Replacement Customers no later than 5:00 P.M. CCT on the Day that Intraday 3 Nominations are due.

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

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

General Terms and Conditions.

For recall notifications provided to TRES PALACIOS during the Timely, Early or Evening recall notification period, the recall shall be effective as of the beginning of the specified effective Gas Day. For recall notifications provided during the Intraday 1, Intraday 2, or Intraday 3 recall notification period, the recall shall be effective at 2:00 p.m., 6:00 p.m., or 10:00 p.m., respectively, on the specified effective Gas Day.

(f) Partial Day Recall Quantity. The daily contractual entitlement that can be recalled by a Releasing Customer for a partial Day recall is a quantity equal to the lesser of:

- (1) The quantity specified in the Releasing Customer's offer to recall capacity; or
- (2) The difference between the quantity released by the Releasing Customer and the Elapsed Prorata Capacity.

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

The amount of capacity allocated to the Replacement Customer(s) shall equal the original released quantity less the recalled capacity. This allocated daily contractual quantity shall be used for purposes of nominations, billing, and, if applicable, for overrun calculations. As a result of the allocation of capacity described in this Section 4.13(f), TRES PALACIOS shall not be obligated to deliver a combined quantity to the Releasing Customer and the Replacement Customer(s) that is in excess of the total daily contract quantity of the release.

(g) Reput Provisions. TRES PALACIOS shall support the function of reputing by the Releasing Customer. The Releasing Customer may reput previously recalled capacity to the Replacement Customer pursuant to the reput rights and methods identified in the Releasing Customer's offer to release capacity, as required by Section 4.1(g). When capacity is recalled, such capacity may not be reput for the same Day. The deadline for the Releasing Customer to notify TRES PALACIOS of a reput of capacity is 8:00 A.M. CCT to allow the Replacement Customer to submit timely nominations for gas to flow on the next Day.

(h) Following the awarding of capacity to a Replacement Customer in accordance with the procedures provided in this Section 4, the Releasing Customer's rights and TRES PALACIOS' 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 4 shall

constitute Releasing Customer's consent and agreement to such amendment or modification of its existing Service Agreement.

(i) The offer to release must specify the quantities of MDDQ, MDRQ, MSQ (or No-Notice Maximum Daily Quantity, Maximum Park Quantity or Maximum Loan Quantity, as applicable), MDFWQ, MDIQ, MDWQ or rights offered, and actually available on the effective date of the release, 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 that the Firm Service quantities offered for release shall be available upon the commencement of the release, in accordance with the terms and conditions of the applicable Rate Schedule. A Replacement Customer under Rate Schedules FSS, FWS, NNSS, FP or FL shall be responsible for arranging transportation to and from the Point(s) of Receipt and Point(s) of Delivery consistent with its rights and obligations under its Service Agreement and Rate Schedules FSS, FWS, NNSS, FP or FL. The Replacement Customer must comply with all obligations imposed under such Rate Schedule and its rights to store, withdraw and/or inject Gas will be subject to the provisions thereof. If the Releasing Customer proposes to, or requires a transfer-in-place of the portion of its Storage Inventory in conjunction with its release and assignment of storage capacity rights, it shall so specify in its offer to release and such transfer shall be implemented contemporaneously with the release and assignment subject to compliance with the provisions of Section 20 of these General Terms and Conditions. The Replacement Customer must withdraw the portion of its Maximum Storage Quantity by the end of the term of the release. In lieu of withdrawing the portion of its Storage Inventory, the Replacement Customer can also attempt to effect a transfer of the portion of its Storage Inventory to another storage service Customer as provided in Section 20 of these General Terms and Conditions. If the Replacement Customer fails to withdraw or transfer the portion of its Storage Inventory by the end of the term of its release, title to the portion of Customer's remaining Storage Inventory will be vested, at no cost, in the Releasing Customer which released its capacity to the Replacement Customer on a temporary basis.

#### 4.14 TRES PALACIOS' Rights to Terminate Temporary Capacity Releases.

(a) In the event of a temporary release for which (1) TRES PALACIOS has given notice of termination of the Releasing Customer's Service Agreement because the Releasing Customer no longer satisfies TRES PALACIOS' credit requirements as outlined in Sections 3.4 and Section 31 of these General Terms and Conditions and (2) the reservation charge specified in the effective Addendum to the Replacement or Prearranged Replacement Customer's Capacity Release Umbrella Agreement is less than the level of the reservation charge which the Releasing Customer was obligated to pay TRES PALACIOS, then TRES PALACIOS shall be entitled to terminate the Addendum, upon 30 days' written notice to the Replacement or Prearranged Replacement Customer, unless the Replacement or Prearranged Replacement Customer agrees prior to the

end of said 30-day notice period to pay for the remainder of the term of the Addendum either (i) the reservation and commodity charges at levels which the Releasing Customer was obligated to pay TRES PALACIOS, or (ii) such rate as mutually agreed by TRES PALACIOS and Replacement or Prearranged Replacement Customer. Customer may elect to pay the lesser of the two foregoing options. TRES PALACIOS' right to terminate the Addendum is subject to TRES PALACIOS providing written notice of termination to the Replacement or Prearranged Replacement Customer within 60 days of the determination by TRES PALACIOS that the Releasing Customer no longer satisfies TRES PALACIOS' credit requirements. Termination of the Addendum shall not occur prior to termination of the Releasing Customer's Service Agreement.

(b) In the event that a Customer has received 30 days' notice of termination of the Addendum to Customer's Capacity Release Umbrella Agreement pursuant to Section 4.14(a) above for storage service and there is Gas in storage for Customer's account at the end of such 30-day period, the Addendum shall continue in force and effect for the sole purpose of withdrawal of said Gas by Customer until Customer's Storage Inventory is zero. TRES PALACIOS shall require Customer to withdraw each Day a quantity equal to the MDWQ, or such other lesser quantity acceptable to TRES PALACIOS. The requirement to withdraw storage quantities shall be suspended on any Day to the extent that TRES PALACIOS cannot accommodate a nomination or withdraw such storage quantities on such Day. Customer may also transfer title of Gas remaining in Customer's Storage Inventory to another Customer pursuant to Section 20 of TRES PALACIOS' General Terms and Conditions. In the event Customer fails to withdraw its entire Storage Inventory within the time required by this Section 4.14(b), TRES PALACIOS shall auction any remaining Storage Inventory and credit the proceeds of such sale to Customer, net of withdrawal charges and fuel, if applicable. Customer shall indemnify TRES PALACIOS and hold it harmless from all costs, damages and liabilities arising out of the failure of Customer to remove such Storage Inventory and the disposal of such Storage Inventory by sale by TRES PALACIOS. TRES PALACIOS shall post such quantities on the Internet Web Site as soon as reasonably practicable. TRES PALACIOS shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second Business Day following such posting. Prior to 4:00 p.m., CCT of the same Day, TRES PALACIOS shall notify the Customer submitting the highest bid. When the Gas is purchased at auction, Customer purchasing the Gas must provide identification of the existing Service Agreement with TRES PALACIOS under which Customer shall store all such Gas purchased. Customer purchasing the Gas agrees to pay the applicable storage rate on the Gas purchased beginning on the date the bid was accepted at auction.

(c) TRES PALACIOS shall provide the original Releasing Customer with Internet e-mail notification reasonably proximate in time with any of the following formal notices given by TRES PALACIOS to the Releasing Customer's Replacement Customer(s), of the following:

(1) Notice to the Replacement Customer regarding the Replacement Customer's past due, deficiency, or default notice status pursuant to TRES PALACIOS' tariff;

(2) Notice to the Replacement Customer regarding the Replacement Customer's suspension of service notice;

(3) Notice to the Replacement Customer regarding the Replacement Customer's contract termination notice due to default or credit-related issues; and

(4) Notice to the Replacement Customer that the Replacement Customer(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to TRES PALACIOS' tariff.

4.15 Permanent Capacity Releases. To the extent that any Customer desires to release all or any part of its firm rights under Rate Schedule FSS, NNSS, FP, FL, or FWS on a permanent basis, the procedures specified in this Section 4 shall apply. In addition, the Replacement Customer that will acquire the capacity from Customer must submit a request for service electronically via the LINK® System and provide the credit information as required by Sections 3.4 and 31 of the General Terms and Conditions of this FERC Gas Tariff. For any permanent capacity release, the minimum bid acceptable to TRES PALACIOS shall be a bid for the remainder of the term of Customer's service agreement at the rate(s) Customer is obligated to pay TRES PALACIOS for the capacity to be permanently released. TRES PALACIOS may refuse to allow a permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Customer's request to permanently release capacity is denied by TRES PALACIOS, TRES PALACIOS shall notify Customer via e-mail and shall include in the notification the reasons for such denial. A Service Agreement for Firm Service shall be executed, as specified in Section 3.6 of the General Terms and Conditions of this FERC Gas Tariff, by Replacement Customer and TRES PALACIOS following the completion of the permanent capacity release and the approval processes.

4.16 Capacity Request Notice. Any party desiring to acquire firm storage capacity pursuant to this Section 4 must submit the following information to TRES PALACIOS via e-mail to [link-help@enbridge.com](mailto:link-help@enbridge.com):

(a) the Replacement Customer's name and contact information;

(b) the Maximum Storage Quantity, Maximum Daily Firm Wheeling Quantity, Maximum Park Quantity, Maximum Loan Quantity, Maximum Daily Receipt Quantity, Maximum Daily Delivery Quantity, Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, and the No-Notice Maximum Daily Quantity, as applicable;

(c) the desired commencement date and term of the service;

(d) the desired primary receipt and delivery points and the associated MDRQ and MDDQ for the service;

(e) the rate(s) that Replacement Customer will pay for the service;



(f) whether Replacement Customer will accept a release with recall rights, and if so, what recall rights would be acceptable; and

(g) whether Replacement Customer's request is contingent, and if so, the basis for the contingency.

TRES PALACIOS shall post such information on the LINK® System for a period of one (1) month or until a transaction is effected, whichever is shorter.

6.5 GENERAL TERMS AND CONDITIONS -  
PRIORITY, INTERRUPTION OF SERVICE AND OFOS

5. PRIORITY, INTERRUPTION OF SERVICE AND OFOS

5.1 Priority of Service. Any Customer executing a Service Agreement with TRES PALACIOS shall be entitled to the storage, parking, wheeling, or loaning of Gas in the following order of declining priority, as applicable based on the operational constraint:

(a) Firm Services (as defined in Section 2 of these General Terms and Conditions) at primary Point(s) of Receipt, not in excess of MDRQ, and at primary Point(s) of Delivery, not in excess of MDDQ.

(b) Firm Services (as defined in Section 2 of these General Terms and Conditions) that include secondary point rights (i) at secondary Point(s) of Receipt, (ii) at secondary Point(s) of Delivery, (iii) at primary Point(s) of Receipt, in excess of MDRQ but less than or equal to MDIQ or MDFWQ, and (iv) at primary Point(s) of Delivery, in excess of MDDQ but less than or equal to MDWQ or MDFWQ.

(c) Enhanced Interruptible Wheeling Services under Rate Schedule EIWS.

(d) Interruptible service, including storage, parking, wheeling, loaning, and/or authorized overrun service pursuant to Section 5.2 below.

(e) Make-up volumes to correct prior variances between (i) Transporter and the counterparty to a balancing agreement (pursuant to such agreement), (ii) Customer and TRES PALACIOS, and (iii) Customer and Transporter if the variance was due to TRES PALACIOS' failure to receive or deliver Customer's scheduled volumes.

(f) Extended hourly flows:

(i) For Rate Schedules FSS, FP and FL, storage injections in excess of MDRQ/24 or MDIQ/24, or storage withdrawals in excess of MDDQ/24 or MDWQ/24.

(ii) For Rate Schedule FWS, hourly flows in excess of MDRQ/24, MDDQ/24 or MDFWQ/24, or in excess of such other hourly flow rates specified in Customer's Firm Wheeling Service Agreement.

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

5.2 The order of priority relating to service under Rate Schedules ISS, IHBS, IP, IW, and IL, and authorized overrun service, shall be allocated to each Customer in the same manner as specified in Section 5.3.

### 5.3 Interruption.

(a) If on any Day TRES PALACIOS' capability to receive or deliver quantities is impaired so that TRES PALACIOS is unable to receive or deliver all the quantities which are scheduled, then interruption of service shall be implemented in the reverse order of priority set forth in Section 5.1, provided that, once scheduled, secondary firm service has the same priority as primary firm service, as set forth in Section 5.1(a).

(i) If Firm Service must be interrupted, interruption of service to firm storage Customers shall be pro rata based on MDWQ, MDIQ, MSQ, MDFWQ, Maximum Park Quantity or Maximum Loan Quantity, as applicable.

(ii) If Enhanced Interruptible Wheeling Service under Rate Schedule EIWS must be interrupted, interruption of service shall be based on the economic value of each transaction to TRES PALACIOS; the transaction having the lowest economic value to TRES PALACIOS shall be interrupted first. Customer transactions with equal economic value to TRES PALACIOS shall be interrupted pro rata.

(iii) Interruption of service to Interruptible Customers under Rate Schedules ISS, IHBS, IP, IW, and IL, and authorized overrun service, shall be based on the charges applicable to each Customer for the portion(s) of service subject to interruption, with the transaction having the lowest economic value to TRES PALACIOS being interrupted first. Customer transactions with equal economic value to TRES PALACIOS shall be interrupted pro rata.

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

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

5.4 Interruption Liability. TRES PALACIOS 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 TRES PALACIOS' negligence or willful misconduct.

### 5.5 Action Alerts and Operational Flow Orders.

(a) Circumstances Warranting Issuance: As specified in this Section 5.5, TRES PALACIOS shall have the right to issue Action Alerts or Operational Flow Orders ("OFOs") that require actions by Customers in order (1) to alleviate conditions that threaten to impair reliable service, (2) to maintain operations at the pressures required to

provide efficient and reliable services, (3) to have adequate Gas supplies in the system to deliver on demand, (4) to maintain service to all firm shippers and for all firm services, and (5) to maintain the system in balance for the foregoing purposes.

(b) Actions to be Taken to Avoid Issuance: TRES PALACIOS shall, to the extent practicable, take all reasonable actions necessary to avoid issuing an Action Alert or OFO. Such actions shall include, in order of priority (1) working with point operators to temporarily adjust receipts and/or deliveries at relevant Point(s) of Receipt or Point(s) of Delivery, (2) working with Customers and point operators to adjust scheduled flows on the system, or (3) taking any other reasonable action designed to mitigate the system problem. After taking all such reasonable actions to avoid issuing an Action Alert or OFO, TRES PALACIOS will have the right to issue Action Alerts or OFOs, if necessary, in the circumstances described in Section 5.5(a).

(c) Preliminary Notifications/Follow-up Reports: TRES PALACIOS shall provide, via posting on the Internet Web Site and to affected parties through the affected party's choice of electronic notice delivery mechanism(s), prior notice to all Customers and point operators of upcoming system events such as anticipated weather patterns and operational problems that may necessitate the issuance of an Action Alert or OFO.

(d) Applicability of Action Alert or OFO: TRES PALACIOS shall make an Action Alert or OFO as localized as is reasonably practicable based on TRES PALACIOS' good faith and reasonable judgment concerning the situations requiring remediation such that an Action Alert or OFO will be directed first to Customers and point operators causing the problem necessitating the Action Alert or OFO and second, if necessary, to all Customers and point operators. TRES PALACIOS will tailor the Action Alert or OFO to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsections 5.5(f) and 5.5(g). The declaration to the affected parties of OFOs, critical periods and/or Critical Notices shall describe the conditions and the specific responses required from the affected parties.

(e) Notice: All Action Alerts and OFOs will be issued via posting on the Internet Web Site and notification to the affected parties through the affected party's choice of electronic notice delivery mechanism(s). TRES PALACIOS shall also provide such notification via e-mail communication to those Customers and point operators that have provided e-mail address information for at least one contact person, and have requested via TRES PALACIOS' Internet Web Site, e-mail notification of Critical Notices issued by TRES PALACIOS. The Action Alert or OFO will set forth (1) the time and date of issuance, (2) the actions Customer or point operator is required to take, (3) the time by which Customer or point operator must be in compliance with the Action Alert or OFO, (4) the anticipated duration of the Action Alert or OFO, and (5)

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

(f) Action Alerts: In the event that TRES PALACIOS determines that due to (1) an ongoing or anticipated weather event, (2) a known equipment problem, or (3) the anticipated continuation of a current system operational problem, action is necessary to avoid a situation in which the system integrity is jeopardized or TRES PALACIOS' ability to render firm service is threatened, TRES PALACIOS may issue an Action Alert as set out herein to forestall the development of the situation.

(1) Issuance of Alerts: Action Alerts will be noticed in accord with the procedures set forth in Section 5.5(e) and TRES PALACIOS will endeavor to provide a minimum of four hours notice.

(2) Action Alerts can be issued to effect any of the following:

(A) restriction of Interruptible services;

(B) restrictions of deliveries or receipts at specific Point(s) of Receipt or Point(s) of Delivery covered by an operational balancing agreement to the aggregate MDRQ or MDDQ under the Service Agreements for Firm Services whose Primary Point(s) of Delivery/Receipt, which are specified in the Service Agreement, are at the affected locations; and/or

(C) forced balancing such that point operators will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Action Alert.

(g) OFOs: In the event that, in TRES PALACIOS' judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain operations at the pressures required to provide efficient and reliable service, to have adequate Gas supplies in the system to deliver on demand, to

maintain services to all firm Customers and for all firm services, and/or to maintain the system in balance for the foregoing purposes, TRES PALACIOS may forgo the action described in Section 5.5(f) and immediately issue an OFO. In the event that (1) Customer or point operator does not respond to an Action Alert, (2) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or there is insufficient time to carry out the procedures with respect to Action Alerts, TRES PALACIOS may issue an OFO pursuant to this Section 5.5(g) or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of TRES PALACIOS' system. For purposes of this Section 5.5(g), the operational integrity of TRES PALACIOS' system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas received into and/or delivered out of the system.

(h) Termination of an Action Alert or OFO: TRES PALACIOS shall lift any effective Action Alert or OFO promptly upon the cessation of operating conditions that caused the relevant system problem. After TRES PALACIOS has lifted the Action Alert or the OFO, TRES PALACIOS shall post a notice on its Internet Web Site specifying the factors that caused the Action Alert or OFO to be issued and then lifted, to the extent such factors are known. TRES PALACIOS shall also provide such notification via e-mail communication to those Customers and point operators who have submitted a request, and provided e-mail address information for at least one contact person, via TRES PALACIOS' Internet Web Site to receive e-mail notification of Critical Notices issued by TRES PALACIOS.

(i) Penalties: All quantities tendered to TRES PALACIOS and/or taken by Customer on a daily basis in violation of an Action Alert or OFO shall constitute unauthorized receipts or deliveries for which the applicable Action Alert or OFO penalty charge stated below shall be assessed.

(1) Action Alert penalty charge for each Dekatherm of Gas by which Customer deviated from the requirements of the Action Alert shall be equal to an Action Alert Index Price, calculated as 110% of the applicable daily Gas Daily Mid Point price posting for Tennessee Zone Zero for the Day on which the deviation occurred, multiplied by the quantity by which the Customer deviated from the requirements of the Action Alert.

(2) OFO penalty charge for each Dekatherm of Gas by which Customer deviated from the requirements of the OFO shall be equal to an OFO Index Price, calculated as three (3) times the applicable daily Gas Daily Mid Point price posting for Tennessee Zone Zero for the Day on which the deviation occurred, multiplied by the quantity by which the Customer deviated from the requirements of the OFO.

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

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

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

## 5.6 Scheduled Maintenance.

(a) TRES PALACIOS shall have the right to curtail, interrupt or discontinue service in whole or in part on all or a portion of its facilities from time to time to perform inventory verification processes, repairs, maintenance or improvements of TRES PALACIOS' facilities as necessary to maintain the operational capability of TRES PALACIOS' facilities or to comply with applicable regulatory requirements, or to perform construction pursuant to valid Commission authorization. TRES PALACIOS shall exercise due diligence to schedule inventory verification processes, repairs, maintenance and construction so as to minimize disruptions of service to Customers and shall provide reasonable notice of the same to Customers.

(b) Force Majeure: TRES PALACIOS shall have the right to curtail, interrupt, or discontinue service in whole or in part on all or a portion of its facilities at any time for reasons of Force Majeure pursuant to Section 17 of the General Terms and Conditions of this FERC Gas Tariff.



## 6.6 GENERAL TERMS AND CONDITIONS - STORAGE OPERATIONS

### 6. STORAGE OPERATIONS

6.1 Customer shall tender or cause to be tendered to TRES PALACIOS at the Point(s) of Receipt any Gas which Customer desires to have injected into storage plus applicable Fuel Reimbursement volumes. Customer shall also receive or cause to be received Gas requested to be withdrawn from storage at the Point(s) of Delivery.

6.2 Subject to the operating conditions then existing on the delivering or receiving pipelines, TRES PALACIOS shall receive Gas for injection from Customer at the Point(s) of Receipt and deliver Gas to Customer at the Point(s) of Delivery as scheduled by Customer from time to time; provided that TRES PALACIOS shall not be obligated to receive for injection any quantity of Gas if the injection of the same would cause the quantity of Gas stored for Customer's account to exceed Customer's Maximum Storage Quantity; nor shall TRES PALACIOS be obligated at any time to deliver more Gas to Customer than Customer has stored in its Storage Inventory or Park Balance, as applicable, or to receive from Customer more Gas than Customer has outstanding in its Loan Balance.

6.7 GENERAL TERMS AND CONDITIONS - WHEELING OPERATIONS

7. WHEELING OPERATIONS

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

6.8 GENERAL TERMS AND CONDITIONS - NOMINATIONS AND SCHEDULING

8. NOMINATIONS AND SCHEDULING

8.1 During any Day when Customer desires TRES PALACIOS to inject, withdraw or wheel Gas, Customer shall submit a nomination to TRES PALACIOS via the LINK® System, unless another method of submittal is mutually agreed upon by Customer and TRES PALACIOS, that includes, but is not limited to, the following information: quantity, flow period, upstream transportation contract number(s) and/or downstream transportation contract number(s), Point(s) of Receipt and/or Point(s) of Delivery, Customer name and Service Agreement number, and the Customer's authorized employee name and telephone number. All nominations shall be based on a daily quantity.

All nominations shall be considered original nominations and must be replaced to be changed. When a nomination for a date range is received, each Day within that range is considered an original nomination. When a subsequent nomination is received for one or more Days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the Days specified. The Days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

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

Overrun quantities shall be requested on a separate transaction.

8.2 TRES PALACIOS will accept nominations for service as follows:

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

- 1:00 p.m. Nominations leave control of the Customer
- 1:15 p.m. Nominations are received by TRES PALACIOS (including from Title Transfer Tracking Service Providers ("TTTSPs"))
- 1:30 p.m. TRES PALACIOS sends the Quick Response to the Customer
- 4:30 p.m. TRES PALACIOS receives completed confirmations from Confirming Parties
- 5:00 p.m. Customer and Point Operator receive scheduled quantities from TRES PALACIOS.

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

(b) Intraday Nominations. Any nomination received during a Day for the same Day of Gas flow, or any nomination received after the nominations deadline set forth in Section 8.2(a) above for the following Day flow shall be an intraday nomination. Intraday nominations can be used to request increases or decreases in total flow, changes to Point(s) of Receipt, or changes to Point(s) of Delivery of scheduled Gas. Intraday nominations do not roll over (i.e. intraday nominations span one Day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an intraday nomination modifies an existing nomination.

Intraday nominations may be used to nominate new injections or withdrawals. All nominations, including intraday nominations, shall be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday nominations shall include an effective date and time. The interconnected parties shall agree on the hourly flows of the intraday nomination, if not otherwise addressed in Transporter's contract or tariff.

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

(c) Elapsed-Prorated-Scheduled Quantity. With respect to intraday nominations for reductions in previously scheduled quantities, TRES PALACIOS may accept any explicitly confirmed quantity, down to and including zero, for such intraday nomination; provided, however, if such intraday nomination requires confirmation from an upstream and/or downstream interconnected pipeline, then any intraday nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.

(d) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 5 of the General Terms and Conditions of this FERC Gas Tariff. Nominations received after nomination deadline shall be scheduled after the nominations received before the nomination deadline.

(e) Notices provided under this Section 8.2 must be submitted via the LINK® System, unless another method of submittal is mutually agreed upon by Customer and TRES PALACIOS. Customer shall provide notice of any changes in deliveries to or receipt from TRES PALACIOS to all transporters and shall be responsible for, and shall hold TRES PALACIOS harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense

is due to the negligence of TRES PALACIOS.

(f) Minimum NAESB Nomination Standards. In the event the more flexible nomination procedures set forth in Section 8.2(b) above are inapplicable for any reason, nominations shall be submitted and processed in accordance with the minimum NAESB Standards set forth in this Section 8.2(f). TRES PALACIOS shall support the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

(1) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Customer;
- 1:15 p.m. Nominations are received by TRES PALACIOS (including from Title Transfer Tracking Service Providers ("TTTSPs"));
- 1:30 p.m. TRES PALACIOS sends the Quick Response to the Customer;
- 4:30 p.m. TRES PALACIOS receives completed confirmations from Confirming Parties;
- 5:00 p.m. Customer and Point Operator receive scheduled quantities from TRES PALACIOS.

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

(2) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the Customer;
- 6:15 p.m. Nominations are received by TRES PALACIOS (including from TTTSPs);
- 6:30 p.m. TRES PALACIOS sends the Quick Response to the Customer;
- 8:30 p.m. TRES PALACIOS receives completed confirmations from Confirming Parties;
- 9:00 p.m. TRES PALACIOS provides scheduled quantities to the affected Customer and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

(3) The Intraday 1 Nomination

Cycle On the current Gas Day:

- 10:00 a.m. Nominations leave control of the Customer;
- 10:15 a.m. Nominations are received by TRES PALACIOS (including from TTTSPs);
- 10:30 a.m. TRES PALACIOS sends the Quick Response to the Customer;
- 12:30 p.m. TRES PALACIOS receives completed confirmations from Confirming Parties;
- 1:00 p.m. TRES PALACIOS provides scheduled quantities to the affected Customer and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day.

(4) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the Customer;
- 2:45 p.m. Nominations are received by TRES PALACIOS (including from TTTSPs);
- 3:00 p.m. TRES PALACIOS sends the Quick Response to the Customer;
- 5:00 p.m. TRES PALACIOS receives completed confirmations from Confirming Parties;
- 5:30 p.m. TRES PALACIOS provides scheduled quantities to the affected Customer and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day.

(5) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the Customer;
- 7:15 p.m. Nominations are received by TRES PALACIOS (including from TTTSPs);
- 7:30 p.m. TRES PALACIOS sends the Quick Response to the Customer;
- 9:30 p.m. TRES PALACIOS receives completed confirmations from Confirming Parties;
- 10:00 p.m. TRES PALACIOS provides scheduled quantities to the affected Customer

and Point Operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

For purposes of (2), (3), (4), and (5) above, the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

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

8.3 Customer shall make available and tender any Gas to be injected or wheeled hereunder and receive and accept delivery, upon tender by TRES PALACIOS, any Gas requested to be withdrawn from storage or wheeled. The quantity of Gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer shall not (unless otherwise agreed by TRES PALACIOS) receive or deliver Gas, nor shall TRES PALACIOS be obligated to receive Gas or deliver Gas on an hourly basis at rates of flow in excess of 1/24 of Customer's MDRQ or MDDQ, respectively. As determined by TRES PALACIOS in its sole and reasonable judgment, flow rates above 1/24 of Customer's MDRQ or MDDQ (or above the hourly flow rates specified in a Customer's Firm Wheeling Service Agreement) may be permitted. Unless otherwise agreed to between TRES PALACIOS and a Firm Storage Service Customer, and documented in Customer's Firm Storage Service Agreement, a Customer shall not be permitted to nominate simultaneous injections into and withdrawals from storage under the same Service Agreement or otherwise to engage in any nomination pattern that would result in Customer receiving the equivalent of unbundled transportation service, other than firm or interruptible wheeling service provided by TRES PALACIOS in accordance with an executed Service Agreement. The prohibition against simultaneous injection and withdrawal nominations shall not be deemed to limit a Customer's right during a Day, subject to the priorities of service provisions of Section 6.5 of these General Terms and Conditions, to submit nominations in the Evening, Intraday 1, Intraday 2 and/or Intraday 3 Nomination Cycles, or at other times as may be permitted under this FERC Gas Tariff, that would result in a switch from previously nominated injections to withdrawals or from withdrawals to injections; provided that the Customer shall not nominate both injections and withdrawals under a single Service Agreement during any time period within a Day.

6.9 GENERAL TERMS AND CONDITIONS -  
POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

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

9.1 Point(s) of Receipt. Customer shall tender all Gas for wheeling or injection into storage to TRES PALACIOS at the Point(s) of Receipt as specified in Customer's Service Agreement. The quantity of Gas tendered by Customer to TRES PALACIOS for wheeling or injection into storage shall (i) not exceed at each Point of Receipt the MDFWQ, MDTQ or MDRQ, as applicable, for such Point of Receipt in effect from time to time, or (ii) not exceed the MDIQ plus the applicable Fuel Reimbursement at all Point(s) of Receipt in effect from time to time, without the consent of TRES PALACIOS.

9.2 Point(s) of Delivery. TRES PALACIOS shall tender all Gas to be wheeled or withdrawn from storage to Customer at the Point(s) of Delivery as specified in Customer's Service Agreement. The quantity of Gas delivered to Customer shall (i) not exceed at each Point of Delivery the MDFWQ, MDTQ or MDDQ, as applicable, for such Point of Delivery in effect from time to time, or (ii) not exceed the MDWQ at all Point(s) of Delivery in effect from time to time, without the consent of TRES PALACIOS.

9.3 Costs and Penalties. Customer shall hold TRES PALACIOS harmless for all costs and penalties which may be assessed by Transporter(s) under Customer's transportation agreement(s) with Transporter(s), unless the costs and penalties are due to the negligence of TRES PALACIOS. Customer and TRES PALACIOS shall cooperate with each other and with the Transporter(s) to verify delivery and receipt of the volumes of Gas delivered hereunder on a timely basis.

9.4 Downstream and Upstream Transportation. Customer shall be responsible for transportation from the Point(s) of Delivery and payment of all transportation charges relating thereto. Customer shall be responsible for transportation to the Point(s) of Receipt and payment of all transportation charges relating thereto.

9.5 Accounting Meters. In certain situations, TRES PALACIOS may use an accounting meter number to represent a physical location on its system. A Point of Receipt and/or a Point of Delivery identified on Customer's Service Agreement(s) may be designated in the LINK® System by means of an accounting meter number and description that differs from the physical meter number and description specified on the Service Agreement. The same rights and obligations exist for both TRES PALACIOS and Customer regardless of whether a location is identified in Customer's Service Agreement by means of a physical meter number or an accounting meter number.



6.10 GENERAL TERMS AND CONDITIONS - QUALITY

10. QUALITY

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

(a) Be commercially free from objectionable odors, dirt, dust, iron particles, gums, gum-forming constituents, gasoline, PCBs, and other solid and/or liquid matter, including but not limited to water, Gas treating chemicals and well completion fluids and debris, which may become separated from the Gas during the transportation thereof.

(b) Contain not more than one fourth (1/4) of one grain of hydrogen sulfide per one hundred (100) cubic feet, as determined by the cadmium sulfate quantitative test, nor more than twenty (20) grains of total sulfur per one hundred (100) cubic feet.

(c) The Gas delivered hereunder shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, shall not contain more than three percent (3%) by volume of carbon dioxide, shall not contain more than three (3%) by volume of nitrogen, and shall not contain a combined total of carbon dioxide and nitrogen components of more than four (4%) by volume.

(d) Have a heating value of not less than nine hundred and sixty-seven (967) Btus per cubic feet and not more than eleven hundred (1100) Btus per cubic feet.

(e) Have a temperature of not more than 120 degrees Fahrenheit (120 degrees F), nor less than forty degrees Fahrenheit (40 degrees F).

(f) Have been dehydrated by the tendering party, by any method other than the use of a calcium chloride as desiccant, for removal of entrained water in excess of seven (7) pounds of water per million (1,000,000) cubic feet of Gas as determined by dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon.

10.2 Rejection of Gas. Either party shall be entitled to reject any Gas tendered to it by the other party which does not meet the minimum specifications of Section 10.1 hereunder. Acceptance of such Gas does not constitute any waiver of TRES PALACIOS' right to refuse to accept similarly nonconforming Gas.

6.11 GENERAL TERMS AND CONDITIONS - PRESSURE AND INJECTION/WITHDRAWAL RATES

11. PRESSURE AND INJECTION/WITHDRAWAL RATES

11.1 Delivery Pressures. TRES PALACIOS shall deliver Gas to Customer at pressures sufficient to enter the pipeline facilities at the Point(s) of Delivery against the operating pressures maintained by Transporter(s) from time to time. TRES PALACIOS shall not be required to deliver Gas at pressures in excess of those required by Transporter(s) or in excess of Transporter(s) maximum allowable operating pressure (MAOP). Customer shall deliver or cause to be delivered to TRES PALACIOS all Gas for wheeling, parking or injection at the Point(s) of Receipt at pressures not less than 700 psig and not in excess of the MAOP of TRES PALACIOS' facilities at the Point(s) of Receipt. TRES PALACIOS shall be responsible for maintaining facilities at such Point(s) of Receipt to permit Customer to deliver Gas to TRES PALACIOS at such allowed pressures.

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

11.3 TRES PALACIOS may agree on a nondiscriminatory basis to minimum and maximum pressure provisions. Any such requirement shall be set forth in the Customer's service agreement and shall not constitute a non-conforming term in the service agreement.

6.12 GENERAL TERMS AND CONDITIONS - TITLE AND RISK OF LOSS

12. TITLE AND RISK OF LOSS

12.1 Customer warrants for itself, its successors and assigns, that it will have at the time of delivery of Gas for injection, storage, parking or wheeling hereunder either good title to or the right to have the Gas transported or stored. Customer warrants for itself, its successors and assigns, that the Gas it delivers hereunder shall be free and clear of all liens, encumbrances, or claims whatsoever; and that it will indemnify TRES PALACIOS and save it harmless from all claims, suits, actions, damages, costs and expenses arising directly or indirectly from or with respect to the title and/or right to Gas tendered to TRES PALACIOS hereunder.

12.2 As between Customer and TRES PALACIOS, (x) Customer shall be deemed to be in control and possession of the Gas prior to delivery to TRES PALACIOS for wheeling, parking, storage or injection at the Point(s) of Receipt and after redelivery by TRES PALACIOS to Customer at the Point(s) of Delivery, and shall indemnify and hold TRES PALACIOS harmless from any damage or injury caused thereby, and (y) TRES PALACIOS shall be deemed to be in control and possession of the Gas after the receipt of Gas at the Point(s) of Receipt and until TRES PALACIOS' redelivery of an equivalent quantity of Gas to Customer at the Point(s) of Delivery, and shall indemnify and hold Customer harmless from any damage or injury caused thereby, except for damages and injuries caused by the sole negligence of Customer. Notwithstanding anything to the contrary set forth in this Section 12.2, the risk of loss of any quantity of Gas wheeled through, injected into, parked or stored in and withdrawn from the TRES PALACIOS storage facilities shall remain with Customer, and TRES PALACIOS shall not be liable to Customer for any loss of Gas, except as may be the consequence of the intentional or negligent acts or omissions of TRES PALACIOS. Any losses of Gas, unless resulting from the intentional or negligent act or omissions of TRES PALACIOS, shall be apportioned among and shared proportionally by all Customers under Rate Schedules FSS, ISS, FP, IP and IHBS on the basis of the percentage which each Customer's Storage Inventory as of the Day immediately preceding the Day on which a loss occurs bore to the total amount of Gas in all Customers' Storage Inventories on such Day.

## 6.13 GENERAL TERMS AND CONDITIONS - MEASUREMENT

### 13. MEASUREMENT

13.1 The unit of volume for measurement of all quantities of Gas wheeled, parked, loaned or stored by TRES PALACIOS or delivered to and received from storage hereunder shall be one (1) cubic foot of Gas at the base temperature of sixty degrees Fahrenheit (60 degrees F) and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch and dry. All fundamental constants, observations, records, and procedures involved in determining and/or verifying the quantity and other characteristics of Gas delivered hereunder shall, unless otherwise specified herein, be in accordance with the standards prescribed by the American Gas Association, as now in effect and from time to time amended or supplemented. All measurements of Gas shall be determined by calculation into terms of such unit. All quantities given herein, unless expressly stated otherwise, are in terms of such unit. Notwithstanding the foregoing, it is agreed that, for all purposes, the Btu content of the Gas received and delivered by TRES PALACIOS hereunder shall be measured on a "dry" basis rather than a fully saturated or "wet" basis. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

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

## 6.14 GENERAL TERMS AND CONDITIONS - BILLINGS AND PAYMENTS

### 14. BILLINGS AND PAYMENTS

14.1 Invoice. Not later than the ninth (9<sup>th</sup>) Business Day of each month, TRES PALACIOS shall provide Customer (including a Replacement Customer) an invoice and any required backup data (which may be transmitted by e-mail) in accordance with this Section 14.1 that sets forth (i) the charges due for the current Month; (ii) the total quantity of Gas, stated in Dekatherms, received from and delivered to Customer hereunder during the preceding Month(s), with applicable Point(s) of Receipt and Point(s) of Delivery properly identified, and the amount due therefor; and if applicable, (iii) the amount of Customer's Gas in storage as of the close of the preceding Month and information sufficient to explain and support any adjustments made by TRES PALACIOS in determining the amount billed. If actual quantities are not available by the ninth (9<sup>th</sup>) Business Day of the month, TRES PALACIOS may invoice based on best available data subject to adjustment to actual at a later date. Quantities at points where Operational Balancing Agreements exist shall be invoiced based on scheduled quantities. TRES PALACIOS' invoice shall be delivered to Customer or its agent by posting Customer's final invoice on TRES PALACIOS' LINK® System and posting a general notice of the availability of the final invoices on the Informational Postings section of TRES PALACIOS' Internet Web Site. TRES PALACIOS will provide an e-mail notification, if an e-mail address has been designated by Customer, contemporaneously with the posting of the final invoice on TRES PALACIOS' LINK® System. It is the Customer's responsibility to update e-mail address information provided to TRES PALACIOS as necessary. Customer may designate an agent to receive invoices and may designate such agent to receive the e-mail notifications of the availability of Customer's final invoice on TRES PALACIOS' LINK® System.

14.2 Application of Payments for Released Capacity. Payments to TRES PALACIOS by a Replacement Customer for released capacity shall be applied as follows: (i) TRES PALACIOS shall retain amounts equal to the Replacement Customer's usage charges; (ii) TRES PALACIOS will credit the balance to reservation charges due from the Replacement Customer; and (iii) TRES PALACIOS shall remit the remaining balance, if any, or shall charge any balance due, to the Replacement Customer, in accordance with Section 4.10 of the General Terms and Conditions of this FERC Gas Tariff. If any balance due from the Replacement Customer remains unpaid, the outstanding balance will then be billed to the Releasing Customer, provided that the Releasing Customer is only liable to the extent of the reservation charges specified in the applicable Service Agreement and corresponding Rate Schedule.

14.3 Payment. Customer shall pay TRES PALACIOS by wire transfer the full amount reflected on the invoice within fifteen (15) days of the date of the invoice. If the fifteenth (15<sup>th</sup>) day shall fall upon a weekend or legal holiday, then such payment shall be made on the next Business Day after the fifteenth (15<sup>th</sup>) day. Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two

Business Days of the payment due date.

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

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

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

6.15 GENERAL TERMS AND CONDITIONS - TAXES

15. TAXES

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

6.16 GENERAL TERMS AND CONDITIONS - INSURANCE

16. INSURANCE

Customer shall be responsible for providing its own insurance coverage with respect to Gas it tenders to TRES PALACIOS under any Service Agreement, including but not limited to service under the Rate Schedules set forth in TRES PALACIOS' Tariff.



6.17 GENERAL TERMS AND CONDITIONS -  
FORCE MAJEURE, RESERVATION CHARGE CREDITS

17. FORCE MAJEURE, RESERVATION CHARGE CREDITS

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

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

(c) Calculation of Credits Against Reservation Charges.

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

Curtailment of a firm Customer's injections:  
Reservation Charge Credit =  $RC/\#Days \times CNIQ/MDIQ$

Curtailment of a firm Customer's withdrawals:  
Reservation Charge Credit =  $RC/\#Days \times CNWQ/MDWQ$

Curtailement of a firm Customer's wheeling service:

$$\text{Reservation Charge Credit} = \text{RC}/\text{\#Days} \times \text{CNTQ}/\text{MDFWQ}$$

Where:

RC = The Customer's Reservation Charges for the Month, calculated using the rates set forth in the Customer's Service Agreement. Customer's NNSS Reservation Charges, if applicable, shall be combined with its FSS Reservation Charges for this calculation.

\#Days = The number of Days in the Month.

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

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

CNTQ = The Curtailed Nominated Wheeling Quantity, which shall be the quantity of Customer's nominated wheeling service actually curtailed on each Day of the Month by TRES PALACIOS.

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

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

MDFWQ = The firm Customer's Maximum Daily Firm Wheeling Quantity, as set forth in its Firm Wheeling Service Agreement.

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

reservoirs; testing (as required by governmental authority or as deemed necessary by TRES PALACIOS for the safe operation of the facilities required to perform the services hereunder); and the making of repairs or alterations to pipelines, storage, and plant facilities including Transporter's (s') pipeline repairs. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of TRES PALACIOS, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of TRES PALACIOS.

6.18 GENERAL TERMS AND CONDITIONS - NOTICES

18. NOTICES

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

6.19 GENERAL TERMS AND CONDITIONS - FUEL REIMBURSEMENT

19. FUEL REIMBURSEMENT

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

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

19.2 Fuel Reimbursement. Fuel Reimbursement shall be calculated separately for storage services, wheeling, loaning and parking under Rate Schedules FSS, FWS, FP, FL, ISS, IHBS, IP, IW, IL, and EIWS. Each Fuel Reimbursement charge shall be negotiated by TRES PALACIOS and Customer such that reimbursement of fuel shall be paid in kind, as set forth in Customer's Service Agreement(s).

6.20 GENERAL TERMS AND CONDITIONS - GAS TITLE TRANSFERS

20. GAS TITLE TRANSFERS

20.1 Title Transfers of Gas in Storage:

(a) A Customer that has executed a Service Agreement under Rate Schedules FSS, FP, FL, ISS, IHBS, IL or IP may sell some or all of its Storage Inventory or Loan Balance to any other Customer that has executed a Service Agreement under the same Rate Schedule to become part of such other Customer's Storage Inventory or Loan Balance under the same Rate Schedule if:

(1) Customer selling Storage Inventory or Loan Balance initiates a request for Title Transfer via the LINK® System, identifying the details of the title transfer transaction, and Customer purchasing Storage Inventory or Loan Balance approves or rejects the request for Title Transfer within three (3) Gas Days; and

(2) The purchase does not cause either Customer to exceed its Maximum Storage Quantity, Maximum Loan Quantity, or Maximum Park Quantity, as applicable and as specified in the Customer's Service Agreement, or cause either Customer's balance to go below zero.

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

(b) TRES PALACIOS will recognize the transfer for purposes of computing each Customer's available Storage Inventory or Loan Balance on a prospective basis within one (1) Business Day after receipt of the approval by purchaser of seller's request.

(c) For each title transfer of Gas in storage performed under this section, each Customer shall pay the Title Transfer rate as agreed upon by each Customer and TRES PALACIOS and set forth on the approved request.

20.2 Title Transfers of Gas

(a) Transfers of title between Customers and/or Service Agreements under which Gas is delivered to TRES PALACIOS, withdrawn from TRES PALACIOS' storage or wheeled on TRES PALACIOS' system may be permitted by TRES PALACIOS at Point(s) of Receipt and Point(s) of Delivery as set forth on the applicable Service Agreement on an Interruptible basis.

(b) Requests for such transfers shall be made in accordance with the nomination procedures set forth in Section 8, Nominations and

Scheduling, of the General Terms and Conditions herein. TRES PALACIOS shall not unreasonably withhold approval of such transfers.

(c) For each title transfer nominated by Customer under Section 20.2(b) herein, Customer shall pay the Title Transfer rate as agreed upon by each Customer and TRES PALACIOS.

6.21 GENERAL TERMS AND CONDITIONS - PENALTIES

21. PENALTIES

21.1 A Customer shall be liable for and shall be required to reimburse TRES PALACIOS for all penalties, charges and fees which TRES PALACIOS is required to pay to Transporter(s) as a consequence of Customer's actions. The recovery of such penalty amounts shall be on an as-billed basis.

21.2 In addition to the payment of the penalties set forth in Section 21.1 herein, the responsible Customer shall also be liable for, and shall reimburse TRES PALACIOS, for all costs incurred by TRES PALACIOS as a consequence of such Customer's actions.



6.22 GENERAL TERMS AND CONDITIONS -  
TRANSMISSION PROVIDER STANDARDS OF CONDUCT

22. TRANSMISSION PROVIDER STANDARDS OF CONDUCT

TRES PALACIOS does not meet FERC's definition of a "Transmission Provider" (18 C.F.R. § 358.3(k)) because it is a storage company authorized to charge market-based rates. Therefore, TRES PALACIOS is not required to comply with FERC's Transmission Provider Standards of Conduct, as promulgated in Order Nos. 717, *et al.*, and codified at 18 C.F.R. Part 358.

6.23 GENERAL TERMS AND CONDITIONS - NORTH AMERICAN ENERGY STANDARDS BOARD

23. NORTH AMERICAN ENERGY STANDARDS BOARD

Compliance with 18 C.F.R. Section 284.12

TRES PALACIOS has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 C.F.R. Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

**Standards not Incorporated by Reference and their Location in Tariff:**

<u>NAESB Standard</u>		<u>Tariff Record (GT&amp;C Section)</u>
1.2.3	2	Definitions
1.2.4	2	Definitions
1.2.6	2	Definitions
1.2.12	2	Definitions
1.3.1	2	Definitions
1.3.2(i-vi)	8.2(f)	Nominations and Scheduling
1.3.5	8.1	Nominations and Scheduling
1.3.6	8.2(d)	Nominations and Scheduling
1.3.8	8.2(b)	Nominations and Scheduling
1.3.9	8.2(b)	Nominations and Scheduling
1.3.11	8.2(b)	Nominations and Scheduling
1.3.13	8.2(b)	Nominations and Scheduling
1.3.19	8.1	Nominations and Scheduling
1.3.21	8.2(a)	Nominations and Scheduling
1.3.26	5.5(d)	Priority, Interruption of Service and OFOs
1.3.33	8.2(b)	Nominations and Scheduling
2.3.9	2	Definitions
3.2.1	2	Definitions
3.3.9	14.1	Billing and Payments
3.3.10	14.1	Billing and Payments
3.3.17	14.3	Billing and Payments
3.3.19	14.4	Billing and Payments
5.2.1	2	Definitions
5.2.3	2	Definitions

**Standards not Incorporated by Reference and their Location in Tariff (cont.):**

<u>NAESB Standard</u>		<u>Tariff Record (GT&amp;C Section)</u>
5.3.1	4.3	Capacity Release
5.3.2	4.3	Capacity Release
5.3.3	4.3	Capacity Release
5.3.4	4.7	Capacity Release
5.3.7	4.13(g)	Capacity Release
5.3.13	4.6(b)	Capacity Release
5.3.14	4.1	Capacity Release
5.3.15	4.6(b)	Capacity Release
5.3.16	4.1	Capacity Release
5.3.24	4.3(d)	Capacity Release
5.3.25	4.3(d)	Capacity Release
5.3.44	4.13(e)	Capacity Release
5.3.45	4.13(e)	Capacity Release
5.3.59	4.8	Capacity Release
5.3.60	4.14(c)	Capacity Release

**Standards Incorporated by Reference:**

**Additional Standards:**

**General:**

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

**Creditworthiness:**

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

**Gas/Electric Operational Communications:**

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

**Operating Capacity and Unsubscribed:**

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:

0.4.2, 0.4.3

**Location Data Download:**

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4

**Storage Information:**

Dataset:

0.4.1

**Nominations Related Standards:**

Definitions:

1.2.1, 1.2.2, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13, 1.2.14,  
1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.3, 1.3.4, 1.3.7, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20,  
1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31,  
1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41,  
1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55,  
1.3.56, 1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69,  
1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79,  
1.3.80, 1.3.81, 1.3.82

Datasets:

1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

**Flowing Gas Related Standards:**

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

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

Datasets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10,  
2.4.11, 2.4.17, 2.4.18

**Invoicing Related Standards:**

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.11, 3.3.12, 3.3.13,  
3.3.14, 3.3.15, 3.3.16, 3.3.18, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25,  
3.3.26, 3.3.27

Datasets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

**Quadrant Electronic Delivery Mechanism Related Standards:**

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, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

**Capacity Release Related Standards:**

Definitions:

5.2.2, 5.2.4, 5.2.5

Standards:

5.3.5, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 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, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Datasets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26, 5.4.27

**Internet Electronic Transport Related Standards:**

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

**Standards for which Waiver or Extension of Time to Comply have been granted:**

None.

6.24 GENERAL TERMS AND CONDITIONS - JOINT OBLIGATIONS

24. JOINT OBLIGATIONS

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

6.25 GENERAL TERMS AND CONDITIONS -  
NONDISCRIMINATORY WAIVER OF TARIFF PROVISIONS

25. NONDISCRIMINATORY WAIVER OF TARIFF PROVISIONS

TRES PALACIOS 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 TRES PALACIOS of any one or more defaults by the other in the performance of any provision of the Service Agreement between Customer and TRES PALACIOS shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

6.26 GENERAL TERMS AND CONDITIONS - MODIFICATION

26. MODIFICATION

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



6.27 GENERAL TERMS AND CONDITIONS - SUCCESSORS IN INTEREST

27. SUCCESSORS IN INTEREST

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

6.28 GENERAL TERMS AND CONDITIONS - DEFAULT AND TERMINATION

28. DEFAULT AND TERMINATION

28.1 Customer shall be in default under this FERC Gas Tariff or the Service Agreement if:

(a) Customer shall fail to pay any sums due to TRES PALACIOS hereunder and such failure continues for a period of five (5) Business Days after written notice to Customer by TRES PALACIOS;

(b) Customer fails to perform any of its material covenants or obligations under this FERC Gas Tariff or the Service Agreement, other than obligations to make payments to TRES PALACIOS., and Customer does not remedy such failure within a period of thirty (30) days after receipt of a notice from TRES PALACIOS;

(c) Customer or its guarantor becomes insolvent, as set forth in Section 31.1(e); or

(d) Customer fails to provide or maintain Financial Assurances pursuant to Section 31.

Customer shall indemnify and hold harmless TRES PALACIOS from and against any costs or losses resulting from (a), (b), (c), (d) above.

28.2 In the event of any Default by Customer, in addition to all other remedies available to it pursuant to the Service Agreements or at law and in equity, TRES PALACIOS may do any or all of the following:

(a) demand within five (5) Business Days repayment of the entire balance of the outstanding Gas loan to Customer;

(b) refuse to accept any further deliveries of Gas from or on behalf of Customer pursuant to all or any transactions;

(c) refuse to deliver Gas to or on behalf of Customer pursuant to all or any transactions;

(d) set off any amount owing by TRES PALACIOS to Customer pursuant to any transaction(s) against amounts otherwise owing by Customer to TRES PALACIOS pursuant to any other transaction(s);

(e) suspend performance until Customer corrects the default in full;

(f) terminate the Customer's Service Agreement, provided that TRES PALACIOS shall provide not less than thirty (30) days notice of such termination to the Customer and to FERC; and

(g) assert any liens or other interests, consistent with applicable law, against any Gas Customer may have remaining on TRES PALACIOS' system.

28.3 Customer shall not be obligated to pay TRES PALACIOS reservation charges for any suspended services during any period of suspension pursuant to Section 28.2.

6.29 GENERAL TERMS AND CONDITIONS - FEES AND CONSTRUCTION OF NEW FACILITIES

29. FEES AND CONSTRUCTION OF NEW FACILITIES

29.1 Except as provided in Section 29.2 herein, Customer shall reimburse TRES PALACIOS (a) for the costs of any facilities installed by TRES PALACIOS 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 TRES PALACIOS is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due TRES PALACIOS by Customer pursuant to this Section 29.1 shall be due and payable to TRES PALACIOS within ten (10) days of receipt by Customer of TRES PALACIOS' invoice(s) for same; provided, however, that subject to TRES PALACIOS' 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 TRES PALACIOS and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both TRES PALACIOS and Customer.

29.2 TRES PALACIOS may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 29.1 for Rate Schedules FSS, FWS, NNSS, FP and FL if Customer provides TRES PALACIOS adequate assurances to make construction of the facilities economical to TRES PALACIOS. All requests for waiver shall be handled by TRES PALACIOS in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, TRES PALACIOS 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 TRES PALACIOS estimates will be generated as a result of such construction, and the availability of capital funds on terms and conditions acceptable to TRES PALACIOS. In estimating the revenues to be generated, TRES PALACIOS will evaluate the existence of capacity limitations downstream of the facilities, the marketability of the capacity, the Interruptible versus the firm nature of the service, and other similar factors which impact whether the available capacity will actually be utilized.

6.30 GENERAL TERMS AND CONDITIONS - OFF-SYSTEM CAPACITY

30. OFF-SYSTEM CAPACITY

TRES PALACIOS may, from time to time, enter into transportation and/or storage agreements with other interstate or intrastate pipeline or storage companies ("Off-system Pipeline"). In the event that TRES PALACIOS acquires capacity on an Off-system Pipeline, TRES PALACIOS will use such capacity for operational reasons and to provide transportation and storage services for others using such capacity pursuant to its open access FERC Gas Tariff subject to its rates approved by the FERC, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 30, the "shipper must have title" policy is waived to permit such use.

6.31 GENERAL TERMS AND CONDITIONS - CREDITWORTHINESS

31. CREDITWORTHINESS

31.1 Credit Evaluation

(a) Evidence of creditworthiness. TRES PALACIOS' acceptance of a request for new service or a request resulting in a Billing Amendment under any of TRES PALACIOS' rate schedules is contingent upon a satisfactory credit appraisal by TRES PALACIOS. TRES PALACIOS shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition. TRES PALACIOS shall not use any criteria, formula, ranking system or other methodology that would give any preference or advantage to an affiliate of TRES PALACIOS. To enable TRES PALACIOS to conduct such credit appraisal, a Customer shall submit the following; provided, however, that submission of such material shall not be deemed acceptance of a request for service by TRES PALACIOS, which determination shall be made by TRES PALACIOS only after submission of the material and information set forth below and a determination by TRES PALACIOS that Customer is sufficiently creditworthy. In the event Customer cannot provide the information required by this Section 31(a), Customer shall, if applicable, provide such information for its parent company.

(1) 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. TRES PALACIOS shall determine the acceptability of the Customer's overall financial condition;

(2) Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted pursuant to Section 31(a) (1) above must show that Customer's obligations are being paid on a reasonably prompt basis;

(3) 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 Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction;

(4) 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;

(5) If Customer has an on-going business relationship with TRES PALACIOS, no delinquent balances should be outstanding

for services made previously by TRES PALACIOS and Customer must have paid its account during the past according 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.

(b) TRES PALACIOS shall not be required to perform or to continue service under any Rate Schedule on behalf of any Customer who is or has become insolvent or who, at TRES PALACIOS' request, fails within a reasonable period to demonstrate creditworthiness. Upon notification by TRES PALACIOS that a Customer has failed to satisfy the credit criteria or subsequently during the term of the service agreement no longer satisfies the credit criteria, such Customer may still obtain credit approval by TRES PALACIOS if it pays any outstanding balances due TRES PALACIOS for service rendered or has complied with Section 14.5 of the General Terms and Conditions with regard to such balances and elects to provide one of the following security ("Financial Assurances"):

(1) an advance deposit;

(2) a standby irrevocable letter of credit, acceptable to TRES PALACIOS, issued by a financial institution that satisfies TRES PALACIOS' credit appraisal;

(3) security interest in collateral found to be satisfactory to TRES PALACIOS; or

(4) a guarantee, acceptable to TRES PALACIOS, by another person or entity which satisfies TRES PALACIOS' credit appraisal.

TRES PALACIOS shall provide such Customer with a written statement supporting TRES PALACIOS' request for the security amount requested at the time such security is requested. If TRES PALACIOS rejects the security provided by Customer in accordance with Section 31(b)(2)-(4) above, TRES PALACIOS shall re-issue its request for the security and include a written explanation for the rejection of the security previously provided by Customer. For a new Customer, or a Customer requesting a Billing Amendment, such security shall be calculated as follows:

(i) For Firm Service, an amount equal to the three (3) highest Months during a Contract Year or the duration of Customer's Service Agreement, whichever is shorter, worth of Reservation Charges at the rate specified in Customer's Service Agreement;

(ii) For Interruptible storage service, an amount equal to fifteen (15) Days of usage per Month for three (3) Months or the duration of Customer's Service Agreement, which is shorter, at the applicable commodity rates specified in Customer's Service Agreement;

- (iii) For Interruptible hub services, an amount equal to fifteen (15) Days of usage per Month for three (3) Months or the duration of the Customer's Service Agreement, whichever is shorter, calculated using the applicable rate(s) agreed upon by TRES PALACIOS and Customer, as reflected on Exhibit(s) A, B, C, and/or D to Customer's Hub Services Agreement, plus the market value of any quantities of Gas loaned to Customer pursuant to Exhibit(s) A, B, C, and/or D of Customer's executed Hub Services Agreement;
- (iv) For Capacity Release Umbrella agreements, TRES PALACIOS will accept any collateral amount submitted by Customer in relation to the request for the capacity release umbrella agreement; however, Customer will be required to comply with all of TRES PALACIOS' credit requirements at such time as Customer submits a bid to acquire released capacity pursuant to Section 4 of the General Terms and Conditions of this FERC Gas Tariff.

For an existing Customer, such security shall be equal to the highest three (3) Months of activity (based on usage of in-kind and loan agreements and the billed amounts for all other agreements) for all of Customer's active service agreements during the previous twelve (12) Months. For the purposes of this section, the term "in-kind agreement" does not include Fuel Reimbursement.

With respect to a request for new service or a request resulting in a Billing Amendment, the security required by TRES PALACIOS pursuant to this Section 31(b) must be received by TRES PALACIOS within ten (10) Business Days of TRES PALACIOS' written notification to Customer, otherwise, such request will be rejected by TRES PALACIOS. With respect to an existing service agreement, Customer must tender (i) an advance payment equal to the highest Month of activity (based on usage of in-kind and loan agreements and the billed amounts for all other agreements) for all of Customer's active service agreements during the previous twelve (12) Months within five (5) Business Days of TRES PALACIOS' notification, and (ii) the security required by this Section 31(b) within thirty (30) days of TRES PALACIOS' notification. If such advance payment or security is not received within the specified time period, then TRES PALACIOS may immediately suspend service, and may terminate Customer's service agreement(s) upon thirty (30) days' notice to Customer and the Commission.

(c) Once every twelve (12) months, Customer shall provide TRES PALACIOS with updated financial information in the form required in Section 31(a) above. In addition, if TRES PALACIOS becomes aware that there may be a potentially material change in the financial condition of an existing Customer, TRES PALACIOS shall require Customer to promptly resubmit all of the financial information required in Section 31(a) above. TRES PALACIOS shall re-evaluate Customer's creditworthiness as needed. If Customer's credit standing ceases to meet TRES PALACIOS' credit requirements at any time during the period of service, then TRES PALACIOS has the right to require security as specified in Section 31(b) above. If the credit standing of any entity



issuing a letter of credit and/or guaranty in support of Customer's obligations ceases to meet TRES PALACIOS' credit appraisal at any time during the period of service, then TRES PALACIOS has the right to require Customer to provide replacement security that satisfies the requirements of Section 31(b) above.

(d) In the event any information provided by Customer pursuant to Sections 3.3 and 31 with respect to a request for new service or a request that would result in a Billing Amendment materially changes prior to execution of the new service agreement or Billing Amendment, as applicable, or Customer learns that such information may materially change prior to execution of the service agreement or Billing Amendment, as applicable, Customer shall be obligated to provide written notice of such material changes to TRES PALACIOS. TRES PALACIOS shall require Customer to resubmit all of the financial information required in this Section 31 within ten (10) Business Days of the identification of the material change. If such updated financial information is not received within ten (10) Business Days, the request for service will be rejected by TRES PALACIOS. TRES PALACIOS shall re-evaluate Customer's creditworthiness based upon the updated information provided by Customer pursuant to this Section 31.

(e) For purposes herein, the insolvency of a Customer shall be conclusively demonstrated by the filing by Customer or any parent entity thereof (hereinafter collectively referred to as "the Customer") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Customer bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Customer under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Customer or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

6.32 GENERAL TERMS AND CONDITIONS - DISPOSITION OF RETAINED QUANTITIES

32. DISPOSITION OF RETAINED QUANTITIES

In the event that TRES PALACIOS determines that it will hold an auction for Gas quantities retained pursuant to Section 8 of Rate Schedule FSS, Section 8 of Rate Schedule FP, Sections 2 or 8 of Rate Schedule ISS, Sections 2 or 8 of Rate Schedule IHBS, or Sections 2 or 8 of Rate Schedule IP, TRES PALACIOS shall post a notice of such auction on the LINK® System as soon as reasonably practicable. Such notice shall specify the quantity of Gas to be auctioned, the date on which bids will be accepted, and the evaluation method that will be used to determine the highest bid. TRES PALACIOS shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second Business Day following such posting. TRES PALACIOS shall award purchase of the Gas to the Customer submitting the highest bid, and shall notify the Customer submitting the highest bid prior to 4:00 p.m. CCT of the same Day on which TRES PALACIOS accepts bids; provided, however, TRES PALACIOS reserves the right to reject all bids. When the Gas is purchased at auction, Customer must provide identification of the existing Service Agreement with TRES PALACIOS under which Customer shall store the Gas in TRES PALACIOS' facilities.

TRES PALACIOS shall credit the net proceeds received from such auction to all Customers whose Gas was not so purchased or retained ("Qualifying Customer") based on the ratio of the total charges paid by each Qualifying Customer for service to the total amount of such charges paid by all Qualifying Customers during the Month in which the auction of Gas occurred. For the purposes of this Section, the term "net proceeds" shall mean the total proceeds received from the auction less any costs TRES PALACIOS incurred as a result of conducting the auction or the purchase or retention of Customer's Gas.

Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year and will be included on the Qualifying Customers' invoices for the Month following the date of the final Commission order approving TRES PALACIOS' penalty disbursement report; provided, however, that TRES PALACIOS will calculate and include such credits on Qualifying Customers' invoices for a period shorter than twelve (12) Months in the event and to the extent that the total accumulated amount pursuant to this Section 32 by TRES PALACIOS as of the end of any Month exceeds \$1,000,000. TRES PALACIOS will file a penalty disbursement report within sixty (60) days of July 31 or sixty (60) days after the end of the Month in which the revenue collected exceeds \$1,000,000. Any revenues credited to Qualifying Customers pursuant to this Section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

6.33 GENERAL TERMS AND CONDITIONS - TRES PALACIOS CONTACT ADDRESS

33. TRES PALACIOS CONTACT ADDRESS

33.1 This Section 33.1 is applicable to any Service Agreement under any Rate Schedule set forth in TRES PALACIOS' FERC Gas Tariff as well as any other agreement subject to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff that requires notices to be addressed to TRES PALACIOS at 811 Main Street, Suite 3400, Houston, TX 77002 or any other mailing address. Effective October 1, 2023, the address listed for TRES PALACIOS in any agreement described in the preceding sentence for receipt of notices to TRES PALACIOS is deleted in its entirety and amended to read as follows:

915 N. Eldridge Parkway, Suite 1100  
Houston, Texas 77079  
Attn: Marketing Department

33.2 Notices to TRES PALACIOS shall be provided pursuant to the terms of the executed agreements at the address provided in this Section 33.2.

915 N. Eldridge Parkway, Suite 1100  
Houston, Texas 77079  
Attn: Marketing Department

## 6.34 GENERAL TERMS AND CONDITIONS - ELECTRONIC COMMUNICATIONS

### 34. ELECTRONIC COMMUNICATIONS

#### 34.1 SYSTEM DESCRIPTION

(a) TRES PALACIOS provides for interactive electronic communications with its Customers and other parties through the LINK® Customer Interface System (hereinafter called the "LINK® System"). The LINK® System shall be available on a nondiscriminatory basis to any party (such party is referred to herein as the "LINK® System Subscriber"), provided that such party (i) has executed a LINK® System Agreement electronically via the LINK® System, (ii) has established its business entity in the LINK® System by submitting Contact Information pursuant to Section 34.4(a) below, (iii) has designated a Local Security Administrator pursuant to Section 34.3 below, and (iv) if such party desires to transmit information to or receive information from TRES PALACIOS via electronic data interchange, has requested and executed a trading partner agreement along with a related exhibit and worksheet (collectively referred to as the "Trading Partner Agreement") electronically via the LINK® System. A party to a LINK® System Agreement or a Trading Partner Agreement is responsible for ensuring that the individual executing such agreement on its behalf has the appropriate authority. Use of the LINK® System by such individual is acknowledgement of that authority. TRES PALACIOS shall not be responsible for verifying the authority of an individual to execute a LINK® System Agreement or a Trading Partner Agreement on behalf of a party.

By accessing the LINK® System, LINK® System Subscriber agrees to comply with the procedures for access to and use of the LINK® System as set forth in this Section 34.

TRES PALACIOS reserves the right to implement enhancements to the LINK® System at its sole discretion; provided however, all such enhancements when fully operational shall be available to all LINK® System Subscribers. TRES PALACIOS will exercise due diligence to ensure the LINK® System operates correctly and will provide timely and non-discriminatory access to on-line LINK® System help features and to any information available on the LINK® System that LINK® System Subscriber is entitled to access.

(b) The LINK® System provides on-line help, a search function that permits a LINK® System Subscriber to locate information concerning a specific transaction, and menus that permit LINK® System Subscribers to separately access notices of available capacity, and standards of conduct information. The LINK® System will permit a LINK® System Subscriber to electronically download information on transactions from the LINK® System and to separate extremely large documents into smaller files prior to such download. TRES PALACIOS shall maintain and retain daily back-up records of the information displayed on the LINK® System and the Internet Web site and through electronic data interchange for three years and shall permit LINK® System Subscriber to review those records upon request. Completed transactions will remain on the LINK® System for at least ninety Days after completion and will then be archived. Archived information will be made available by TRES PALACIOS if possible within two weeks after receipt of a Customer's request for

such information. Information on the most recent entries will appear ahead of older information.

(c) Customers' Notices pursuant to Section 4 of the General Terms and Conditions shall be submitted electronically and, in addition, posted electronically by the Customer via the LINK® System. Electronic communications may also be transmitted, where applicable, via electronic data interchange, which will be available on a nondiscriminatory basis to any LINK® System Subscriber, provided such LINK® System Subscriber has entered into a Trading Partner Agreement with TRES PALACIOS pursuant to Section 34.1(a) above. Specifically, a LINK® System Subscriber has the option of utilizing the LINK® System for purposes of:

- (1) requesting service under TRES PALACIOS' rate schedules;
- (2) executing, tracking and amending service agreements under TRES PALACIOS rate schedules;
- (3) providing nominations and viewing allocations and operational imbalances under all rate schedules as a Customer of TRES PALACIOS pursuant to the applicable rate schedule and the General Terms and Conditions;
- (4) exercising its rights as a Customer of TRES PALACIOS pursuant to Section 3 of the General Terms and Conditions or submitting a bid as a Replacement Customer of TRES PALACIOS under such section;
- (5) exercising its rights as a Customer of TRES PALACIOS pursuant to Section 4 of the General Terms and Conditions (which if submitted utilizing the LINK® System will be posted at that time) or submitting a bid as a Replacement or Prearranged Customer of TRES PALACIOS pursuant to such section, or posting a Capacity Request for capacity release pursuant to such section;
- (6) submitting a bid as a Customer of TRES PALACIOS pursuant to Section 32 of the General Terms and Conditions;
- (7) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day;
- (8) viewing TRES PALACIOS' notice of an Action Alert or OFO as contemplated by Section 5.5 of the General Terms and Conditions; and
- (9) such other functions as may be available on the LINK® System from time to time.

34.2 Information. TRES PALACIOS shall post at least four times a day on the LINK® System and the Internet Web site information relevant to the availability of firm and Interruptible capacity in its facility. The LINK® System and the Internet Web site will indicate whether the capacity is available from TRES PALACIOS directly or through TRES PALACIOS' capacity release mechanism as set forth in Section 4 of the General Terms and Conditions. The LINK® System and the Internet Web

site shall provide the best available information about imbalances on a daily basis. The LINK® System and the Internet Web site also include information allowed or required to be posted thereon by other provisions of the tariff including Section 4, information that TRES PALACIOS is required to post pursuant to the Commission's regulations, or other information TRES PALACIOS chooses to post in furtherance of the operation of its system.

#### 34.3 Local Security Administrators

(a) LINK® System Subscriber shall designate one or more persons to perform certain security functions on the LINK® System ("Local Security Administrator") by submitting for each such person the Local Security Administrator Designation information via the LINK® System using the applicable on-line form, as such form is amended from time to time in the LINK® System. LINK® System Subscriber shall update Local Security Administrator Designation information via the LINK® System as such information changes.

(b) The Local Security Administrator shall, via the LINK® System, be responsible for (1) identifying those persons who are duly authorized by LINK® System Subscriber to use the LINK® System to perform one or more of the functions available on the LINK® System ("LINK® System User"); (2) providing LINK® System Users with individualized USERIDs and passwords; (3) maintaining LINK® System Users' account information; (4) adding and terminating LINK® System Users immediately upon a change in status requiring such addition or termination; (5) creating and modifying security rights for LINK® System Users; (6) approving or terminating Designation of Affiliated Companies information and Designation of Agency information pursuant to Sections 34.5 and 34.6, respectively; and (7) ensuring that USERIDs are used only as appropriate and as contemplated by these General Terms and Conditions and the LINK® System Agreement.

(c) TRES PALACIOS shall be entitled to rely upon the representation of the LINK® System Subscriber's Local Security Administrator that the LINK® System User(s) identified by Local Security Administrator may (i) transmit information to TRES PALACIOS; (ii) view information posted on the LINK® System; and/or (iii) perform the LINK® System contracting function in accordance with the security rights granted by Local Security Administrator.

#### 34.4 Authorized Use of LINK® System; Confidentiality

(a) LINK® System Subscriber shall submit Contact Information to TRES PALACIOS via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System. In addition, LINK® System Subscriber shall be required to submit updated Contact Information to TRES PALACIOS via the LINK® System as such information changes. Such revised information shall supersede in its entirety any Contact Information previously submitted to TRES PALACIOS.

(b) LINK® System Subscriber shall not disclose to persons other than Local Security Administrator and LINK® System Users that are employed by LINK® System Subscriber, or properly designated affiliates or agents of LINK® System Subscriber, and shall otherwise keep confidential, all USERIDs and passwords issued by Local Security

Administrator. In addition, LINK® System Subscriber shall cause Local Security Administrator and LINK® System User(s) to refrain from disclosing to any other person, whether or not employed by LINK® System Subscriber, and shall otherwise keep confidential, the individualized USERID and password issued to each such LINK® System User.

(c) LINK® System Subscriber shall be solely responsible for any unauthorized or otherwise improper use of USERIDs and passwords issued by or for its Local Security Administrator, including, but not limited to, the use of such USERIDs and passwords by LINK® System Users who are not within LINK® System Subscriber's employment or control.

(d) TRES PALACIOS reserves the right to disable for due cause any USERID issued to any LINK® System User. TRES PALACIOS shall provide notice to LINK® System Subscriber, LINK® System User and/or Local Security Administrator, as applicable, at the time that the USERID is disabled by TRES PALACIOS. In addition, upon thirty (30) Days prior notice to the LINK® System User and the Local Security Administrator, TRES PALACIOS will disable any USERID that has not been used to access the LINK® System for fifteen (15) consecutive months.

(e) LINK® System Subscriber shall immediately notify TRES PALACIOS of the desire to delete a Local Security Administrator of LINK® System Subscriber by (i) e-mail to link-help@enbridge.com, or (ii) submission via the LINK® System using the applicable on-line form of revised Local Security Administrator Designation information for such Local Security Administrator indicating the desire for termination. Such revised information shall supersede in its entirety any Local Security Administrator Designation information previously submitted to TRES PALACIOS for such Local Security Administrator. LINK® System Subscriber shall be solely responsible for any unauthorized actions of Local Security Administrator due to LINK® System Subscriber's failure to so notify TRES PALACIOS of the need to delete such Local Security Administrator.

(f) TRES PALACIOS warrants that, without the express consent of LINK® System Subscriber or as otherwise provided in this FERC Gas Tariff, no TRES PALACIOS employee or agent will disclose to any third party any non-public information regarding research performed through the use of the LINK® System by LINK® System Subscriber.

#### 34.5 LINK® System Subscriber; Affiliated Companies

(a) If LINK® System Subscriber belongs to a group of affiliated companies and requires LINK® System access on behalf of one or more of said affiliates, LINK® System Subscriber (i) shall, or shall cause one of the affiliates of LINK® System Subscriber to, submit to TRES PALACIOS via the LINK® System the Designation of Affiliated Companies information, and (ii) shall cause all other parties included in the affiliation to approve the Designation of Affiliated Companies information via the LINK® System. The Designation of Affiliated Companies information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the Designation of Affiliated Companies information.

(b) When Designation of Affiliated Companies information changes, the LINK® System Subscriber shall cause revised Designation of Affiliated Companies information to be submitted and approved pursuant to Section 34.5(a) above. Such revised information shall supersede in its entirety any Designation of Affiliated Companies information previously submitted to TRES PALACIOS. LINK® System Subscriber warrants that access consistent with any Designation of Affiliated Companies information submitted and approved by LINK® System Subscriber and its affiliates in accordance with Section 34.5(a) above is appropriate and authorized. Determining the propriety of such access is the responsibility of LINK® System Subscriber and/or its affiliates, but TRES PALACIOS reserves the right to reject such Designation of Affiliated Companies information if it determines that granting such designation would violate any contractual, legal, or regulatory responsibility of TRES PALACIOS.

(c) In order for LINK® System Users of LINK® System Subscriber to access the LINK® System on behalf of LINK® System Subscriber's affiliates designated pursuant Section 34.5(a) above, LINK® System Subscriber and each designated affiliate of LINK® System Subscriber must meet the requirements of a LINK® System Subscriber set forth in Section 34.1(a) of these General Terms and Conditions.

(d) It is the obligation of the LINK® System Subscriber to notify TRES PALACIOS via the LINK® System when a company affiliation terminates, either by (i) submitting a request to terminate a company affiliation via the applicable on-line form, as such form is updated from time to time in the LINK® System, or (ii) submitting and approving superseding Designation of Affiliated Companies information in accordance with Section 34.5(a). An affiliate may request a termination of the company affiliation by submitting such request via the LINK® System. A request to terminate a company affiliation will be processed by TRES PALACIOS without consent from the non-requesting party.

#### 34.6 LINK® System Subscriber; Agency

(a) If LINK® System Subscriber desires to designate one or more persons or entities to act as an agent on behalf of LINK® System Subscriber ("Agent"), then for each such Agent, the LINK® System Subscriber (i) shall, or shall cause the Agent to, submit to TRES PALACIOS via the LINK® System the Designation of Agency information specifying the rights granted to the Agent and (ii) shall cause the other party to the agency relationship to approve the Designation of Agency information. The Designation of Agency information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the information. TRES PALACIOS may require that LINK® System Subscriber provide additional documentation to confirm that LINK® System Subscriber desires Agent to act on its behalf.

(b) In order for LINK® System Users of an Agent designated pursuant to Section 34.6(a) above to access the LINK® System on behalf of LINK® System Subscriber, such Agent must meet the requirements of a LINK® System Subscriber set forth in Section 34.1(a) of these General Terms and Conditions.



(c) TRES PALACIOS may accept and fully rely upon Designation of Agency information submitted and approved in accordance with Section 34.6(a) above. TRES PALACIOS may fully rely upon all communications received from and direction given by Agent with respect to all actions indicated in the approved Designation of Agency information for which Agent is authorized to act on behalf of LINK® System Subscriber. TRES PALACIOS may grant Agent access to LINK® System Subscriber's data contained in the LINK® System as necessary to perform the functions identified in the approved Designation of Agency information. LINK® System Subscriber will defend, indemnify and hold harmless TRES PALACIOS from and against any and all claims, demands, liabilities and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon TRES PALACIOS by any party associated with TRES PALACIOS' reliance on Designation of Agency information provided pursuant to this Section 34.6.

(d) The rights specified in the approved Designation of Agency information having the latest commencement date shall supersede all prior rights granted by LINK® System Subscriber to Agent. In no event can an agency right granted to one Agent be simultaneously granted to another Agent.

It is the obligation of the LINK® System Subscriber to notify TRES PALACIOS when an agency relationship changes or terminates, either by (i) specifying a termination date in the approved Designation of Agency information, (ii) submitting a request to terminate an agency relationship via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, or (iii) submitting and approving superseding Designation of Agency information in accordance with Section 34.6(a). The Agent may request a termination of the agency relationship by submitting such request via the LINK® System. A request to terminate an agency relationship will be processed by TRES PALACIOS without consent from the non-requesting party.

LINK® System Subscriber and Agent must re-approve existing Designation of Agency information via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, on an annual basis. If, during this annual re-approval process, either the LINK® System Subscriber or the Agent desires a change to the Designation of Agency information, new Designation of Agency information must be submitted and approved in accordance with Section 34.6(a) above. TRES PALACIOS shall remove the security rights granted to all LINK® System Users of Agent pertaining to access granted by LINK® System Subscriber pursuant to the Designation of Agency information if LINK® System Subscriber and Agent do not re-approve the existing Designation of Agency information or submit and approve updated Designation of Agency information on an annual basis.

(e) Agent is authorized to act on behalf of LINK® System Subscriber under any or all of LINK® System Subscriber's Service Agreements with TRES PALACIOS as such Service Agreements are effective from time to time, or with respect to any or all meter locations as

available from time to time, respectively, as specified in the Designation of Agency information, until LINK® System Subscriber properly notifies TRES PALACIOS that the agency relationship is terminated or superseded in accordance with Section 34.6(d). The designation of an Agent by a LINK® System Subscriber does not provide for an assignment of the rights and obligations of any Service Agreement between TRES PALACIOS and LINK® System Subscriber.

#### 34.7 Liability

(a) TRES PALACIOS shall not be liable to LINK® System Subscriber nor any other party in damages for any act, omission or circumstance related to the LINK® System occasioned by or in consequence of an event of Force Majeure as defined in Section 17 of these General Terms and Conditions, that is not within the control of TRES PALACIOS and which by the exercise of due diligence TRES PALACIOS is unable to prevent or overcome. To the extent the information displayed on the LINK® System is originated solely by TRES PALACIOS and such information is subsequently determined to be inaccurate, LINK® System Subscriber shall not be subject to any penalties otherwise collectable by TRES PALACIOS based on Customer conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the LINK® System.

(b) LINK® System Subscriber shall defend, indemnify and hold harmless TRES PALACIOS from and against any and all claims, demands and/or actions, and any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon TRES PALACIOS by any party as a result of the unauthorized or otherwise improper use of any USERID and/or password issued to or by LINK® System Subscriber and/or Local Security Administrator or any other unauthorized or improper use of the LINK® System by any LINK® System User or LINK® System Subscriber unless such improper use is the result of TRES PALACIOS' negligence or willful misconduct, including, but not limited to, distribution of USERIDs or passwords to persons that are not employed by, or agents or affiliates of, LINK® System Subscriber.

34.8 Electronic Mail (E-mail) Notification. For system-wide notices of general applicability, any provisions of this FERC Gas Tariff requiring that these matters be written or in writing are satisfied by TRES PALACIOS utilizing electronic transmission through the LINK® System in accordance with the procedures for utilization of the LINK® System or through electronic data interchange as provided for in Commission-approved or permitted data sets. Critical system-wide notices will be in a separate category from notices that are not critical. TRES PALACIOS will use electronic mail (e-mail) in order to facilitate certain notifications to Customers as required by this FERC Gas Tariff. Customer shall provide TRES PALACIOS with at least one e-mail address to which these notifications can be sent, and shall be responsible for updating such information as necessary. In addition to the requirement specified in Section 5 of these General Terms and Conditions to post notices on the LINK® System, TRES PALACIOS shall provide such notifications via e-mail communication to those Customers that have provided such e-mail address information and have requested, via the LINK® System, e-mail notification of Critical Notices issued by TRES PALACIOS. Customer shall be responsible for providing accurate e-

mail notification information to TRES PALACIOS, including timely updates to such information as necessary. All other provisions, including service agreement-specific notices, requiring items or information to be written or in writing remain unchanged unless otherwise agreed by TRES PALACIOS and Customer.

34.9 Rights to LINK® System. TRES PALACIOS or an affiliate of TRES PALACIOS is the exclusive proprietor of the programming that generates the LINK® System and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the LINK® System under license to TRES PALACIOS or an affiliate of TRES PALACIOS) possesses a copyright or proprietary interest in such materials, but not of the files of and the information displayed on the LINK® System. A LINK® System Subscriber will not by virtue of this Section 34 or the executed LINK® System Agreement acquire any proprietary interests in the programming that generates the LINK® System. As part of TRES PALACIOS' continuing development of the LINK® System, third parties may desire to acquire rights to certain parts of the programming. TRES PALACIOS will attempt to accommodate, when appropriate, requests by LINK® System Subscribers to license these rights for use in the LINK® System.

## 7.0 FORMS OF SERVICE AGREEMENTS

- 7.1 FIRM STORAGE SERVICE AGREEMENT  
(FOR USE UNDER RATE SCHEDULE FSS)
- 7.2 NO-NOTICE STORAGE SERVICE AGREEMENT  
(FOR USE UNDER RATE SCHEDULE NNSS)
- 7.3 FIRM PARKING SERVICE AGREEMENT  
(FOR USE UNDER RATE SCHEDULE FP)
- 7.4 FIRM LOAN SERVICE AGREEMENT  
(FOR USE UNDER RATE SCHEDULE FL)
- 7.5 INTERRUPTIBLE STORAGE SERVICE AGREEMENT  
(FOR USE UNDER RATE SCHEDULE ISS)
- 7.6 INTERRUPTIBLE HOURLY BALANCING SERVICE AGREEMENT  
(FOR USE UNDER RATE SCHEDULE IHBS)
- 7.7 HUB SERVICES AGREEMENT  
(FOR USE UNDER RATE SCHEDULES IP, IW, IL, and EIWS)
- 7.8 CAPACITY RELEASE UMBRELLA AGREEMENT
- 7.9 FIRM WHEELING SERVICE AGREEMENT  
(FOR USE UNDER RATE SCHEDULE FWS)
- 7.10 LINK SERVICE AGREEMENT

7.1 FORM OF FIRM STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule FSS)

Contract No. \_\_\_\_\_

FIRM STORAGE SERVICE AGREEMENT

This Firm Storage Service Agreement ("Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_ ("Customer"), each a "Party" and collectively, the "Parties."

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities in Texas, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system; and

**WHEREAS**, Customer has requested that TRES PALACIOS provide firm natural gas storage service for Customer under TRES PALACIOS' Rate Schedule FSS set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such firm storage service for Customer subject to the terms and conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with and subject to the terms of this Agreement, TRES PALACIOS shall: (i) on any Day receive for injection into storage a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit A, which is incorporated by reference herein ("Exhibit A"), (ii) store quantities of Gas so injected up to Customer's Maximum Storage Quantity as set forth on Exhibit A, and (iii) on any Day withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit A.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The primary point(s) at which the Gas shall be tendered by Customer to TRES PALACIOS under this Agreement, and the related Maximum Daily Receipt Quantity ("MDRQ") at each such point, shall be the primary point(s) and related MDRQ(s) designated on Exhibit A (Customer's "Primary Point(s) of Receipt").

The primary point(s) at which the Gas shall be tendered by TRES PALACIOS to Customer under this Agreement, and the related Maximum Daily Delivery Quantity ("MDDQ") at each such point, shall be the primary point(s) and

related MDDQ(s) designated on Exhibit A (Customer's "Primary Point(s) of Delivery").

To the extent that TRES PALACIOS has agreed to permit Customer to utilize Points of Receipt and Points of Delivery on a secondary basis in accordance with Rate Schedule FSS, such agreement shall be reflected on Exhibit A.

#### ARTICLE III - RATES AND CHARGES

3.1. Customer shall pay TRES PALACIOS the rates and charges set forth on Exhibit A for all service furnished to Customer hereunder.

3.2. Customer shall also pay TRES PALACIOS all other applicable rates, charges and surcharges set forth in the Tariff.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

#### ARTICLE IV - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation in Rate Schedule FSS and the General Terms and Conditions of the Tariff.

#### ARTICLE V - TERM

This Agreement shall be effective as of \_\_\_\_\_, \_\_\_\_ and shall remain in force and effect through \_\_\_\_\_, \_\_\_\_ (the "Primary Term"), as may be reduced or terminated pursuant to Exhibit B, which is incorporated by reference herein.

#### ARTICLE VI - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

ARTICLE VII - SUCCESSION AND ASSIGNMENT

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

ARTICLE VIII - GOVERNING LAW

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

ARTICLE X - PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties:

Firm Storage Service Agreement Contract No. [\_\_\_\_\_] dated \_\_\_\_\_,  
\_\_\_\_\_.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, 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 TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN THE TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE

TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND THE DEFINITION OF "GAS" IN SECTION 2 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

#### ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-



mail shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title\_\_\_\_\_

CUSTOMER:\_\_\_\_\_

By \_\_\_\_\_

Title\_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
To  
Firm Storage Service Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

FSS Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Storage Quantity ("MSQ") \_\_\_\_\_ Dth  
Maximum Daily Injection Quantity ("MDIQ") \_\_\_\_\_ Dth  
Maximum Daily Withdrawal Quantity ("MDWQ") \_\_\_\_\_ Dth

[If the MSQ,MDIQ, and/or MDWQ quantities will vary by Term, include the following for each Term:

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Storage Quantity ("MSQ") \_\_\_\_\_ Dth  
Maximum Daily Injection Quantity ("MDIQ") \_\_\_\_\_ Dth  
Maximum Daily Withdrawal Quantity ("MDWQ") \_\_\_\_\_ Dth ]

**Primary Point(s) of Receipt and Primary Point(s) of Delivery:**

<u>Location</u>	<u>Location Name</u>	<u>MDRQ* 1/</u>	<u>MDDQ** 1/</u>
40333	KM Houston Central Pipeline (Capano) TPGS1010R		N/A
45321	Enterprise Texas TPGS1020B		
45319	Tennessee Gas Mainline TPGS1030B		
45317	Transco Mainline TPGS1040B		
45315	NGPL TPGS1050B		
45313	Gulf South TPGS1055B		
45311	Transco CTGS (TPGS1060B)		
49301	Injection Pooling Point (TPGS1065B)		N/A
49302	Withdrawal Pooling Point (TPGS1066B)	N/A	
45309	KM Tejas (TPGS1070B)		
45307	Florida Gas Transmission (TPGS1080B)		
40331	OxyChem (Oxy) (TPGS1085D)	N/A	
45303	Channel Enterprise (TPGS1100B)		
45305	Channel HPL (TPGS 1110B)		
45301	Texas Eastern (TPGS1120B)		
40332	Permian Hwy Pipeline (TPGS1130R)		N/A

\* MDRQ = Maximum Daily Receipt Quantity

\*\* MDDQ = Maximum Daily Delivery Quantity

1/ Subject to Ratchet Options as specified in Exhibit C.

The following provisions shall only apply if checked:

\_\_\_\_ Customer shall have the right to use Points of Receipt and Points of Delivery on a secondary basis in accordance with the provisions of Rate Schedule FSS.

\_\_\_\_ Customer shall be permitted to submit simultaneous nominations for injections into storage and withdrawals from storage from the Point(s) of Receipt and Point(s) of Delivery set forth in this Exhibit A, and shall not be subject to the prohibition against such simultaneous injection and withdrawal nominations at Section 6.8 of the General Terms and Conditions of the Tariff that would otherwise apply.

Storage Reservation Charge	_____	\$/Dth/Month
Withdrawal Reservation Charge	_____	\$/Dth/Month
Injection Reservation Charge	_____	\$/Dth/Month
Storage Injection Charge	_____	\$/Dth
Storage Withdrawal Charge	_____	\$/Dth
Fuel Reimbursement Percentage	_____	%

This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [        ] to FSS Contract No. [        ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

Exhibit B Dated \_\_\_\_\_  
To  
Firm Storage Service Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_  
Revenue Reduction Option

FSS Contract No. \_\_\_\_\_

OPTION PERIOD(S) : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OPTION DESCRIPTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OPTION CONSIDERATION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ANY LIMITATIONS ON THE  
EXERCISE OF THE REVENUE  
REDUCTION OPTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This Exhibit B, as of the date hereof, shall supersede and cancel Exhibit B  
dated [ ] to FSS Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

Exhibit C Dated \_\_\_\_\_  
 To  
 Firm Storage Agreement  
 Between  
 TRES PALACIOS GAS STORAGE LLC  
 and  
 \_\_\_\_\_ (Customer)  
 Dated \_\_\_\_\_

Injection and Withdrawal Ratchet Options

FSS Contract No. \_\_\_\_\_

Unless Customer and TRES PALACIOS agree otherwise, the quantity of Gas that Customer may inject or withdraw and its associated receipt and delivery quantities pursuant to the Firm Storage Service Agreement at any time shall be subject to the following ratchet provisions.

<u>Injection Ratchet</u>	<u>Customer's Storage Inventory/MSQ</u>	<u>MDIQ and MDRQ Multiplier</u>
_____ Option 1	No injection ratchets	1.000
_____ Option 2	0.000 < i ≤ 0.400	1.000
	0.400 < i ≤ 0.800	0.625
	0.800 < i < 1.000	0.250
_____ Option 3	0.000 < i ≤ 0.400	1.000
	0.400 < i ≤ 0.650	0.788
	0.650 < i ≤ 0.850	0.538
	0.850 < i ≤ 0.950	0.250
	0.950 < i < 1.000	0.188
<u>Withdrawal Ratchet</u>	<u>Customer's Storage Inventory/MSQ</u>	<u>MDWQ and MDDQ Multiplier</u>
_____ Option 1	No withdrawal ratchets	1.000
_____ Option 2	1.000 > i ≥ 0.500	1.000
	0.500 > i ≥ 0.200	0.762
	0.200 > i > 0.000	0.477

This Exhibit C, as of the date hereof, shall supersede and cancel Exhibit C dated [ ] to FSS Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

Exhibit D Dated \_\_\_\_\_  
 To  
 Firm Storage Service Agreement  
 Between  
 TRES PALACIOS GAS STORAGE LLC  
 and  
 \_\_\_\_\_ (Customer)  
 Dated \_\_\_\_\_

Authorized Overrun Service Charges

FSS Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Authorized Overrun Service Election (select one)

Method 1:	
Method 2:	

[If Method 1 is selected, include the following rate chart:

**Authorized Overrun Rate Chart**

<u>Location</u>	<u>Location Name</u>	<u>Authorized Overrun Injection Charge (\$/Dth)</u>	<u>Authorized Overrun Withdrawal Charge (\$/Dth)</u>
40333	KM Houston Central Pipeline (Capano) TPGS1010R		N/A
45321	Enterprise Texas TPGS1020B		
45319	Tennessee Gas Mainline TPGS1030B		
45317	Transco Mainline TPGS1040B		
45315	NGPL TPGS1050B		
45313	Gulf South TPGS1055B		
45311	Transco CTGS (TPGS1060B)		
49301	Injection Pooling Point (TPGS1065B)		N/A
49302	Withdrawal Pooling Point (TPGS1066B)	N/A	
45309	KM Tejas (TPGS1070B)		
45307	Florida Gas Transmission (TPGS1080B)		
40331	OxyChem (Oxy) (TPGS1085D)	N/A	
45303	Channel Enterprise (TPGS1100B)		
45305	Channel HPL (TPGS 1110B)		
45301	Texas Eastern (TPGS1120B)		
40332	Permian Hwy Pipeline (TPGS1130R)		N/A

]



This Exhibit D, as of the date hereof, shall supersede and cancel Exhibit D dated [        ] to FSS Contract No. [        ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

7.2 FORM OF NO-NOTICE STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule NNSS)

Contract No. \_\_\_\_\_

NO-NOTICE STORAGE SERVICE AGREEMENT

This No-Notice Storage Service Agreement ("Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_ ("Customer"), each a "Party," and collectively, the "Parties").

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system; and

**WHEREAS**, Customer has requested that TRES PALACIOS provide firm no-notice natural gas storage service for Customer under TRES PALACIOS' Rate Schedule NNSS set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such firm no-notice storage service for Customer subject to the terms and conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule NNSS and of this Agreement, TRES PALACIOS shall on any Day allow Customer to deviate (plus or minus) by any amount up to Customer's No-Notice Maximum Daily Quantity as set forth on Exhibit A hereto, which is incorporated by reference ("Exhibit A"), at Customer's Point(s) of Receipt and Point(s) of Delivery specified in Exhibit A, from its nominations under the Firm Storage Service Agreement between Customer and TRES PALACIOS as designated on Exhibit A. Any such deviations shall be netted against Customer's FSS Storage Inventory, provided that Customer's FSS Storage Inventory shall not be permitted to exceed Customer's FSS Maximum Storage Quantity or to fall below zero (0).

ARTICLE II - RATES AND CHARGES

2.1. Customer shall pay TRES PALACIOS the rates and charges set forth on Exhibit A for all no-notice storage service provided to Customer hereunder.

2.2. Customer shall also pay TRES PALACIOS all other applicable rates, charges and surcharges set forth in the Tariff.

2.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage,

withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

#### ARTICLE III - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation in Rate Schedule NNS and the General Terms and Conditions of the Tariff.

#### ARTICLE IV - TERM

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

#### ARTICLE V - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

#### ARTICLE VI - SUCCESSION AND ASSIGNMENT

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

#### ARTICLE VII - GOVERNING LAW

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

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

Unless expressly herein provided, neither Party shall be liable to the other

for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE IX - PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties:

No-Notice Storage Service Agreement Contract No. [\_\_\_\_\_] dated \_\_\_\_\_, \_\_\_\_.

ARTICLE X - MISCELLANEOUS

10.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

10.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

10.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

10.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

10.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

10.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title\_\_\_\_\_

CUSTOMER:\_\_\_\_\_

By \_\_\_\_\_

Title\_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
 To  
 NO-NOTICE STORAGE SERVICE AGREEMENT  
 Between  
 TRES PALACIOS GAS STORAGE LLC  
 and  
 \_\_\_\_\_ (Customer)  
 Dated \_\_\_\_\_

NNSS Contract No. \_\_\_\_\_

Related Firm Storage Service Agreement: Contract No. [ ] dated [ ]

Term: From \_\_\_\_\_ through \_\_\_\_\_

No-Notice Maximum Daily Quantity \_\_\_\_\_ Dth

**Primary Point(s) of Receipt and Primary Point(s) of Delivery**

<u>Location</u>	<u>Location Name</u>	<u>MDRQ*</u>	<u>MDDQ**</u>
40333	KM Houston Central Pipeline (Capano) TPGS1010R		N/A
45321	Enterprise Texas TPGS1020B		
45319	Tennessee Gas Mainline TPGS1030B		
45317	Transco Mainline TPGS1040B		
45315	NGPL TPGS1050B		
45313	Gulf South TPGS1055B		
45311	Transco CTGS (TPGS1060B)		
49301	Injection Pooling Point (TPGS1065B)		N/A
49302	Withdrawal Pooling Point (TPGS1066B)	N/A	
45309	KM Tejas (TPGS1070B)		
45307	Florida Gas Transmission (TPGS1080B)		
40331	OxyChem (Oxy) (TPGS1085D)	N/A	
45303	Channel Enterprise (TPGS1100B)		
45305	Channel HPL (TPGS 1110B)		
45301	Texas Eastern (TPGS1120B)		
40332	Permian Hwy Pipeline (TPGS1130R)		N/A

\* MDRQ = Maximum Daily Receipt Quantity

\*\* MDDQ = Maximum Daily Delivery Quantity

Reservation Charge \_\_\_\_\_ \$/Dth/Month

This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [ ] to NNSS Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

7.3 FORM OF FIRM PARKING SERVICE AGREEMENT

(For Use Under Rate Schedule FP)

Contract No. \_\_\_\_\_

FIRM PARKING SERVICE AGREEMENT

This Firm Parking Service Agreement ("Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_ ("Customer"), each a "Party" and collectively, the "Parties."

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities in Texas, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system; and

**WHEREAS**, Customer has requested that TRES PALACIOS provide firm natural gas parking service for Customer under TRES PALACIOS' Rate Schedule FP set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such firm parking service for Customer, subject to the terms and conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule FP, and of this Agreement, TRES PALACIOS shall: (i) on any Day during the Injection Period as set forth on Exhibit A, which is incorporated by reference ("Exhibit A"), receive for injection into storage for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit A, (ii) store quantities of Gas so injected, up to a Maximum Park Quantity as set forth on Exhibit A, and (iii) on any Day during the Withdrawal Period allow Customer to withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit A. Injections shall occur during the Injection Period such that Customer's Storage Inventory at the end of the Injection Period is equal to Customer's Maximum Park Quantity. No injections or withdrawals shall be permitted from the end of the Injection Period until the beginning of the Withdrawal Period except, to the extent expressly permitted under Rate Schedule FP.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The primary point(s) at which the Gas shall be tendered by Customer to TRES PALACIOS under this Agreement, and the related Maximum Daily Receipt Quantity ("MDRQ") at each such point, shall be the primary point(s) and related MDRQ(s) designated on Exhibit A (Customer's "Primary Point(s) of Receipt").

The primary point(s) at which the Gas shall be tendered by TRES PALACIOS to Customer under this Agreement, and the related Maximum Daily Delivery Quantity



("MDDQ") at each such point, shall be the primary point(s) and related MDDQ(s) designated on Exhibit A (Customer's "Primary Point(s) of Delivery").

To the extent that TRES PALACIOS has agreed to permit Customer to utilize Points of Receipt and Points of Delivery on a secondary basis in accordance with Rate Schedule FP (respectively, "Secondary Points of Receipt" and "Secondary Points of Delivery"), such agreement shall be reflected on Exhibit A.

#### ARTICLE III - RATES AND CHARGES

3.1. Customer shall pay TRES PALACIOS the charges set forth on Exhibit A for all service provided to Customer hereunder.

3.2. Customer shall also pay TRES PALACIOS all other applicable rates, charges and surcharges set forth in the Tariff.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

#### ARTICLE IV - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation in Rate Schedule FP and the General Terms and Conditions of the Tariff.

#### ARTICLE V - TERM

This Agreement shall be effective as of \_\_\_\_\_, \_\_\_\_\_, and shall remain in force and effect through \_\_\_\_\_, \_\_\_\_\_ ("Primary Term"), and on a Month-to-Month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided that this Agreement shall remain in effect after any such termination as necessary until the expiration or termination of all Exhibit As executed by the Parties.

#### ARTICLE VI - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

ARTICLE VII - SUCCESSION AND ASSIGNMENT

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

ARTICLE VIII - GOVERNING LAW

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

ARTICLE X - PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties:

Firm Parking Service Agreement Contract No. [\_\_\_\_\_] dated \_\_\_\_\_,  
\_\_\_\_\_.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, 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 TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN THE TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND THE DEFINITION OF "GAS" IN SECTION 2 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

#### ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
To  
Firm Parking Service Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

FP Contract No. \_\_\_\_\_

FP Group No. \_\_\_\_\_

Transaction ID No. \_\_\_\_\_

Maximum Park Quantity ("MPQ") \_\_\_\_\_ Dth

Maximum Daily Withdrawal Quantity ("MDWQ") \_\_\_\_\_ Dth

Withdrawal Period Start Date \_\_\_\_\_

Withdrawal Period End Date \_\_\_\_\_

Maximum Daily Injection Quantity ("MDIQ") \_\_\_\_\_ Dth

Injection Period Start Date \_\_\_\_\_

Injection Period End Date \_\_\_\_\_

Firm Parking Reservation Charge \_\_\_\_\_ \$/Dth/[time period]

Firm Parking Injection Charge \_\_\_\_\_ \$/Dth

Firm Parking Withdrawal Charge \_\_\_\_\_ \$/Dth

Fuel Reimbursement Percentage \_\_\_\_\_ %

Time Period Description: \_\_\_\_\_

Aggregated MPQ/MDWQ: For nomination purposes, Shipper's Maximum Park Quantity and Maximum Daily Withdrawal Quantity executed under this Transaction shall be aggregated with the respective Maximum Park Quantity and Maximum Daily Withdrawal Quantity as set forth on all transactions executed under FP Group No. \_\_\_\_\_.

**Primary Point(s) of Receipt and Primary Point(s) of Delivery**

Location	Location Name	MDRQ* 1/	MDDQ** 1/
40333	KM Houston Central Pipeline (Capano) TPGS1010R		N/A
45321	Enterprise Texas TPGS1020B		
45319	Tennessee Gas Mainline TPGS1030B		
45317	Transco Mainline TPGS1040B		
45315	NGPL TPGS1050B		
45313	Gulf South TPGS1055B		
45311	Transco CTGS (TPGS1060B)		
45309	KM Tejas (TPGS1070B)		
49301	Injection Pooling Point (TPGS1065B)		N/A
49302	Withdrawal Pooling Point (TPGS1066B)	N/A	
45307	Florida Gas Transmission (TPGS1080B)		
40331	OxyChem (Oxy) (TPGS1085D)	N/A	
45303	Channel Enterprise (TPGS1100B)		
45305	Channel HPL (TPGS 1110B)		
45301	Texas Eastern (TPGS1120B)		
40332	Permian Hwy Pipeline (TPGS1130R)		N/A

\* MDRQ = Maximum Daily Receipt Quantity

\*\* MDDQ = Maximum Daily Delivery Quantity

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

The following provision shall only apply if checked:

\_\_\_\_\_ Customer shall have the right to use Points of Receipt and Points of Delivery Points on a secondary basis in accordance with the provisions of Rate Schedule FP.

This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [ ] to FP Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

7.4 FORM OF FIRM LOAN SERVICE AGREEMENT

(For Use Under Rate Schedule FL)

Contract No. \_\_\_\_\_

FIRM LOAN SERVICE AGREEMENT

This Firm Loan Service Agreement ("Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_, ("Customer"), each a "Party" and collectively, the "Parties."

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities in Texas, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system; and

**WHEREAS**, Customer has requested that TRES PALACIOS provide firm natural gas loan service for Customer under TRES PALACIOS' Rate Schedule FL set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such firm loan service for Customer, subject to the terms and conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with and subject to the terms of this Agreement, TRES PALACIOS shall: (i) on any Day during the Withdrawal Period as set forth on Exhibit A, allow Customer to nominate for withdrawal and delivery to Customer's Point(s) of Delivery as set forth on Exhibit A, which is incorporated by reference herein ("Exhibit A") a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit A, and (ii) on any Day during the Injection Period as set forth on Exhibit A, receive for injection into storage for repayment of Customer's Loan Balance, at Customer's Point(s) of Receipt as set forth on Exhibit A, a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit A. Withdrawals shall occur during the Withdrawal Period, such that Customer's Loan Balance at the end of the Withdrawal Period shall be equal to Customer's Maximum Loan Quantity as set forth on Exhibit A. Injections shall occur during the Injection Period such that Customer's Storage Inventory at the end of the Injection Period is equal to Customer's Maximum Park Quantity. No injections or withdrawals shall be permitted from the end of the Injection Period until the beginning of the Withdrawal Period, except to the extent expressly permitted under Rate Schedule FL.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The primary point(s) at which the Gas shall be tendered by Customer to TRES PALACIOS under this Agreement, and the related Maximum Daily Receipt Quantity



("MDRQ") at each such point, shall be the primary point(s) and related MDRQ(s) designated on Exhibit A (Customer's "Primary Point(s) of Receipt").

The primary point(s) at which the Gas shall be tendered by TRES PALACIOS to Customer under this Agreement, and the related Maximum Daily Delivery Quantity ("MDDQ") at each such point, shall be the primary point(s) and related MDDQ(s) designated on Exhibit A (Customer's "Primary Point(s) of Delivery").

To the extent that TRES PALACIOS has agreed to permit Customer to utilize Points of Receipt and Points of Delivery on a secondary basis in accordance with Rate Schedule FL (respectively, "Secondary Points of Receipt" and "Secondary Points of Delivery"), such agreement shall be reflected on Exhibit A.

#### ARTICLE III - RATES AND CHARGES

3.1. Customer shall pay TRES PALACIOS the rates and charges set forth on Exhibit A for all service provided to Customer hereunder.

3.2. Customer shall also pay TRES PALACIOS all other applicable rates, charges, and surcharges set forth in the Tariff.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

#### ARTICLE IV - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation in Rate Schedule FL and the General Terms and Conditions of the Tariff.

#### ARTICLE V - TERM

This Agreement shall be effective as of \_\_, \_\_\_\_ and shall remain in force and effect through \_\_\_\_, \_\_\_\_ (the "Primary Term"), and on a Month-to-Month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided that this Agreement shall remain in effect thereafter as necessary after any such termination until the expiration or termination of all Exhibit As executed by the Parties.

#### ARTICLE VI - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

#### ARTICLE VII - SUCCESSION AND ASSIGNMENT

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

#### ARTICLE VIII - GOVERNING LAW

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

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

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

#### ARTICLE X - PRIOR AGREEMENTS CANCELLED

TRES PALACIOS and Customer agree that this Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties :

Firm Loan Service Agreement Contract No. [\_\_\_\_\_] dated \_\_\_\_\_,  
\_\_\_\_\_.

#### ARTICLE XI - MISCELLANEOUS

11.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

11.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether

of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

11.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

11.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

11.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

11.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
To  
Firm Loan Service Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

FL Contract No. \_\_\_\_\_

FL Group No. \_\_\_\_\_

Transaction ID No. \_\_\_\_\_

Maximum Loan Quantity ("MLQ") \_\_\_\_\_ Dth

Maximum Daily Withdrawal Quantity ("MDWQ") \_\_\_\_\_ Dth

Withdrawal Period Start Date \_\_\_\_\_

Withdrawal Period End Date \_\_\_\_\_

Maximum Daily Injection Quantity ("MDIQ") \_\_\_\_\_ Dth

Injection Period Start Date \_\_\_\_\_

Injection Period End Date \_\_\_\_\_

Firm Loan Reservation Charge \_\_\_\_\_ \$/Dth/[time period]

Firm Loan Injection Charge \_\_\_\_\_ \$/Dth

Firm Loan Withdrawal Charge \_\_\_\_\_ \$/Dth

Fuel Reimbursement Percentage \_\_\_\_\_ %

Time Period Description: \_\_\_\_\_

Aggregated MLQ/MDIQ: For nomination purposes, Shipper's Maximum Loan Quantity and Maximum Daily Injection Quantity executed under this Transaction shall be aggregated with the respective Maximum Loan Quantity and Maximum Daily Injection Quantity as set forth on all transactions executed under FL Group No. \_\_\_\_\_.

**Primary Point(s) of Receipt and Primary Point(s) of Delivery**

Location	Location Name	MDRQ* 1/	MDDQ** 1/
40333	KM Houston Central Pipeline (Capano) TPGS1010R		N/A
45321	Enterprise Texas TPGS1020B		
45319	Tennessee Gas Mainline TPGS1030B		
45317	Transco Mainline TPGS1040B		
45315	NGPL TPGS1050B		
45313	Gulf South TPGS1055B		
45311	Transco CTGS (TPGS1060B)		
45309	KM Tejas (TPGS1070B)		
49301	Injection Pooling Point (TPGS1065B)		N/A
49302	Withdrawal Pooling Point (TPGS1066B)	N/A	
45307	Florida Gas Transmission (TPGS1080B)		
40331	OxyChem (Oxy) (TPGS1085D)	N/A	
45303	Channel Enterprise (TPGS1100B)		
45305	Channel HPL (TPGS 1110B)		
45301	Texas Eastern (TPGS1120B)		
40332	Permian Hwy Pipeline (TPGS1130R)		N/A

\* MDRQ = Maximum Daily Receipt Quantity

\*\* MDDQ = Maximum Daily Delivery Quantity

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

The following provision shall only apply if checked:

\_\_\_\_\_ Customer shall have the right to use Points of Receipt and Points of Delivery Points on a secondary basis in accordance with the provisions of Rate Schedule FL.

This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [ ] to FL Contract No. [ ].

CUSTOMER:

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

TRES PALACIOS GAS STORAGE LLC:

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

7.5 FORM OF INTERRUPTIBLE STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule ISS)

Contract No. \_\_\_\_\_

INTERRUPTIBLE STORAGE SERVICE AGREEMENT

This Interruptible Storage Service Agreement ("Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_, ("Customer"), each a "Party" and collectively, the "Parties."

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities in Texas, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system; and

**WHEREAS**, Customer has requested that TRES PALACIOS provide interruptible natural gas storage service for Customer under TRES PALACIOS' Rate Schedule ISS set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such interruptible storage service for Customer subject to the terms and conditions set forth in this Agreement;

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

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service pursuant to any transaction hereunder, in accordance with and subject to the terms of this Agreement, TRES PALACIOS shall: (i) on any Day receive for injection into storage a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit A, which is incorporated by reference herein ("Exhibit A"), (ii) shall store quantities of Gas so injected to Customer's Maximum Storage Quantity as set forth on Exhibit A, and (iii) on any Day withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit A.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas shall be tendered by Customer to TRES PALACIOS under this Agreement shall be any of the Point(s) of Receipt provided for in the Interruptible Storage Service Rate Schedule.

The point(s) at which the Gas shall be tendered by TRES PALACIOS to Customer under this Agreement shall be any of the Point(s) of Delivery provided for in the Interruptible Storage Service Rate Schedule.

ARTICLE III - PRICE

3.1. Customer shall pay TRES PALACIOS the rates and charges set forth on Exhibit A hereto for all service furnished to Customer hereunder.

3.2. Customer shall also pay TRES PALACIOS all other applicable rates, charges and surcharges set forth in the Tariff.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation Rate Schedule ISS and the provisions of General Terms and Conditions of the Tariff.

ARTICLE V - TERM OF AGREEMENT

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

ARTICLE VI - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

ARTICLE VII - SUCCESSION AND ASSIGNMENT

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



ARTICLE VIII - GOVERNING LAW

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

ARTICLE X - PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties:

Interruptible Storage Service Agreement, Contract No. [\_\_\_\_\_] dated \_\_\_\_\_, \_\_\_\_.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, 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 TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN THE TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, ARTICLE II OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND THE DEFINITION OF "GAS" IN SECTION 2 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
To  
Interruptible Storage Service Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

ISS Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Storage Quantity ("MSQ")	_____	Dth
Maximum Daily Injection Quantity ("MDIQ")	_____	Dth
Maximum Daily Withdrawal Quantity ("MDWQ")	_____	Dth
Storage Inventory Charge	_____	\$/Dth
Injection Charge	_____	\$/Dth
Withdrawal Charge	_____	\$/Dth
Fuel Reimbursement Percentage	_____	%

This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [ ] to ISS Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

7.6 FORM OF INTERRUPTIBLE HOURLY BALANCING SERVICE AGREEMENT

(For Use Under Rate Schedule IHBS)

Contract No. \_\_\_\_\_

INTERRUPTIBLE HOURLY BALANCING SERVICE AGREEMENT

This Interruptible Hourly Balancing Service Agreement ("Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_ ("Customer"), each a "Party" and collectively, the "Parties."

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities in Texas, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system; and

**WHEREAS**, Customer has requested that TRES PALACIOS provide interruptible natural gas hourly balancing service for Customer under TRES PALACIOS' Rate Schedule IHBS set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such interruptible hourly balancing service for Customer, subject to the terms and conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with and subject to the terms of this Agreement, TRES PALACIOS shall (i) on any Day receive for injection into Customer's Storage Inventory a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit A, which is incorporated by reference herein ("Exhibit A"), (ii) store such quantity of Gas so injected, up to Customer's Maximum Storage Quantity as set forth on Exhibit A, (iii) on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit A, and (iv) for each hour during a Day, subject to Customer's Maximum Hourly IHBS Quantity as set forth on Exhibit A, receive or deliver at Customer's Point(s) of Receipt or Point(s) of Delivery, as applicable and as set forth on Exhibit A, an hourly balancing quantity of Gas which shall be the difference, on an hourly basis, between (x) the quantity of injections into or withdrawals from Customer's Storage Inventory, as applicable, necessary for TRES PALACIOS to meet Customer's desired hourly delivered quantity at its point(s) of receipt from, or point(s) of delivery into, as applicable, the applicable upstream or downstream Transporter pipeline system(s) and (y) the quantity of Customer's scheduled daily injections into or withdrawals from Customer's Storage Inventory, as applicable, as converted to an hourly quantity based on a 24 hour Day.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which Gas shall be tendered by Customer to TRES PALACIOS or tendered by TRES PALACIOS to Customer under this Agreement on any Day shall be as specified in the Interruptible Hourly Balancing Service Rate Schedule.

ARTICLE III - RATES AND CHARGES

3.1. Customer agrees to pay TRES PALACIOS the rates and charges set forth on Exhibit A for all service provided to Customer hereunder.

3.2. Customer shall also pay TRES PALACIOS all other applicable rates, charges and surcharges set forth in the Tariff.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation in Rate Schedule FP and the General Terms and Conditions of the Tariff.

ARTICLE V - TERM

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

ARTICLE VI - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

ARTICLE VII - SUCCESSION AND ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder

shall be made by Customer, except pursuant to the General Terms and Conditions of the Tariff. It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for any indebtedness.

#### ARTICLE VIII - GOVERNING LAW

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

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

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

#### ARTICLE X - PRIOR AGREEMENTS CANCELLED

TRES PALACIOS and Customer agree that this Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties :

Interruptible Hourly Balancing Service Agreement Contract No. [\_\_\_\_\_] dated \_\_\_\_\_, \_\_\_\_.

#### ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, 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 TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN THE TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE

GENERAL TERMS AND CONDITIONS) AND THE DEFINITION OF "GAS" IN SECTION 2 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

#### ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.

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



TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title\_\_\_\_\_

CUSTOMER: \_\_\_\_\_

By \_\_\_\_\_

Title\_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
To  
Interruptible Hourly Balancing Service Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

IHBS Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Storage Quantity ("MSQ") \_\_\_\_\_ Dth  
Maximum Daily Injection Quantity ("MDIQ") \_\_\_\_\_ Dth  
Maximum Daily Withdrawal Quantity ("MDWQ") \_\_\_\_\_ Dth  
Maximum Hourly IHBS Quantity \_\_\_\_\_ Dth

Hourly Balancing Charge \_\_\_\_\_ \$/Dth  
Storage Inventory Charge \_\_\_\_\_ \$/Dth  
Injection Charge \_\_\_\_\_ \$/Dth  
Withdrawal Charge \_\_\_\_\_ \$/Dth  
Fuel Reimbursement Percentage \_\_\_\_\_ %

This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [ ] to IHBS Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

7.7 FORM OF HUB SERVICES AGREEMENT

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

Contract No. \_\_\_\_\_

HUB SERVICES AGREEMENT

This Hub Services Agreement ("Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_ ("Customer"), each a "Party" and collectively, the "Parties."

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities in Texas, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system, including interruptible natural gas hub services as set forth herein; and

**WHEREAS**, Customer desires that TRES PALACIOS provide interruptible natural gas hub services for Customer from time to time under TRES PALACIOS' Rate Schedules IP, IW, IL, and/or EIWS as set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such interruptible hub service for Customer, subject to the terms and conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedules IP, IW, IL, and/or EIWS, as applicable, and of this Agreement, TRES PALACIOS shall provide interruptible service for Customer and shall receive, inject, park, store, wheel, loan, withdraw and redeliver, as the case may be, quantities of Gas up to Customer's MDIQ, MDWQ, MSQ, Maximum Park Quantity, Maximum Loan Quantity, and/or MDTQ, as applicable, all as set forth from time to time on Exhibits A, B, C and/or D hereto, which shall each respectively be incorporated by reference herein upon execution by TRES PALACIOS and Customer.

TRES PALACIOS and Customer may agree to terms for separate transactions under the same rate schedule that shall each be set forth on a separate Exhibit A, B, C or D, as applicable, with a separate designation for each such exhibit, and any of which may be effective for a portion or all of the term as set forth on a separate exhibit for service under the same rate schedule.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas shall be tendered by Customer to TRES PALACIOS under this Agreement shall be any of the Point(s) of Receipt as posted, from time to time, on TRES PALACIOS' Internet Web Site under Location Data Download, unless specific Point(s) of Receipt are otherwise designated or defined in the Rate Schedule or on Exhibit A, B, C and/or D, as applicable.

The points at which Gas shall be tendered by TRES PALACIOS to Customer under this Agreement shall be any of the Points of Delivery as posted from time to time on TRES PALACIOS' Internet Web Site under Location Data Download, unless specific Point(s) of Delivery are otherwise designated or defined in the Rate Schedule or on Exhibit A, B, C and/or D, as applicable.

#### ARTICLE III - RATES AND CHARGES

3.1. Customer shall pay TRES PALACIOS the charges set forth on Exhibit A, B, C, and/or D, as applicable, for all service provided to Customer hereunder.

3.2 Customer shall also pay TRES PALACIOS all other applicable rates, charges and surcharges set forth in the Tariff .

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

#### ARTICLE IV - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation in Rate Schedules IP, IW, IL, and/or EIWS, as applicable, and the General Terms and Conditions of the Tariff.

#### ARTICLE V - TERM

This Agreement shall become effective on \_\_\_\_\_, \_\_\_\_\_, and shall remain in force and effect on a Month-to-Month basis unless terminated by either Party upon a least thirty (30) days prior written notice to the other Party; provided however, that this Agreement shall remain in effect thereafter as necessary until the expiration or termination of all exhibits executed by the Parties.

#### ARTICLE VI - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

#### ARTICLE VII - SUCCESSION AND ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of the Agreement or any of the rights or obligations thereunder shall

be made by Customer, except pursuant to the General Terms and Conditions of the Tariff; provided however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for any indebtedness.

#### ARTICLE VIII - GOVERNING LAW

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

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

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

#### ARTICLE X - PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties:

Hub Service Agreement Contract No. [\_\_\_\_\_] dated \_\_\_\_\_, \_\_\_\_.

#### ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, 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 TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN THE TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, ARTICLE II OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND THE DEFINITION OF "GAS" IN SECTION 2 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

#### ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
 To  
 Hub Services Agreement  
 Between  
 TRES PALACIOS GAS STORAGE LLC  
 and  
 \_\_\_\_\_ (Customer)  
 Dated \_\_\_\_\_

Interruptible Wheeling Service (Rate Schedule IW)

Hub Services Contract No. \_\_\_\_\_

IW Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Daily Wheeling Quantity ("MDTQ"): \_\_\_\_\_ Dth

Structuring Method Election (select one)

Structuring Method 1:	
Structuring Method 2:	

[If Structuring Method 1 is selected, including the following rate chart; add additional rows, as applicable:

From: Receipt Point [*]	To: Delivery Point [**]	Interruptible Wheeling Charge (\$/Dth)

[\*] "All Receipt Points" shall mean all Points of Receipt listed on the TRES PALACIOS Internet Web Site under Location Data Download.

[\*\*] "All Delivery Points" shall mean all Points of Delivery listed on the TRES PALACIOS Internet Web Site under Location Data Download.

Fuel Reimbursement Percentage \_\_\_\_\_ %]



This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [ ] to IW Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

Exhibit B Dated \_\_\_\_\_  
To  
Hub Services Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

Interruptible Parking Service (Rate Schedule IP)

Hub Services Contract No. \_\_\_\_\_

IP Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Park Quantity: \_\_\_\_\_ Dth

Maximum Daily Injection Quantity \_\_\_\_\_ Dth

Injection Period:

Begin Date: \_\_\_\_\_

End Date: \_\_\_\_\_

Maximum Daily Withdrawal Quantity \_\_\_\_\_ Dth

Withdrawal Period:

Begin Date: \_\_\_\_\_

End Date: \_\_\_\_\_

Interruptible Parking Charge \_\_\_\_\_ \$/Dth/[Time Period]

Injection Charge \_\_\_\_\_ \$/Dth

Withdrawal Charge \_\_\_\_\_ \$/Dth

Fuel Reimbursement Percentage \_\_\_\_\_ %

[Time Period] Description: \_\_\_\_\_

Interruptible Parking Charge Calculation: \_\_\_\_\_

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

Exhibit C Dated \_\_\_\_\_  
To  
Hub Services Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

Interruptible Loan Service (Rate Schedule IL)

Hub Services Contract No. \_\_\_\_\_

IL Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Loan Quantity: \_\_\_\_\_ Dth

Maximum Daily Withdrawal Quantity \_\_\_\_\_ Dth

Withdrawal Period:

Begin Date: \_\_\_\_\_

End Date: \_\_\_\_\_

Maximum Daily Injection Quantity \_\_\_\_\_ Dth

Injection Period:

Begin Date: \_\_\_\_\_

End Date: \_\_\_\_\_

Interruptible Loan Charge \_\_\_\_\_ \$/Dth/[Time Period]

Withdrawal Charge \_\_\_\_\_ \$/Dth

Injection Charge \_\_\_\_\_ \$/Dth

Fuel Reimbursement Percentage \_\_\_\_\_ %

[Time Period] Description: \_\_\_\_\_

Interruptible Loan Charge Calculation: \_\_\_\_\_

Customer:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

Exhibit D Dated \_\_\_\_\_  
To  
Hub Services Agreement  
Between  
TRES PALACIOS GAS STORAGE LLC  
and  
\_\_\_\_\_ (Customer)  
Dated \_\_\_\_\_

Enhanced Interruptible Wheeling Service (Rate Schedule EIWS)

Hub Services Contract No. \_\_\_\_\_

EIWS Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Daily Wheeling Quantity: \_\_\_\_\_ Dth

From: Point(s) of Receipt \_\_\_\_\_

To: Point(s) of Delivery \_\_\_\_\_

Enhanced Interruptible Wheeling Capacity Charge: \_\_\_\_\_ Dth/Month

Enhanced Interruptible Wheeling Commodity Charge \_\_\_\_\_ Dth

Fuel Reimbursement Percentage: \_\_\_\_\_ %

This Exhibit D, as of the date hereof, shall supersede and cancel Exhibit D dated [ ] to EIWS Contract No. [ ].

Customer:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

7.8 FORM OF CAPACITY RELEASE UMBRELLA AGREEMENT

(For Use Under Rate Schedules, FSS, FWS, NNSS, FP and FL)

Date: \_\_\_\_\_ Contract No. \_\_\_\_\_

CAPACITY RELEASE UMBRELLA AGREEMENT

This Capacity Release Umbrella Agreement ("Agreement"), is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_ ("Replacement Customer"), each a "Party," and collectively, the "Parties."

**RECITALS**

**WHEREAS,**

**NOW, THEREFORE,** in consideration of the premises and of the mutual covenants contained herein, TRES PALACIOS and Replacement Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

This Umbrella Service Agreement is in all respects subject to and governed by Rate Schedules FSS, FWS, NNSS, FP and FL and the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff ("Tariff") as such rate schedule may be modified from time to time, and such are incorporated by reference. In the event that language of this Umbrella Service Agreement or any Exhibit conflicts with the Tariff, the language of the Tariff will control.

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 TRES PALACIOS' approved bidder list for capacity releases and to execute this Capacity Release Umbrella Agreement pursuant to Section 4 of the General Terms and Conditions of the Tariff, and this Capacity Release Umbrella Agreement is effective, Replacement Customer may bid from time to time on proposed capacity releases under Rate Schedules FSS, FWS, NNSS, FP and FL pursuant to the procedure set forth in Section 4 of TRES PALACIOS' General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by TRES PALACIOS with respect to a given capacity release, TRES PALACIOS will promptly finalize by means of TRES PALACIOS' LINK® System 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 TRES PALACIOS 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 TRES PALACIOS' Rate Schedules FSS, FWS, NNSS, FP and FL, TRES PALACIOS agrees to provide the released service for Replacement Customer under the applicable Rate Schedule, provided however, the Replacement Customer shall have qualified under the financial evaluation

and credit appraisal requirements set forth in Section 3 of TRES PALACIOS' General Terms and Conditions at the time it submitted the bid TRES PALACIOS accepted with respect to such release.

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

#### ARTICLE II - TERM

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 TRES PALACIOS determines at any time that Replacement Customer fails to meet the financial standards or credit criteria of Section 3 of the General Terms and Conditions, TRES PALACIOS may terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto prospectively in accordance with Section 3 the General Terms and Conditions of the 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 Storage Service Agreement and the terms and conditions for Rate Schedules FSS, FWS, NNSS, FP and FL, 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 TRES PALACIOS 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. TRES PALACIOS 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 - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Capacity Release Umbrella Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

#### ARTICLE V - GOVERNING LAW

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

#### ARTICLE VI - RELATIONSHIP BETWEEN REPLACEMENT CUSTOMER AND RELEASING CUSTOMER

The parties recognize that, pursuant to Commission orders, Releasing Customer may require that the Replacement Customer agree that a breach of this Capacity Release Umbrella Agreement, including a failure to pay, or to pay timely, by Replacement Customer under this Capacity Release Umbrella Agreement, constitutes a breach of contract as between Replacement Customer and Releasing Customer. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Customer fails to pay TRES PALACIOS, fails to timely pay TRES PALACIOS, or otherwise breaches this Capacity Release Umbrella Agreement with TRES PALACIOS: (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 4 of the General Terms and Conditions and except with respect to penalties attributable to Replacement Customer's conduct) shall be liable to TRES PALACIOS for such failure to pay or breach (it being understood that nothing in this Article VI relieves Releasing Customer from responsibility to pay TRES PALACIOS in accordance with its Storage Service Agreements with TRES PALACIOS) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay TRES PALACIOS or otherwise perform, Releasing Customer may have a cause of action for breach against Replacement Customer.

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

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

#### ARTICLE VIII - MISCELLANEOUS

8.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

8.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the

defaulting Party from performance of any other provision, condition or requirement set forth herein.

8.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

8.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

8.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

8.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_



FORM OF SERVICE AGREEMENT FOR  
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER  
RATE SCHEDULES FSS, FWS, NNSS, FP, AND FL  
(Continued)

Deal No.: \_\_\_\_\_  
Addendum Contract No.: \_\_\_\_\_  
Capacity Release Umbrella Agreement No.: \_\_\_\_\_

Addendum No. \_\_\_\_\_  
Capacity Release  
Rate Schedule \_\_\_\_\_

Replacement Customer: \_\_\_\_\_

Releasing Customer: \_\_\_\_\_

Releasing Customer's Contract No.: \_\_\_\_\_

Begin Date of Release: \_\_\_\_\_

End Date of Release: \_\_\_\_\_

Rates: [Volumetric or Reservation]

Storage Reservation Charge (FSS)

\$ \_\_\_\_\_

Injection Reservation Charge (FSS)

\$ \_\_\_\_\_

Withdrawal Reservation Charge (FSS)

\$ \_\_\_\_\_

Reservation Charge (FWS)

\$ \_\_\_\_\_

Reservation Charge (NNSS)

\$ \_\_\_\_\_

Reservation Charge (FP)

\$/ (Time Period) \_\_\_\_\_

Reservation Charge (FL)

\$/ (Time Period) \_\_\_\_\_

FORM OF SERVICE AGREEMENT FOR  
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER  
RATE SCHEDULES FSS, FWS, NNSS, FP, AND FL  
(Continued)

Addendum No. \_\_\_\_\_ (Con't)  
Capacity Release  
Rate Schedule \_\_\_\_\_

Surcharges:

Description	Rate
_____	\$ _____
_____	\$ _____
_____	\$ _____

FORM OF SERVICE AGREEMENT FOR  
 CAPACITY RELEASE UMBRELLA AGREEMENT UNDER  
 RATE SCHEDULES FSS, FWS, NNSS, FP, AND FL  
 (Continued)

Addendum No. \_\_\_\_\_ (Con't)  
 Capacity Release  
 Rate Schedule \_\_\_\_\_

Volume Commitment	(Dth/Billing Period)
Maximum Storage Quantity (MSQ) (FSS only):	_____ (Dth)
Maximum Daily Firm Wheeling Quantity (MDFWQ) (FWS only):	_____ (Dth)
No-Notice Maximum Daily Quantity (NNSS only):	_____ (Dth)
Maximum Park Quantity (FP only):	_____ (Dth)
Maximum Loan Quantity (FL only):	_____ (Dth)
Maximum Daily Injection Quantity (MDIQ) (FSS, NNSS, FP and FL only):	_____ (Dth)
Maximum Daily Withdrawal Quantity (MDWQ) (FSS, NNSS, FP and FL only)::	_____ (Dth)

Specific Primary Point(s) of Receipt:

M&R#	MDRQ	Effective From	Effective To
------	------	----------------	--------------

Specific Primary Point(s) of Delivery:

M&R#	MDDQ	Effective From	Effective To
------	------	----------------	--------------

Is this capacity subject to right of recall? Yes \_\_\_\_\_ No \_\_\_\_\_

Recall Conditions (if applicable):

---

---

---

Are there any restrictions on released capacity? Yes \_\_\_\_\_ No \_\_\_\_\_

Restrictions (if applicable):

---

---

---

Were TRES PALACIOS' default bid evaluation criteria used? Yes \_\_\_\_\_ No \_\_\_\_\_

Evaluation Criteria (if applicable):

---

---

---

Were contingent bids accepted? Yes \_\_\_\_\_ No \_\_\_\_\_

Contingency comments (if applicable):

---

---

---

Other Terms and Conditions of Release: [e.g., restrictions on release, third-party agent and terms of third-party agency relationship, and agreements between Replacement Customer and Releasing Customer]

---

---

---

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

7.9 FORM OF FIRM WHEELING SERVICE AGREEMENT

(For Use Under Rate Schedule FWS)

Contract No. \_\_\_\_\_

FIRM WHEELING SERVICE AGREEMENT

This Firm Wheeling Service Agreement ("Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between TRES PALACIOS GAS STORAGE LLC ("TRES PALACIOS") and \_\_\_\_\_ ("Customer"), each a "Party" and collectively, the "Parties")

**RECITALS**

**WHEREAS**, TRES PALACIOS owns and operates natural gas storage and related facilities in Texas, and is authorized to provide natural gas storage and related services in interstate commerce on the Tres Palacios system; and

**WHEREAS**, Customer has requested that TRES PALACIOS provide firm natural gas wheeling service for Customer under TRES PALACIOS' Rate Schedule FWS set forth in TRES PALACIOS' FERC Gas Tariff, as revised from time to time ("Tariff"); and

**WHEREAS**, TRES PALACIOS has agreed to provide such firm wheeling service for Customer, subject to the terms and conditions set forth in this Agreement,

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with and subject to the terms of this Agreement, TRES PALACIOS shall: (i) on any Day receive for wheeling on the Tres Palacios system at Customer's Point(s) of Receipt a quantity of Gas up to Customer's Maximum Daily Firm Wheeling Quantity as set forth on Exhibit A, which is incorporated by reference herein ("Exhibit A"), and (ii) wheel and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit A.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The primary point(s) at which Gas shall be tendered by Customer to TRES PALACIOS under this Agreement, and the related Maximum Daily Receipt Quantity ("MDRQ") at each such point, shall be the primary point(s) designated on Exhibit A (Customer's "Primary Point(s) of Receipt").

The primary point(s) at which Gas shall be tendered by TRES PALACIOS to Customer under this Agreement, and the related Maximum Daily Delivery Quantity at each such point, shall be the primary point(s) and related MDDQ(s) designated on Exhibit A (Customer's "Primary Point(s) of Delivery").

To the extent that TRES PALACIOS has agreed to permit Customer to utilize Points of Receipt and Points of Delivery on a secondary basis in accordance with Rate Schedule FWS, such agreement shall be reflected on Exhibit A.

ARTICLE III - RATES AND CHARGES

3.1. Customer agrees to pay TRES PALACIOS the rates and charges set forth on Exhibit A for all wheeling service furnished to Customer hereunder.

3.2. Customer shall also pay TRES PALACIOS all other applicable rates, charges and surcharges set forth in the Tariff.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, wheeling and/or delivery of Customer's Gas.

ARTICLE IV - APPLICABLE TARIFF PROVISIONS

This Agreement shall be subject to all applicable terms and conditions set forth in the Tariff, including without limitation in Rate Schedule FP and the General Terms and Conditions of the Tariff.

ARTICLE V - TERM

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

ARTICLE VI - NOTICES

Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or TRES PALACIOS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

TRES PALACIOS: As provided for in Section 33.2 of the General Terms and Conditions of the Tariff.

Customer:

ARTICLE VII - SUCCESSION AND ASSIGNMENT

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

indebtedness.

ARTICLE VIII - GOVERNING LAW

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

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

ARTICLE X - PRIOR AGREEMENTS CANCELLED

TRES PALACIOS and Customer agree that this Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the Parties:

Firm Wheeling Service Agreement Contract No. [\_\_\_\_\_] dated \_\_\_\_\_,  
\_\_\_\_\_.

ARTICLE XI - WAREHOUSEMEN'S AND CARRIER LIENS

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, AS PROVIDED IN SECTION 7-209 AND 7-307 OF THE TEXAS UNIFORM COMMERCIAL CODE (UCC) WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR WHEELING AND TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO THE UCC, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN THE TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" AND "BILL OF LADING" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS WHEELED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, ARTICLE II OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND THE DEFINITION OF "GAS" IN SECTION 2 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT AND BILL OF LADING WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT;

(v) THE LIEN IS EFFECTIVE AGAINST THE COSIGNOR OR ANY PERSON ENTITLED TO THE GAS; AND

(vii) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

11.3 The rights provided in Article XI and in the UCC are in addition to all other rights allowed by law to a creditor against a debtor.

#### ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by e-mail shall be deemed to be an original signature for purposes of this Agreement.



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

TRES PALACIOS GAS STORAGE LLC

By \_\_\_\_\_

Title \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Exhibit A Dated \_\_\_\_\_  
 To \_\_\_\_\_  
 Firm Wheeling Service Agreement  
 Between  
 TRES PALACIOS GAS STORAGE LLC  
 and  
 \_\_\_\_\_ (Customer)  
 Dated \_\_\_\_\_

FWS Contract No. \_\_\_\_\_

Term: From \_\_\_\_\_ through \_\_\_\_\_

Maximum Daily Firm Wheeling Quantity ("MDFWQ") \_\_\_\_\_ Dth

Delivery Pressure: \_\_\_\_\_

**Primary Point(s) of Receipt and Primary Point(s) of Delivery:**

<u>Location</u>	<u>Location Name</u>	<u>MDRQ*</u>	<u>MDDQ**</u>
40333	KM Houston Central Pipeline (Capano) TPGS1010R		N/A
45321	Enterprise Texas TPGS1020B		
45319	Tennessee Gas Mainline TPGS1030B		
45317	Transco Mainline TPGS1040B		
45315	NGPL TPGS1050B		
45313	Gulf South TPGS1055B		
45311	Transco CTGS (TPGS1060B)		
49301	Injection Pooling Point (TPGS1065B)		N/A
49302	Withdrawal Pooling Point (TPGS1066B)	N/A	
45309	KM Tejas (TPGS1070B)		
45307	Florida Gas Transmission (TPGS1080B)		
40331	OxyChem (Oxy) (TPGS1085D)	N/A	
45303	Channel Enterprise (TPGS1100B)		
45305	Channel HPL (TPGS 1110B)		
45301	Texas Eastern (TPGS1120B)		
40332	Permian Hwy Pipeline (TPGS1130R)		N/A

\* MDRQ = Maximum Daily Receipt Quantity

\*\* MDDQ = Maximum Daily Delivery Quantity

**Secondary Points of Receipt and Secondary Points of Delivery**

The following provision shall only apply if checked:

\_\_\_\_\_ Customer shall have the right to use Points of Receipt and Points of Delivery on a secondary basis in accordance with the provisions of Rate Schedule FWS.

Firm Wheeling Reservation Charge \_\_\_\_\_ \$/Dth/Month

Firm Wheeling Commodity Charge:

Receipt Point(s)	Delivery Point(s)	Charge
_____	_____	_____ \$/Dth

Fuel Reimbursement Percentage \_\_\_\_\_ %

Maximum Hourly Flow Quantity (check one):

\_\_\_\_\_ 1/24 MDFWQ, MDRQ and MDDQ (4.17%, Uniform Hourly)

\_\_\_\_\_ 1/16 MDFWQ, MDRQ and MDDQ (6.25%, 16-Hour Day)

\_\_\_\_\_ 1/12 MDFWQ, MDRQ and MDDQ (8.33%, 12-Hour Day)

This Exhibit A, as of the date hereof, shall supersede and cancel Exhibit A dated [ ] to FWS Contract No. [ ].

CUSTOMER:

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

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

TRES PALACIOS GAS STORAGE LLC:

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

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

7.10 FORM OF SERVICE AGREEMENT  
FOR THE LINK® SYSTEM

This LINK® System Agreement, executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ (Service Requester Proprietary Number \_\_\_\_\_) (hereafter referred to as "LINK® System Subscriber"), and TRES PALACIOS GAS STORAGE LLC (hereafter referred to as "TRES PALACIOS"), witnesseth that for and in consideration of the mutual covenants and provisions herein contained and subject to all of the terms, provisions and conditions herein set forth, LINK® System Subscriber and TRES PALACIOS do hereby agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

- a. TRES PALACIOS shall make available for use by LINK® System Subscriber TRES PALACIOS' computerized electronic communication system, the LINK® Customer Interface System ("LINK® System"), to perform such functions as may be available on the LINK® System from time to time.
- b. Use of the LINK® System is subject to the General Terms and Conditions, as well as the provisions of any rate schedule and Service Agreement, of the FERC Gas Tariff of TRES PALACIOS with whom the LINK® System Subscriber is interacting to carry out the LINK® System transactions, as set forth in said TRES PALACIOS' currently effective FERC Gas Tariff, as effective from time to time, and which are hereby incorporated by reference.
- c. LINK® System Subscriber agrees that TRES PALACIOS shall have the unilateral right to file with the appropriate regulatory authority and to make changes effective in (a) the rates and charges applicable to service pursuant to this LINK® System Agreement; and (b) any provision of TRES PALACIOS' FERC Gas Tariff related to this LINK® System Agreement. TRES PALACIOS agrees that LINK® System Subscriber may protest or contest the aforementioned filings, and LINK® System Subscriber does not waive any rights it may have with respect to such filings.

ARTICLE II - TERM

The term of this LINK® System Agreement shall commence on the date of execution hereof and shall continue in full force and effect on a month to month basis until terminated by TRES PALACIOS or LINK® System Subscriber, with thirty days prior written notice of such termination.

ARTICLE III - ADDRESSES

Except as provided in the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff, any notice, request, demand, statement, bill or payment pursuant to this LINK® System Agreement shall be in writing and shall be considered as duly delivered when received on-line via the LINK® System, or when received as registered, certified, or regular mail at the address of the parties hereto, as the case may be, as follows:

- (a) TRES PALACIOS: To the attention of LINK® Services at the address provided for in Section 33.2 of TRES PALACIOS' General Terms and Conditions.

(b) LINK® System Subscriber:

[The address LINK® System Subscriber shall designate by submitting the on-line Contact Information as discussed in the Electronic Communications section of the General Terms and Conditions of the relevant TRES PALACIOS' tariff.]

ARTICLE IV - INTERPRETATION

The interpretation and performance of this LINK® System Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflicts of law.

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

ARTICLE V - AGREEMENTS BEING SUPERSEDED

When this LINK® System Agreement becomes effective, it shall supersede any LINK® System Agreement(s) between the parties hereto with an earlier execution date.

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

TRES PALACIOS GAS STORAGE LLC

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

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

\_\_\_\_\_  
Signature

LINK® System Subscriber

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

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

\_\_\_\_\_  
Signature