

Petal Gas Storage Company: Original Volume No. 1
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FERC GAS TARIFF
ORIGINAL VOLUME NO. 1
of
PETAL GAS STORAGE COMPANY

Filed with the
FEDERAL ENERGY REGULATORY COMMISSION

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 ORIGINAL VOLUME NO. 1
 OF
 PETAL GAS STORAGE COMPANY
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PRELIMINARY STATEMENT

This Original Volume No. 1 of Petal Gas Storage Company's FERC Gas Tariff contains the Rate Statements, Rate Schedules and General Terms and Conditions applicable to open-access storage service and sales service performed by Petal Gas Storage Company through its facilities on the Petal Salt Dome in Forrest County, Mississippi, pursuant to Rate Schedules FSS and ISS.

Petal Gas Storage Company ("Petal") is a Delaware corporation principally engaged in the business of storing natural gas for use in intra- and interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission. The storage facilities are connected to Tennessee Gas Pipeline Company ("Tennessee") and Koch Gateway Pipeline Company ("Koch Gateway").

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Petal Gas Storage Company
FSS RATE STATEMENT - FIRM STORAGE SERVICE*
RATE UNITS

Storage Capacity Market Based/ \$/dth
Charge Negotiable

Paid on a monthly basis. Payment is equal to the Storage Capacity Charge multiplied by Customer's Firm Storage Capacity.

Storage Deliverability Market Based/ \$/dth
Charge Negotiable

Paid on a monthly basis. Payment is equal to the Storage Deliverability Charge multiplied by Customer's Total Maximum Daily Withdrawal Quantity.

Storage Injection Market Based/ \$/dth
Charge Negotiable

Paid on a monthly basis. Payment is equal to the Storage Injection Charge multiplied by the dth quantity injected by the Customer during a given month.

Overrun Injection Market Based/ \$/dth
Charge Negotiable

Paid on a monthly basis. Payment is equal to the Overrun Injection Charge multiplied by the dth quantity injected by Customer pursuant to Section 3.(a) under rate Schedule FSS.

Storage Withdrawal Market Based/ \$/dth
Charge Negotiable

Paid on a monthly basis. Payment is equal to the Storage Withdrawal Charge multiplied by the dth quantity withdrawn by Customer during a given month.

Overrun Withdrawal Market Based/ \$/dth
Charge Negotiable

Paid on a monthly basis. Payment is equal to the Overrun Withdrawal Charge multiplied by the dth quantity withdrawn by Customer pursuant to Section 3.(b) under Rate Schedule FSS.

Fuel Determined %
Reimbursement Annually

This incremental amount of gas is tendered along with the gas quantity to be injected. The applicable Fuel Reimbursement is equal to the Fuel Reimbursement percentage multiplied by the dth quantity injected per day.
* All quantities of natural gas are measured in dekatherms (dth).

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Petal Gas Storage Company

ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE*

	RATE	UNITS
Standby Capacity Charge	Market Based/ Negotiable	\$/dth per month

Paid on a monthly basis. Payment is equal to the Standby Capacity Charge multiplied by Customer's Interruptible Storage Capacity.

Standby Deliverability Charge	Market Based/ Negotiable	\$/dth per month
-------------------------------	-----------------------------	---------------------

Paid on a monthly basis. Payment is equal to the Standby Deliverability Charge multiplied by Customer's Total Maximum Daily Withdrawal Quantity.

Storage Injection Charge	Market Based/ Negotiable	\$/dth
--------------------------	-----------------------------	--------

Paid on a monthly basis. Payment is equal to the Storage Injection Charge multiplied by the dth quantity injected by the Customer during a given month.

Overrun Injection Charge	Market Based/ Negotiable	\$/dth
--------------------------	-----------------------------	--------

Paid on a monthly basis. Payment is equal to the Overrun Injection Charge multiplied by the dth quantity injected by Customer pursuant to Section 3.(a) under rate Schedule ISS.

Storage Withdrawal Charge	Market Based/ Negotiable	\$/dth
---------------------------	-----------------------------	--------

Paid on a monthly basis. Payment is equal to the Storage Withdrawal Charge multiplied by the dth quantity withdrawn by Customer during a given month.

Overrun Withdrawal Charge	Market Based/ Negotiable	\$/dth
---------------------------	-----------------------------	--------

Paid on a monthly basis. Payment is equal to the Overrun Withdrawal Charge multiplied by the dth quantity withdrawn by Customer pursuant to Section 3.(b) under Rate Schedule ISS.

Fuel Reimbursement	Determined Annually	%
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This incremental amount of gas is tendered along with the gas quantity to be injected. The applicable Fuel Reimbursement is equal to the Fuel Reimbursement percentage multiplied by the dth quantity injected per day.
* All quantities of natural gas are measured in dekatherms (dth).

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FSS RATE SCHEDULE
FIRM STORAGE SERVICE

1. AVAILABILITY

This rate schedule is available to any customer for the purchase of firm natural gas storage service from Petal given that:

(a) Petal has determined that it has sufficient available and uncommitted firm storage capacity to perform service requested by Customer;

(b) Customer and Petal have executed a firm storage service agreement under this rate schedule; and

(c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to all firm storage service rendered by Petal to Customer pursuant to an executed firm storage service agreement.

Firm storage service rendered by Petal to Customer under this rate schedule shall consist of:

(a) The daily injection of Customer's gas per Customer's nomination up to Customer's Total Maximum Daily Injection Quantity ("TMDIQ") stated in the executed firm storage service agreement with Customer, plus any authorized overrun injection quantity, provided that Customer has firm Storage Capacity available and delivers the nominated quantity plus fuel to the Point(s) of Receipt;

(b) The storage of gas in amounts up to Customer's firm Storage Capacity; and

(c) The daily withdrawal and delivery to the Point(s) of Delivery of Customer's gas per Customer's nomination up to Customer's Total Maximum Daily Withdrawal Quantity ("TMDWQ"), plus any authorized overrun withdrawal quantity, provided that Customer has sufficient gas stored in Customer's firm Storage Capacity.

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FSS RATE SCHEDULE
FIRM STORAGE SERVICE
(continued)

3. OVERRUN STORAGE SERVICE

(a) Customer may request Petal to inject quantities greater than Customer's TMDIQ. If Petal has injection capacity available, Petal shall inject such quantities and Customer shall pay Petal for such injections at the Overrun Injection Rate under this rate schedule.

(b) Customer may request Petal to withdraw quantities greater than Customer's TMDWQ. If Petal has withdrawal capacity available, Petal shall withdraw such quantities and Customer shall pay Petal for such withdrawals at the Overrun Withdrawal Rate under this rate schedule.

(c) Customer may not inject gas into storage pursuant to this rate schedule if the quantity of Customer's gas in storage equals Customer's firm Storage Capacity.

(d) Customer may not withdraw gas from storage in excess of the quantity of Customer's gas which is stored.

(e) Petal shall have the right to interrupt all or part of the overrun quantity nominated as the operation of its storage facilities may require pursuant to Section 4 of the General Terms and Conditions of this tariff in which event Petal shall notify Customer.

4. CAPACITY RELEASE

4.1 Right of Customers to Release Capacity. An FSS Customer may release its right to capacity, in whole or in part, on a long or short term basis, and on a firm or recallable basis. However, an FSS Customer may not release its right to capacity, and a Replacement Customer may not re-release such capacity, for a period extending beyond the term of the original FSS Customer's FSS Agreement. A Replacement Customer with firm capacity may re-release firm capacity on the same basis, and under the same terms, as apply to the original FSS Customer. There is no limit on the number of times the same firm capacity may be released.

FSS RATE SCHEDULE
FIRM STORAGE SERVICE (Continued)

4.2 Obligations of Customers for Payment of Charges.

A Customer (including a Replacement Customer), who releases its right to capacity on any basis for a period less than the remaining term of the original Customer's FSS Agreement, remains responsible for compliance with all terms and conditions of such Agreement, which shall remain in effect, and for payment to Petal of the amount of any Storage Capacity and Deliverability Charge not paid by the Replacement Customer. A Customer (including a Replacement Customer) who releases its right to capacity for the full remaining term of such original Customer's FSS Agreement, shall be released from its obligations under such Agreement subject to the following conditions: First, upon obtaining the consent of Petal, which consent shall not be unreasonably withheld, and second, upon receiving the approval of Petal's lenders/note holders.

4.3 Notification to Petal.

To release its capacity rights, a Customer must notify Petal in writing or via Petal's EBB of the terms and conditions of the release. The notification must include:

- (a) The Releasing Customer's name, contract number, and phone number of the individual responsible for authorizing the release of capacity.
- (b) The effective date(s) of the release.
- (c) The volume(s) subject to release.
- (d) The MDIQs, TMDIQ, MDWQs and TMDWQ subject to release.
- (e) The minimum acceptable rate(s). Releasing Customer has the choice to specify dollars and cents or percents of maximum tariff rate in the denomination of bids. Once the choice is made by the Releasing Shipper, the bids shall comport with the choice.
- (f) Whether the capacity is offered on a permanent or temporary basis, and on a firm or recallable basis. If on a recallable basis, include the conditions, if any, upon which the Releasing Customer may recall the capacity.
- (g) The criteria by which Petal shall evaluate the bids. A Releasing Customer may select: 1) the present-value formula specified in Section 4.2 of the General Terms and Conditions of this Tariff, 2) net revenue, 3) highest rate, or 4) state its own nondiscriminatory criteria, subject to Petal's approval.
- (h) The method by which capacity shall be awarded if tied bids are received. If no method for awarding capacity to tied bids is specified, the capacity will be awarded

FSS RATE SCHEDULE
FIRM STORAGE SERVICE (Continued)

4.2 Obligations of Customers for Payment of Charges.

A Customer (including a Replacement Customer), who releases its right to capacity on any basis for a period less than the remaining term of the original Customer's FSS Agreement, remains responsible for compliance with all terms and conditions of such Agreement, which shall remain in effect, and for payment to Petal of the amount of any Storage Capacity and Deliverability Charge not paid by the Replacement Customer. A Customer (including a Replacement Customer) who releases its right to capacity for the full remaining term of such original Customer's FSS Agreement, shall be released from its obligations under such Agreement subject to the following conditions: First, upon obtaining the consent of Petal, which consent shall not be unreasonably withheld, and second, upon receiving the approval of Petal's lenders/note holders.

4.3 Notification to Petal.

To release its capacity rights, a Customer must notify Petal in writing or via Petal's Internet website of the terms and conditions of the release. The notification must include:

- (a) The Releasing Customer's name, contract number, and phone number of the individual responsible for authorizing the release of capacity.
- (b) The effective date(s) of the release.
- (c) The volume(s) subject to release.
- (d) The MDIQs, TMDIQ, MDWQs and TMDWQ subject to release.
- (e) The minimum acceptable rate(s). NAESB Standard 5.3.26 (Version 1.5) states: Releasing Customer has the choice to specify dollars and cents or percents of maximum tariff rate in the denomination of bids and all transportation service providers should support this. Once the choice is made by the Releasing Customer, the bids shall comport with the choice.
- (f) Whether the capacity is offered on a permanent or temporary basis, and on a firm or recallable basis. If on a recallable basis, include the conditions, if any, upon which the Releasing Customer may recall the capacity.
- (g) The criteria by which Petal shall evaluate the bids. A Releasing Customer may select: 1) the present-value formula specified in Section 4.2 of the General Terms and Conditions of this Tariff, 2) net revenue, 3) highest rate, or 4) state its own nondiscriminatory criteria, subject to Petal's approval.
- (h) The method by which capacity shall be awarded if tied bids are received. If no method for awarding capacity to tied bids is specified, the capacity will be awarded

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FSS RATE SCHEDULE
FIRM STORAGE SERVICE
(continued)

according to Section 4.2 of the General Terms and Conditions of this Tariff.

- (i) Any other conditions upon the release of the capacity. Such conditions must be reasonable and nondiscriminatory.
- (j) The identity of a Designated Replacement Customer, the terms and conditions of the agreement under which that Customer was designated, and the rates and charges the Designated Replacement Customer has agreed to pay.
- (k) Sufficient information about the Designated Replacement Customer to enable Petal to determine whether such Customer meets the creditworthiness criteria set forth in Section 3 of the General Terms and Conditions of Petal's Tariff.
- (l) Such other pertinent information as Petal may request.

4.4 Allocation of Released Capacity.

- (a) If the Commission's regulations require a bid period or the Customer requests a bid period, the following capacity release timeline is applicable to all parties involved in the capacity release process; however, it is only applicable if all information provided by the parties to the transaction is valid and the Replacement Customer has been determined to be creditworthy before the capacity release bid is tendered, and there are no special terms or conditions of the release. GISB Standard 5.3.2 (Version 1.4) states:

For short-term releases (less than 5 months)

- Offers should be tendered by 1:00 P.M. on the day before nominations for short-term releases (less than 5 months);
- open season ends no later than 2 P.M. on the day before nominations are due (evaluation period begins at 2 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 3:15 P.M.;
- match or award is communicated by 3:15 P.M.
- match response by 4 P.M.;
- award posting by 5 P.M.
- posting of pre-arranged deals not subject to bid by 9 A.M. the day of nominations;
- contract tendered with contract # by 10 A.M.; contract executed; nomination possible for next day gas flow. (Central Clock Time)

For longer term releases (five months or more):

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- offers should be tendered by 1:00 P.M. four business days before award for long-term releases;
- open season ends no later than 2 P.M. on the day before nominations are due (open season is three business days)
- evaluation period begins at 2 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends at 3:15 P.M.;
- match or award is communicated by 3:15 P.M.;
- match response by 4 P.M.;
- award posting by 5 P.M.;
- posting of pre-arranged deals not subject to bid by 9 A.M. the day of nominations;
- contract tendered with contract # by 10 A.M.; contract executed; nomination possible for next day gas flow. (Central Clock Time)

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FSS RATE SCHEDULE
FIRM STORAGE SERVICE
(continued)

(b) If more than one timely eligible bid is received, the released capacity will be allocated as follows:

(i) A designated Replacement Customer whose bid is the highest bid received shall be entitled to the released capacity.

(ii) The bidder submitting the highest eligible bid shall be entitled to the released capacity if there is no designated Replacement Customer.

(iii) If the designated Replacement Customer's bid is not the highest eligible bid, the designated Replacement Customer shall be entitled to the released capacity if it matches or exceeds the highest eligible bid within one (1) Business Day after notification thereof; otherwise the bidder who submitted the highest eligible bid shall be entitled to the released capacity.

(iv) Should two or more potential Replacement Customers make identical winning bids, as determined by Section 4.2 of the General Terms and Conditions of this Tariff or other nondiscriminatory methodology provided by Releasing Customer, capacity will be allocated according to the nondiscriminatory procedure specified by the Releasing Customer or, if the Releasing Customer did not specify a procedure, the capacity will be allocated to the Customer who submitted the earlier bid.

(c) Within one (1) Business Day after capacity has been awarded to a winning bidder, or storage service commences under a pre-arranged release not subject to bidding, Petal will post the following information regarding the released capacity for a period of 30 Business Days.

- (i) The name of the Replacement Customer.
- (ii) Whether or not the Replacement Customer is an affiliate of Petal.
- (iii) The term of service.
- (iv) The present value of the winning bid.
- (v) The volume(s) released.

FSS RATE SCHEDULE
FIRM STORAGE SERVICE (Continued)

- 4.5 Evaluation of Bids.
- (a) A Releasing Customer may specify the criteria for determining the winning bid. These criteria must be objectively stated, applicable to all potential bidders and nondiscriminatory. The Releasing Customer shall not be entitled to reject any eligible bid which meets its specified criteria.
 - (b) If a Releasing Customer does not specify the criteria for determining the winning bid, Petal shall apply the rules in Section 4.2 of the General Terms and Conditions of this Tariff. A bid is "eligible" and a Replacement Customer may be "designated" only if the person submitting the bid or the Replacement Customer meets the creditworthiness criteria set forth in Section 3 of the General Terms and Conditions of this Tariff.
- 4.6 Permanent Replacement Customers. A Customer may release all or any part of its capacity on a firm, permanent basis, provided that:
- (a) a Replacement Customer has been identified which meets the creditworthiness criteria in Section 3 of the General Terms and Conditions of Petal's Tariff; and
 - (b) the Replacement Customer is willing to execute a FSS Agreement with Petal for a minimum term equal to the remaining term of the Releasing Customer at rates and terms identical to those in Releasing Customer's Agreement or otherwise acceptable to Petal; and
 - (c) the Releasing Customer is willing to terminate or amend its FSS Agreement with Petal to reflect the permanent release of capacity on the date that its Replacement Customer's FSS Agreement takes effect.
- 4.7 Recall of Released Capacity. Releasing Customers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to Petal by the following times for each cycle: 8:00 a.m. CCT for the Timely Nomination cycle; 5:00 p.m. CCT for the Evening Nomination cycle; 8:00 a.m. CCT for the Intra-Day 1 Nomination cycle; and 3:00 p.m. for the Intra-Day 2 Nomination cycle. Notification to Replacement Customers shall be provided by Petal within one hour of receipt of recall notification.

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FSS RATE SCHEDULE
FIRM STORAGE SERVICE
(continued)

- 4.8 Offers to Purchase Released Capacity. An offer to purchase released capacity from an FSS Customer may be tendered by any person who (i) meets the creditworthiness criteria set forth in Section 3 of the General Terms and Conditions of this Tariff; (ii) accepts responsibility for arranging firm or interruptible transportation on a connecting pipeline; and (iii) is otherwise eligible to become a Replacement Customer. The offer to purchase may be submitted in writing or via petal's EBB, setting forth the following information:
- (a) The identity of the person making the offer, together with sufficient information about such person to enable Petal to determine whether such person meets the creditworthiness criteria.
 - (b) The volume(s) of capacity such person desires to purchase.
 - (c) The MDIQs, TMDIQ, MDWQs and TMDWQ such person desires.
 - (d) The rate(s) such person is offering to pay.
 - (e) The duration of the service to which the offer pertains, and whether such capacity is sought on a firm or recallable basis.
 - (f) The conditions, if any, upon which the seller of the capacity may recall it.
 - (g) Any other terms and conditions upon which the offer is contingent.
 - (h) Such other pertinent information as Petal may request.

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FSS RATE SCHEDULE
FIRM STORAGE SERVICE (Continued)

- 4.8 Offers to Purchase Released Capacity. An offer to purchase released capacity from an FSS Customer may be tendered by any person who (i) meets the creditworthiness criteria set forth in Section 3 of the General Terms and Conditions of this Tariff; (ii) accepts responsibility for arranging firm or interruptible transportation on a connecting pipeline; and (iii) is otherwise eligible to become a Replacement Customer. The offer to purchase may be submitted in writing or via Petal's Internet website, setting forth the following information:
- (a) The identity of the person making the offer, together with sufficient information about such person to enable Petal to determine whether such person meets the creditworthiness criteria.
 - (b) The volume(s) of capacity such person desires to purchase.
 - (c) The MDIQs, TMDIQ, MDWQs and TMDWQ such person desires.
 - (d) The rate(s) such person is offering to pay.
 - (e) The duration of the service to which the offer pertains, and whether such capacity is sought on a firm or recallable basis.
 - (f) The conditions, if any, upon which the seller of the capacity may recall it.
 - (g) Any other terms and conditions upon which the offer is contingent.
 - (h) Such other pertinent information as Petal may request.

FSS RATE SCHEDULE (Continued)

4.9 Releases Not Subject to Bidding.

- (a) Thirty-one Days or Less. A Releasing Customer may release its firm capacity to a Designated Replacement Customer for a term of 31 days or less without prior posting or bidding for the released capacity. The Releasing Customer and its Designated Replacement Customer shall notify Petal of the terms of the prearranged release, and Designated Replacement Customer may nominate for next day gas flow upon receipt by Petal of notification of such release. Petal will tender a contract with a contract number within one hour of receipt by Petal of notification of the release. Petal will post on its Internet website an announcement of the release. The Designated Replacement Customer must comply with the creditworthiness requirements of this FERC Gas Tariff. Once the term of the release hereunder has expired, the Releasing Customer cannot rollover or extend the release period, or re-release its capacity to the same Replacement Customer under this provision until twenty-eight (28) days or more have elapsed since the termination of the prior release. However, the Releasing Customer may release the capacity to the same Replacement Customer under the bidding provisions of this Section.

- (b) Maximum Rate. A Releasing Customer may release its firm capacity to a Designated Replacement Customer for the maximum rate without prior posting or bidding for the released capacity. The Releasing Customer and its Designated Replacement Customer shall notify Petal of the terms of the prearranged release, and Designated Replacement Customer may nominate for next day gas flow upon receipt by Petal of notification of such release. Petal will tender a contract with a contract number within one hour of receipt by Petal of notification of the release. Petal will post on its Internet website an announcement of the release. The Designated Replacement Customer must comply with the creditworthiness requirements of the FERC Gas Tariff.

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FSS RATE SCHEDULE
FIRM STORAGE SERVICE (Continued)

5. RATES AND CHARGES

The rates and charges paid by Customer for Firm Storage Service under this rate schedule shall include the applicable storage rate components set forth in the FSS Rate Statement and as described below:

- (a) Storage Capacity Charge. A monthly charge for each dth of Customer's Firm Storage Capacity.
- (b) Storage Deliverability Charge. A monthly charge for each dth of Customer's Total Maximum Daily Withdrawal Quantity.
- (c) Storage Injection Charge. A usage charge for each dth of Customer's gas injected into Petal's facilities pursuant to Section 2(a) of this rate schedule during a given month.
- (d) Overrun Injection Charge. A charge for each dth of Customer's gas injected into Petal's facilities pursuant to Section 3(a) of this rate schedule during a given month.
- (e) Storage Withdrawal Charge. A usage charge for each dth of Customer's gas withdrawn from Petal's facilities pursuant to Section 2(c) of this rate schedule during a given month.
- (f) Overrun Withdrawal Charge. A charge for each dth of Customer's gas withdrawn from Petal's facilities pursuant to Section 3(b) of this rate schedule during a given month.
- (g) Fuel Reimbursement Charge. A monthly charge for fuel and losses associated with providing storage services for Customer equal to the applicable Fuel Reimbursement Calculation.

Effective Date: 12/18/1993 Status: Effective
FERC Docket: CP93- 69-002

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

FSS RATE SCHEDULE
FIRM STORAGE SERVICE
(continued)

(h) Regulatory Fees and Charges. Customer shall reimburse Petal 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.

6. MONTHLY BILL

The monthly bill for firm storage service shall reflect the applicable charges set forth under Section 5 of this rate schedule at rates set forth in Customer's storage service agreement.

7. TERM

The term for service under this rate schedule shall be as set forth in the executed firm storage service agreement.

8. AUTHORIZATION, RATES, TERMS AND CHANGES

8.1 The FSS 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 the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Petal to provide the storage service contemplated hereby and to construct and operate the gas storage facilities necessary to provide such storage service and for any connected pipeline to transport natural gas to/from the Point(s) of Receipt/Delivery necessary to effect the storage service provided for herein.

8.2 Petal shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms of service as it deems necessary, and this 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 negotiated rates between Petal and its Customer(s) shall remain in effect during the term of the FSS Agreement(s).

Effective Date: 12/17/1993 Status: Effective
FERC Docket: CP93- 69-002

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

FSS RATE SCHEDULE
FIRM STORAGE SERVICE
(continued)

9. CURTAILMENT

If, due to any cause whatsoever, Petal's capability to receive or deliver volumes is impaired so that Petal is unable to receive or deliver the volumes provided for in its FSS Agreements with Customers, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 4 of the General Terms and Conditions of this Tariff.

10. RIGHT OF FIRST REFUSAL

10.1 Right of First Refusal at End of Contract Term. Petal may discontinue service to a Customer at the end of the primary term or any renewed term of the Customer's FSS Agreement unless (i) the Customer exercises any applicable renewal right in the FSS Agreement; or (ii) in the case of a long term FSS Agreement, the Customer exercised its right of first refusal for the capacity covered by the FSS Agreement by matching the terms offered to Petal during an open season for such capacity by any qualified prospective successor customer. Petal shall retain its right to require a minimum rate for bids during any such open season. In determining which bid for the capacity is the highest, Petal will use the present value formula set forth in Section 4 of the General Terms and Conditions of Petal's Tariff. A "long term FSS Agreement," as that term is used in this Section is an FSS Agreement having a primary term greater than or equal to five (5) years. A prospective successor customer is "qualified," within the meaning of this section, if such prospective successor customer meets the creditworthiness criteria set forth in Section 3 of the General Terms and Conditions of this Tariff.

10.2 Exercise of Right of First Refusal. Upon expiration of the open season, Petal will communicate the terms of the highest bid received from a qualified successor customer to the current capacity holder, who may elect, within ten (10) Business Days or such greater time as Petal may specify, to execute a renewal FSS Agreement upon the same terms. If the current capacity holder does not elect to match the terms of such highest bid, its FSS Agreement will expire at the conclusion of its term, and Petal may enter into a new

Effective Date: 03/15/2002 Status: Effective
FERC Docket: CP00- 59-002

Second Revised Sheet No. 15 Second Revised Sheet No. 15 : Effective
Superseding: Original Sheet No. 15

FSS RATE SCHEDULE
FIRM STORAGE SERVICE (Continued)

FSS Agreement with the qualified successor customer who submitted the bid.

10.3 Continuation of Service. If, during the open season, Petal receives no bids or rejects all bids, Petal and the current capacity holder may negotiate for continuation of service under mutually satisfactory rates, terms, and conditions. In no event, however, will such continued service be provided at a rate lower than the highest rate bid by a qualified prospective successor customer during the open season.

11. EXPIRATION OF TERM

At least thirty (30) business days prior to the end of the primary term or any renewed term of the Customer's FSS Agreement, Petal shall notify Customer to withdraw all of the FSS gas quantities held in storage by Petal for the account of Customer. If Customer fails to withdraw such FSS storage gas by the end of the term, then Petal may take, free and clear of any adverse claims, title to such FSS storage quantities as Customer was required to withdraw. Petal's notice to Customer may be given verbally, but shall be confirmed in writing either by fax or via Petal's EBB.

12. GENERAL TERMS AND CONDITIONS

Applicable provisions of the storage service General Terms and Conditions of this 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.

Effective Date: 10/01/2002 Status: Pending
FERC Docket: RP02-435-000

Fourth Revised Sheet No. 15 Fourth Revised Sheet No. 15 : Pending
Superseding: Third Revised Sheet No. 15

FSS RATE SCHEDULE
FIRM STORAGE SERVICE (Continued)

FSS Agreement with the qualified successor customer who submitted the bid.

10.3 Continuation of Service. If, during the open season, Petal receives no bids or rejects all bids, Petal and the current capacity holder may negotiate for continuation of service under mutually satisfactory rates, terms, and conditions. In no event, however, will such continued service be provided at a rate lower than the highest rate bid by a qualified prospective successor customer during the open season.

11. EXPIRATION OF TERM

At least thirty (30) Business Days prior to the end of the primary term or any renewed term of the Customer's FSS Agreement, Petal shall notify Customer to withdraw all of the FSS gas quantities held in storage by Petal for the account of Customer. If Customer fails to withdraw all of the FSS gas by the end of the term, then Petal may take, free and clear of any adverse claims, title to such FSS storage quantities as Customer was required to withdraw, and Petal shall be able to sell such FSS gas. Petal's notice to Customer may be given verbally, but shall be confirmed in writing either by fax or via Petal's Internet website.

12. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this 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.

Effective Date: 12/18/1993 Status: Effective

FERC Docket: CP93- 69-002

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

SHEET NOS. 16 THROUGH 49 ARE RESERVED FOR FUTURE USE.

Effective Date: 09/01/1994 Status: Effective
FERC Docket: RP94-339-000

First Revised Sheet No. 50 First Revised Sheet No. 50 : Effective
Superseding: Original Sheet No. 50

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE

1. AVAILABILITY

This rate schedule is available to any Customer for the purchase of interruptible natural gas storage service from Petal given that:

(a) Petal has determined that it has sufficient operationally available capacity to perform service requested by Customer;

(b) Petal has determined that service requested by Customer will not interfere with efficient operation of its system or with service to firm storage customers;

(c) Customer and Petal have executed an interruptible storage service agreement under this rate schedule; and

(d) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to all interruptible storage service rendered by Petal to Customer pursuant to an executed interruptible storage service agreement.

Interruptible storage service rendered by Petal to Customer under this rate schedule shall consist of:

(a) The daily injection of Customer's gas per Customer's nomination up to the Total Maximum Daily Injection Quantity ("TMDIQ") stated in the executed interruptible storage agreement with Customer, plus any authorized overrun injection quantity, provided that all firm service customer nominations for injection have been satisfied, that Customer has interruptible Storage Capacity available and Customer delivers the nominated quantity plus fuel to the Point(s) of Receipt;

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(continued)

(b) The storage of gas in amounts up to Customer's interruptible Storage Capacity provided that all firm service customer storage needs have been satisfied; and

(c) The daily withdrawal and delivery to the Point(s) of Delivery of Customer's gas per Customer's nomination up to Customer's Total Maximum Daily Withdrawal Quantity ("TMDWQ"), plus any authorized overrun withdrawal quantity, provided that all firm nominations for withdrawal have been satisfied and that Customer has sufficient gas stored in Customer's Interruptible Storage Capacity.

(d) To the extent storage capacity which is being utilized by a Customer hereunder is needed by Petal in order to satisfy Petal's obligations to firm FSS customers, Petal shall require Customer to withdraw all, or any portion of, the ISS gas quantities held in storage by Petal for the account of Customer within ten (10) days of Petal's notice or as specified by Petal. Unless Petal otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw such ISS storage gas, then Petal may take, free and clear of any adverse claims, title to such ISS storage quantities as Customer was instructed to withdraw. Petal's notice to Customer may be given verbally, but shall be confirmed in writing or via Petal's EBB.

3. OVERRUN STORAGE SERVICE

(a) Customer may request Petal to inject quantities greater than Customer's TMDIQ. If Petal has injection capacity available, Petal shall inject such quantities and Customer shall pay Petal for such injections at the Overrun Injection Rate under this rate schedule.

(b) Customer may request Petal to withdraw quantities greater than Customer's TMDWQ. If Petal has withdrawal capacity available, Petal shall withdraw such quantities and Customer shall pay Petal for such withdrawals at the Overrun Withdrawal Rate under this rate schedule.

(c) Customer may not inject gas into storage pursuant to this rate schedule if the quantity of Customer's gas in storage equals Customer's Interruptible Storage Capacity.

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE (Continued)

- (b) The storage of gas in amounts up to Customer's interruptible Storage Capacity provided that all firm service customer storage needs have been satisfied; and
- (c) The daily withdrawal and delivery to the Point(s) of Delivery of Customer's gas per Customer's nomination up to Customer's Total Maximum Daily Withdrawal Quantity ("TMDWQ"), plus any authorized overrun withdrawal quantity, provided that all firm nominations for withdrawal have been satisfied and that Customer has sufficient gas stored in Customer's Interruptible Storage Capacity.
- (d) To the extent storage capacity which is being utilized by a Customer hereunder is needed by Petal in order to satisfy Petal's obligations to firm FSS customers, Petal shall require Customer to withdraw all, or any portion of, the ISS gas quantities held in storage by Petal for the account of Customer within ten (10) days of Petal's notice or as specified by Petal. Unless Petal otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw such ISS storage gas, then Petal may take, free and clear of any adverse claims, title to such ISS storage quantities as Customer was instructed to withdraw. Petal's notice to Customer may be given verbally, but shall be confirmed in writing or via Petal's Internet website.

3. OVERRUN STORAGE SERVICE

- (a) Customer may request Petal to inject quantities greater than Customer's TMDIQ. If Petal has injection capacity available, Petal shall inject such quantities and Customer shall pay Petal for such injections at the Overrun Injection Rate under this rate schedule.
- (b) Customer may request Petal to withdraw quantities greater than Customer's TMDWQ. If Petal has withdrawal capacity available, Petal shall withdraw such quantities and Customer shall pay Petal for such withdrawals at the Overrun Withdrawal Rate under this rate schedule.
- (c) Customer may not inject gas into storage pursuant to this rate schedule if the quantity of Customer's gas in storage equals Customer's Interruptible Storage Capacity.

Effective Date: 06/01/1998 Status: Effective
FERC Docket: RP97-280-001

First Revised Sheet No. 52 First Revised Sheet No. 52 : Effective
Superseding: Original Sheet No. 52

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(continued)

- (d) Customer may not withdraw gas from storage in excess of the quantity of Customer's gas which is stored.
- (e) Petal shall have the right to interrupt all or part of the overrun quantity nominated as the operation of its storage facilities may require pursuant to Section 4 of the General Terms and Conditions of this Tariff in which event Petal shall notify Customer.

4. RATES AND CHARGES

The rates and charges paid by Customer for interruptible storage service under this rate schedule shall include the applicable storage rate components set forth in the ISS Rate Statement and as described below:

- (a) Standby Capacity Charge. A monthly charge for each dth of Customer's interruptible Storage Capacity.
- (b) Standby Deliverability Charge. A monthly charge for each dth of Customer's Total Maximum Daily Withdrawal Quantity.
- (c) Storage Injection Charge. A usage charge for each dth of Customer's gas injected into Petal's facilities pursuant to Section 2.(a) of this rate schedule during a given month.
- (d) Overrun Injection Charge. A charge for each dth of Customer's gas injected into Petal's facilities pursuant to Section 3.(a) of this rate schedule during a given month.
- (e) Storage Withdrawal Charge. A usage charge for each dth of Customer's gas withdrawn from Petal's facilities pursuant to Section 2.(c) of this rate schedule during a given month.
- (f) Overrun Withdrawal Charge. A charge for each dth of Customer's gas withdrawn from Petal's facilities pursuant to Section 3.(b) of this rate schedule during a given month.

Effective Date: 09/01/1994 Status: Effective
FERC Docket: RP94-339-000

First Revised Sheet No. 53 First Revised Sheet No. 53 : Effective
Superseding: Original Sheet No. 53

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(continued)

(f) Fuel Reimbursement. The incremental amount of gas for fuel and losses associated with providing storage service that Customer shall deliver to Petal in excess of Customer's injection volume. The quantity of gas retained by Petal for fuel and losses shall be equal to the quantity of gas designated by Customer for injection multiplied by the applicable Fuel Reimbursement percentage.

(g) Regulatory Fees and charges. Customer shall reimburse Petal 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.

5. MONTHLY BILL

The monthly bill for interruptible storage service shall reflect the applicable charges set forth under Section 4 of this rate schedule at rates set forth in Customer's storage service agreement.

6. TERM

The term for service under this rate schedule shall be as set forth in the executed interruptible storage service agreement.

7. AUTHORIZATION, RATES, TERMS AND CHANGES

7.1 The ISS 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 the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Petal to provide the storage service contemplated hereby and to construct and operate the gas storage facilities necessary to provide such storage service and for any connected pipeline to transport natural gas to/from the Point(s) of Receipt/Delivery necessary to effect the storage service provided for herein.

Effective Date: 09/01/1994 Status: Effective
FERC Docket: RP94-339-000

First Revised Sheet No. 54 First Revised Sheet No. 54 : Effective
Superseding: Original Sheet No. 54

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(continued)

7.2 Petal shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms of service as it deems necessary, and this 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 negotiated rates between Petal and its Customer(s) shall remain in effect during the term of the ISS Agreement(s).

8. CURTAILMENT

If, due to any cause whatsoever, Petal's capability to receive or deliver volumes is impaired so that Petal is unable to receive or deliver the volumes provided for in its ISS Agreements with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 4 of the General Terms and Conditions of this Tariff.

9. EXPIRATION OF TERM

At least ten (10) Business Days prior to the end of the primary term or any renewed term of the Customer's ISS Agreement, Petal shall notify Customer to withdraw all of the ISS gas quantities held in storage by Petal for the account of Customer. If Customer fails to withdraw such ISS storage gas by the end of the term, then Petal may take, free and clear of any adverse claims, title to such ISS storage quantities as Customer was required to withdraw. Petal's notice to Customer may be given verbally, but shall be confirmed in writing or via Petal's EBB. If Customer was unable to withdraw its ISS gas quantity due to an interruption of Customer's withdrawal service during the last ten days before termination, Customer shall be allowed to withdraw its remaining gas at a schedule to be determined by Petal.

Effective Date: 10/01/2002 Status: Pending
FERC Docket: RP02-435-000

Third Revised Sheet No. 54 Third Revised Sheet No. 54 : Pending
Superseding: Second Revised Sheet No. 54

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE (Continued)

7.2 Petal shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms of service as it deems necessary, and this 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 negotiated rates between Petal and its Customer(s) shall remain in effect during the term of the ISS Agreement(s).

8. CURTAILMENT

If, due to any cause whatsoever, Petal's capability to receive or deliver volumes is impaired so that Petal is unable to receive or deliver the volumes provided for in its ISS Agreements with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 4 of the General Terms and Conditions of this Tariff.

9. EXPIRATION OF TERM

At least thirty (30) Business Days prior to the end of the primary term or any renewed term of the Customer's ISS Agreement, Petal shall notify Customer to withdraw all of the ISS gas quantities held in storage by Petal for the account of Customer. If Customer fails to withdraw all of the ISS storage gas by the end of the term, then Petal may take, free and clear of any adverse claims, title to such ISS storage quantities as Customer was required to withdraw, and Petal shall be able to sell such ISS gas. Petal's notice to Customer may be given verbally, but shall be confirmed in writing or via Petal's Internet website. If Customer was unable to withdraw its ISS gas quantities due to an interruption of Customer's withdrawal service during the last ten days before termination, Customer shall be allowed to withdraw its remaining gas at a schedule to be determined by Petal.

Effective Date: 12/18/1993 Status: Effective

FERC Docket: CP93-69-002

Original Sheet No. 55 Original Sheet No. 55 : Effective

ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE
(continued)

10. GENERAL TERMS AND CONDITIONS

Applicable provisions of the storage service General Terms and Conditions of this 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.

Effective Date: 12/18/1993 Status: Effective

FERC Docket: CP93- 69-002

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

SHEET NOS. 56 THROUGH 99 ARE RESERVED FOR FUTURE USE.

AVS RATE SCHEDULE
ADVANCING SERVICE

1. AVAILABILITY

This rate schedule is available to any customer for the purchase of natural gas storage service from Petal, provided that Customer satisfies the creditworthiness criteria in accordance with Section 3 of the General Terms and Conditions, when Customer and Petal have executed a Service Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to Advancing Service performed by Petal. Gas may be advanced (delivered from storage) for a period up to one calendar month, and such period may be extended with Petal's permission. The service is interruptible in nature. Advancing Service shall be provided to the extent Petal operationally can provide the service and the provision of such service does not impair Petal from meeting all of its firm and interruptible service obligations. Petal will not use customer-owned gas to provide this service, but will instead use cushion gas to provide this service. Advancing Service will allow Petal to deliver Gas to Customer in advance of equivalent volumes of Gas being tendered by Customer to Petal. Advancing Service shall be offered in accordance with the provisions established in the General Terms and Conditions of this Tariff and the terms of this Rate Schedule.

Advancing Service rendered by Petal under this Rate Schedule shall consist of:

- (a) The Tender to or for the account of Customer at the Delivery Point of a quantity of gas nominated by Customer.
- (b) The receipt of gas on behalf of Customer at the Receipt Point for replacement of Gas previously delivered by Petal to Customer.
- (c) Petal and Customer, at the time advances are made, will agree to a redelivery (return of loaned Gas) schedule setting out the daily quantities of Gas that Customer will deliver to Petal to reduce Customer's Advancing Account Balance to zero.
- (d) Petal shall use a first-come, first-served priority, for service under this Rate Schedule, as evidenced by the time and date of a Customer's nomination for advancement of quantities of Gas from storage.

AVS RATE SCHEDULE
ADVANCING SERVICE (Continued)

- (e) Customer may be required, upon notification from Petal, to cease or reduce deliveries to, or receipts from, Petal hereunder within eight (8) hours consistent with Petal's operational requirements.
- (f) Petal may require Customer to Tender for injection all, or any portion, of Gas quantities advanced by Petal within five (5) Days of Petal's notice to Customer. If Customer fails to Tender for injection the quantities specified by Petal in its notice, when capacity is available for the injection of Gas under the Advancing Service Agreement, Customer shall pay a penalty of \$25 per MMBtu for each MMBtu which Customer fails to deliver or cause to be delivered at the Receipt Point within the five (5) Days. Petal's notice to Customer may be verbal, but in such case shall be followed by a written confirmation. The five (5) Day period, however, commences with the verbal notice.
- (g) Within thirty (30) Days after the termination of the Service Agreement executed by Customer under this Rate Schedule, Petal will notify Customer of its Advancing Account Balance. If there is a balance remaining, Customer will nominate for injection of such quantities within five (5) Days of the date of Petal's notice. If Customer fails to inject the quantities specified by Petal in its notice, when capacity is available for the injection of Gas under its Advancing Service Agreement, Customer shall pay a penalty of \$25 per MMBtu for each MMBtu which Customer fails to deliver or cause to be delivered at the Receipt Point within the five (5) Days.
- (h) Service rendered under this Rate Schedule shall be provided for a minimum of a one (1) Day term. The term shall be set forth on the Agreement executed between Customer and Petal. Petal is not obligated to accept return of advanced Gas on the same Day the gas is advanced.

AVS RATE SCHEDULE
ADVANCING SERVICE (Continued)

3. RATES AND CHARGES

The amounts which shall be paid by Customer to Petal for each Month during the period of service hereunder shall include the applicable advancing rate components described below:

- (a) Advancing Charge. A charge for each Dth of Customer's Maximum Advancing Quantity as specified in Appendix 1 of Customer's Agreement.
- (b) Advancing Withdrawal Charge. A charge for each Dth withdrawn from Petal's facilities pursuant to this rate schedule.
- (c) Advancing Injection Charge. A charge for each Dth injected into Petal's facilities pursuant to this rate schedule.
- (d) Fuel Reimbursement. A monthly charge for fuel and losses associated with providing advancing services for Customer equal to the applicable Fuel Reimbursement Calculation.
- (e) Regulatory Fees and Charges. Customer shall reimburse Petal 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.

4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

Effective Date: 06/01/2002 Status: Effective

FERC Docket: RP02-332-000

First Revised Sheet No. 63 First Revised Sheet No. 63 : Effective

SHEET NO. 63 IS RESERVED FOR FUTURE USE.

Effective Date: 06/01/2002 Status: Effective

FERC Docket: RP02-332-000

Original Sheet No. 64 Original Sheet No. 64 : Effective

SHEET NO. 64 IS RESERVED FOR FUTURE USE.

FTS RATE SCHEDULE (Continued)

- (c) the Releasing Customer is willing to terminate or amend its FTS Agreement with Petal to reflect the permanent release of capacity on the date that its Replacement Customer's FTS Agreement takes effect.
- 4.7 Recall of Released Capacity. Releasing Customers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to Petal by the following times for each cycle: 8:00 a.m. CCT for the Timely Nomination cycle; 5:00 p.m. CCT for the Evening Nomination cycle; 8:00 a.m. CCT for the Intra-Day 1 Nomination cycle; and 3:00 p.m. for the Intra-Day 2 Nomination cycle. Notification to Replacement Customers shall be provided by Petal within one hour of receipt of recall notification.
- 4.8 Offers to Purchase Released Capacity. An offer to purchase released capacity from a FTS Customer may be tendered by any person who (i) meets the creditworthiness criteria set forth in Section 3 of the General Terms and Conditions of this FERC Gas Tariff; and (ii) is otherwise eligible to become a Replacement Customer. The offer to purchase may be submitted in writing or via Petal's EBB, setting forth the following information:
- (a) The identity of the person making the offer, together with sufficient information about such person to enable Petal to determine whether such person meets the creditworthiness criteria.
 - (b) The volume(s) of capacity such person desires to purchase.
 - (c) Primary Receipt and Delivery Point(s).
 - (d) The rate(s) such person is offering to pay.
 - (e) The duration of the service to which the offer pertains, and whether such capacity is sought on a firm or recallable basis.
 - (f) The conditions, if any, upon which the seller of the capacity may recall it.
 - (g) Any other terms and conditions upon which the offer is contingent.
 - (h) Such other pertinent information as Petal may request.

FTS RATE SCHEDULE (Continued)

- (c) the Releasing Customer is willing to terminate or amend its FTS Agreement with Petal to reflect the permanent release of capacity on the date that its Replacement Customer's FTS Agreement takes effect.
- 4.7 Recall of Released Capacity. Releasing Customers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to Petal by the following times for each cycle: 8:00 a.m. CCT for the Timely Nomination cycle; 5:00 p.m. CCT for the Evening Nomination cycle; 8:00 a.m. CCT for the Intra-Day 1 Nomination cycle; and 3:00 p.m. for the Intra-Day 2 Nomination cycle. Notification to Replacement Customers shall be provided by Petal within one hour of receipt of recall notification.
- 4.8 Offers to Purchase Released Capacity. An offer to purchase released capacity from a FTS Customer may be tendered by any person who (i) meets the creditworthiness criteria set forth in Section 3 of the General Terms and Conditions of this FERC Gas Tariff; and (ii) is otherwise eligible to become a Replacement Customer. The offer to purchase may be submitted in writing or via Petal's Internet website, setting forth the following information:
- (a) The identity of the person making the offer, together with sufficient information about such person to enable Petal to determine whether such person meets the creditworthiness criteria.
 - (b) The volume(s) of capacity such person desires to purchase.
 - (c) Primary Receipt and Delivery Point(s).
 - (d) The rate(s) such person is offering to pay.
 - (e) The duration of the service to which the offer pertains, and whether such capacity is sought on a firm or recallable basis.
 - (f) The conditions, if any, upon which the seller of the capacity may recall it.
 - (g) Any other terms and conditions upon which the offer is contingent.
 - (h) Such other pertinent information as Petal may request.

Effective Date: 08/16/1999 Status: Effective

FERC Docket: RP99-443-001

Sub. Original Sheet No. 75 Sub. Original Sheet No. 75 : Effective
Superseding: Original Sheet No. 75

CANCELLATION OF RATE SCHEDULE

Notice is hereby given that effective August 16, 1999, Rate Schedule SS Unbundled Sales Service constituting Original Sheet No. 75 of the FERC Gas Tariff of Petal Gas Storage Company is to be canceled.

FTS RATE SCHEDULE (Continued)

- 4.9 Submittal of Bids. During the open season and bid submittal periods, all valid bids (excluding bidder's name) will be posted upon receipt. All bids will be binding until written or electronic notice of withdrawal is received by Petal. A bid may be withdrawn prior to the close of the bidding period, but the withdrawing bidder may not rebid on the same capacity at a lower rate.
- 4.10 Designated Replacement Customer. A Releasing Customer may designate its own Replacement Customer. If the Designated Replacement Customer agrees to pay the maximum reservation charge applicable to the Releasing Customer's service, for the full released quantity and term offered by the Releasing Customer, and the Designated Replacement Customer satisfies all of the requirements of this Section, the prearranged bid will be deemed the best bid. Petal shall thereafter post on its Internet website the identity of the Designated Replacement Customer, and the terms upon which the capacity was released.
- 4.11 Releases Not Subject to Bidding.
- (a) Thirty-one Days or Less. A Releasing Customer may release its firm capacity to a Designated Replacement Customer for a term of 31 days or less without prior posting or bidding for the released capacity. The Releasing Customer and its Designated Replacement Customer shall notify Petal of the terms of the prearranged release, and Designated Replacement Customer may nominate for next day gas flow upon receipt by Petal of notification of such release. Petal will tender a contract with a contract number within one hour of receipt by Petal of notification of the release. Petal will post on its Internet website an announcement of the release. The Designated Replacement Customer must comply with the creditworthiness requirements of this FERC Gas Tariff. Once the term of the release hereunder has expired, the Releasing Customer cannot rollover or extend the release period, or re-release its capacity to the same Replacement Customer under this provision until twenty-eight (28) days or more have elapsed since the termination of the prior release. However, the Releasing Customer may release the capacity to the same Replacement Customer under the bidding provisions of this Section.
- (b) Maximum Rate. A Releasing Customer may release its firm capacity to a Designated Replacement Customer for the maximum rate without prior posting or bidding for the released capacity. The Releasing Customer and its Designated Replacement Customer shall notify Petal of the terms of the prearranged release, and Designated Replacement Customer may nominate for next day gas flow upon receipt by Petal of notification of such release. Petal will tender a contract with a contract number within one hour of receipt by Petal of notification of the release. Petal will post on its Internet website an announcement of the release. The Designated Replacement Customer must comply with the

FTS RATE SCHEDULE (Continued)

10. RIGHT OF FIRST REFUSAL AND PREGRANTED ABANDONMENT

10.1 Applicability

- (a) Any Customer receiving firm transportation service under an executed FTS Agreement that has a primary term of one (1) year or more, and that does not have an evergreen provision, may exercise its right of first refusal in order to retain firm transportation service at the expiration of the primary term. Any Customer receiving firm transportation under a FTS Agreement that has a primary term of one (1) year or more, and that has an evergreen provision, may exercise its right of first refusal in order to retain continued firm transportation in the event that Petal provides notice, as allowed by such Service Agreement, that it will terminate the FTS Agreement at the expiration of the primary term or any roll-over term.
- (b) Any Customer receiving transportation service provided under a FTS Agreement that has a primary term of less than one (1) year, and that may or may not have an evergreen provision, does not have the right of first refusal to retain its firm transportation service at the expiration of a primary term or any subsequent roll-over term.

10.2 Posting of Capacity. At least thirty (30) days prior to the effective termination date of a FTS Agreement with a primary term of one (1) year or more, whether such date is specified in the FTS Agreement or Petal's notice of termination as allowed by such FTS Agreement, Petal shall post on its Internet website the capacity that will be available upon the termination of a Customer's FTS Agreement and whether such capacity is subject to an existing Customer's right of first refusal. The capacity will be posted for not less than five (5) business days.

10.3 Bidding On Capacity. Upon posting of available capacity, Petal shall receive bids in writing from eligible bidders who have executed a FTS Form of Service Agreement. Bids must be submitted on Petal's Internet website or in writing and must be received by Petal no later than the bid deadline. Petal will post the relevant terms of all eligible bids, other than the bidder's name, upon receipt of each bid received by Petal. Petal will determine the best bid in accordance with the criteria set forth in Section 4.2 of the General Terms and Conditions of this Tariff.

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GENERAL TERMS AND CONDITIONS

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Superseding: Second Revised Sheet No. 101

GENERAL TERMS AND CONDITIONS

1. INTRODUCTORY STATEMENT

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

2. DEFINITIONS

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

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GENERAL TERMS AND CONDITIONS
(continued)

- 2.8 Day means a period beginning at 9:00 a.m. Central Clock Time, and ending on the following 9:00 a.m. Central Clock Time.
- 2.9 Dekatherm means ten (10) therms, which is equal to one-million (1,000,000) British thermal units (Btus).
- 2.10 EBB means Petal's electron bulletin board, or other system using FERC-approved GISB standardized Internet protocols.
- 2.11 FERC or Commission shall mean the Federal Energy Regulatory Commission or any successor agency.
- 2.12 The term gas means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells and residue gas resulting from processing both casinghead gas and gas well gas.
- 2.13 The term interruptible means that the storage service is subject to interruption at any time by Petal. An interruptible Customer may be required to withdraw gas from interruptible Storage Capacity, should such capacity be required by a firm customer or by another interruptible Customer willing to pay a higher rate than the weighted average of the Standby Capacity Charge and Standby Deliverability Charge being paid by the interruptible Customer.
- 2.14 Maximum Daily Injection Quantity or "MDIQ" means the maximum quantity of gas specified in Customer's storage service agreement that Customer may nominate and deliver and that Petal shall receive at a Point of Receipt for injection into storage each Day at constant hourly rates of flow over the course of such Day (excluding Fuel Reimbursement).
- 2.15 Maximum Daily Withdrawal Quantity or "MDWQ" means the maximum daily withdrawal quantity of gas specified in Customer's storage service agreement that Customer may nominate and that Petal shall withdraw from storage and tender to Customer at a Point of Delivery each Day at constant hourly rates of flow over the course of such Day.
- 2.16 MMBtu means one million (1,000,000) British thermal units. MMBtu is measured on a day basis at 14.73 psia and 60 degrees Fahrenheit.

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GENERAL TERMS AND CONDITIONS
(continued)

- 2.17 Month means the period beginning at 9:00 a.m. Central Clock Time on the first day of a Calendar month and ending at 9:00 a.m. Central Clock Time on the first day of the next succeeding month.
- 2.18 Pad gas means the gas required to remain in the storage cavern connected to Petal's facilities sufficient to protect the cavern's integrity.
- 2.19 Point(s) of Delivery means the points specified in Customer's storage service agreement at which Petal shall tender gas withdrawn from storage to Customer.
- 2.20 Point(s) of Receipt means the points specified in Customer's storage service agreement at which Petal shall receive gas from Customer for Fuel Reimbursement and for injection into storage.
- 2.21 Psia shall means pound per square inch absolute.
- 2.22 Releasing Customer shall means a Customer who has agreed to release some or all of its rights under its firm storage service agreement pursuant to Section 4 of Petal's FSS Rate Schedule.
- 2.23 Replacement Customer shall mean a Customer who has assumed any released rights to storage capacity of a Releasing Customer.
- 2.24 Storage Capacity shall mean the volume of capacity in Petal's facilities Customer has available for its use pursuant to its storage service agreement with Petal.
- 2.25 Therm means one-hundred thousand (100,000) British thermal units (Btus).
- 2.26 Total Maximum Daily Injection Quantity or "TMDIQ" means the total MDIQs for all Transporters specified in Customer's storage service agreement.
- 2.27 Total Maximum Daily Withdrawal Quantity or "TMDWQ" means the total MDWQs for all Transporters specified in Customer's storage service agreement.
- 2.28 Transporter shall mean the Customer's transporter designated to deliver gas to the Point of Receipt or Customer's transporter designated to receive gas from the Point of Delivery.

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Fourth Revised Sheet No. 103 Fourth Revised Sheet No. 103 : Pending
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GENERAL TERMS AND CONDITIONS (Continued)

- 2.14 FERC or Commission shall mean the Federal Energy Regulatory Commission or any successor agency.
- 2.15 The term gas means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells and residue gas resulting from processing both casinghead gas and gas well gas.
- 2.16 NAESB means the North American Energy Standards Board.
- 2.17 NAESB Standards shall mean those business and electronic communication standards promulgated by NAESB and adopted, to the extent codified, by the FERC in Section 284.10 (b) or elsewhere in its regulations.
- 2.18 Heating Value shall mean the number of British thermal units produced by complete combustion at constant pressure of the amount of gas that would occupy a volume of one (1) cubic foot at a temperature of sixty degrees Fahrenheit (60°F), and under a pressure equivalent to that of thirty inches of mercury (30" Hg) at thirty-two degrees Fahrenheit (32°F), and under gravitational force acceleration (980.665 cm. per sec. per sec.), with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, when the water formed by combustion is condensed to the liquid state, and corrected for any water vapor in excess of seven pounds per million cubic feet of gas (7 lbs/MMcf). Heating value determined by calculation from composition analysis according to GPA Publication 2172-84, as amended or revised, shall be converted to figures that reflect the actual condition of the gas on receipt or delivery and adjusted for temperature, pressure, water content or compressibility.

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GENERAL TERMS AND CONDITIONS
(continued)

3. REQUEST FOR STORAGE SERVICE

3.1 Open season.

- (a) Notice of open season. At the expiration of any long-term FSS Agreement with a Customer desiring to exercise its rights pursuant to Section 10 of the FSS Rate Schedule, Petal shall post notice of the open season on its EBB, at least ten (10) days prior to commencement of the open season. Such notice shall set forth when the open season begins and ends, where interested parties may submit requests for firm and interruptible storage service, the minimum rates Petal will accept for the available capacity, and how interested parties may obtain forms for requesting service and additional details about the mechanics of the open season.
- (b) Duration. The open season shall commence at the time and day specified and for the term indicated in the notice of open season. During this time Petal will accept storage requests for the expiring firm capacity in its storage facilities.
- (c) Execution of agreements. Customers allocated capacity in an open season shall be required to execute service agreements for firm storage service no later than 30 consecutive days following the close of the open season or forfeit the capacity that has been allocated to them.

- 3.2 Requests. Any potential Customer wishing to obtain storage capacity from Petal under Rate Schedules FSS or ISS after an open season, shall submit in writing to Petal a request for storage service setting forth all relevant information called for in the applicable FSS or ISS Form of Service Agreement. Such request may be delivered in person or submitted by United States mail, overnight courier service, or facsimile transmission (fax). Petal shall evaluate and respond to Customer's request within five Business Days of its receipt. If Petal and Customer mutually agree to the rates Customer will pay for storage service, Petal shall, subject to execution of a storage service agreement, endeavor to provide service within the time specified in the written request.

GENERAL TERMS AND CONDITIONS (Continued)

3. REQUEST FOR SERVICE

3.1 Open season.

- (a) Notice of open season. At the expiration of any long-term FSS or FTS Agreement with a Customer desiring to exercise its rights pursuant to Section 10 of the FSS or FTS Rate Schedule, Petal shall post notice of the open season on its Internet website, at least ten (10) days prior to commencement of the open season. Such notice shall set forth when the open season begins and ends, where interested parties may submit requests for firm and interruptible service, the minimum rates Petal will accept for the available capacity, and how interested parties may obtain forms for requesting service and additional details about the mechanics of the open season.
- (b) Duration. The open season shall commence at the time and day specified and for the term indicated in the notice of open season. During this time Petal will accept requests for the expiring firm capacity in its storage or transportation facilities.
- (c) Execution of agreements. Customers allocated storage or transportation capacity in an open season shall be required to execute service agreements for firm service no later than 30 consecutive days following the close of the open season or forfeit the capacity that has been allocated to them.

- 3.2 Requests. Any potential Customer wishing to obtain capacity from Petal under Rate Schedules FSS, ISS, FTS, or ITS after an open season, shall submit in writing to Petal a request for service setting forth all relevant information called for in the applicable FSS, ISS, FTS, or ITS Form of Service Agreement. Such request may be delivered in person or submitted by United States mail, overnight courier service, or facsimile transmission (fax). Petal shall evaluate and respond to Customer's request within five Business Days of its receipt. If Petal and Customer mutually agree to the rates Customer will pay for service, Petal shall, subject to execution of a service agreement, endeavor to provide service within the time specified in the written request. Customer's request for service shall be considered complete only if the information specified in Sections 3.5 and 3.6 is provided in writing.

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Superseding: Original Sheet No. 105

GENERAL TERMS AND CONDITIONS
(continued)

Customer's request for storage service shall be considered complete only if the information specified in Sections 3.4 and 3.5 is provided in writing.

Requests for service may be sent to:

Petal Gas Storage Company
Attn: David L. Hayden
Vice President
229 Milam Street
Shreveport, LA 71101
(318) 677-5511
Fax: (318) 677-5515

- 3.3 Request Fee. Unless otherwise waived for good cause, all requests for firm service shall be accompanied by the lesser of \$10,000 or one month's Capacity and Deliverability Charges as earnest money for the requested service. This amount shall be applied toward the Charges first due from Customer. If a firm storage request is not granted by Petal, the fee submitted with the request for service will be refunded to Customer.
- 3.4 Information Requirements. Each request shall include the following information:
- (a) Customer's name, address, representative and telephone number.
 - (b) A statement of whether Customer is a local natural gas distribution company (LDC), an intrastate pipeline company, an interstate pipeline company, marketer/broker, producer, end user or other type of entity (which other entity must be described).
 - (c) Type of service requested, whether firm or interruptible.
 - (d) Volume requested:
 - (i) Storage Capacity (stated in MMBtu)

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FERC Docket: CP93-69-002

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

GENERAL TERMS AND CONDITIONS
(continued)

(ii) Maximum Daily Withdrawal Quantity
(MDWQ) (stated in MMBtu/day) and at which Point(s) of
Delivery.

(iii) Maximum Daily Injection Quantity (MDIQ)
(stated in MMBtu/day) and at which Point(s) of Receipt.

(e) Term of service, including the date service is
requested to commence and the date service is requested to
terminate.

(f) Evidence of creditworthiness. Acceptance of a
storage service request is contingent upon a satisfactory
credit appraisal by Petal. Such credit appraisal must meet
the following criteria:

(i) Customer shall provide (a) current
financial statements, annual reports, 10-K reports or other
filings with regulatory agencies, (b) a list of all corporate
affiliates, parent companies and subsidiaries, and (c) any
reports from credit reporting agencies which are available.
Petal shall apply consistent evaluation practices to determine
the acceptability of the Customer's overall financial
condition, working capital, and profitability trends.

(ii) A bank reference and at least two trade
references must be provided by Customer. The results of
reference checks and any credit reports must show that
Customer's obligations are being paid on a prompt basis.

(iii) Customer must not be operating under
any chapter of the bankruptcy laws and must not be subject to
liquidation or debt reduction procedures under the 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 assurances that billings will be paid promptly as
cost of administration under the federal court's jurisdiction.

(iv) Customer must not be subject to the
uncertainty of pending liquidation or regulatory proceedings
in state or federal courts which could cause a substantial
deterioration in its financial condition, which could cause a

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FERC Docket: CP93- 69-002

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

GENERAL TERMS AND CONDITIONS
(continued)

condition of insolvency, or which could impair the ability of the Customer to continue to exist as an ongoing business entity.

(v) If Customer has an ongoing business relationship with Petal, no delinquent balances shall be consistently outstanding for natural gas storage services provided previously by Petal. Customer shall have paid its account for past periods according to established contract terms, not having made deductions or withheld payment not authorized by contract.

(vi) No significant collection lawsuits or judgments shall be outstanding which would seriously reflect upon the business entity's ability to remain solvent.

(g) If a Customer fails to satisfy the credit criteria, such Customer may still obtain storage service hereof if it elects one of the following options: (i) a standby irrevocable letter of credit drawn upon a bank acceptable to Petal, in an amount acceptable to Petal; (ii) a security interest in collateral provided by the Customer found to be satisfactory to Petal; or (iii) guarantee of performance of all Petal's obligations by a person or entity which does satisfy the credit appraisal.

3.5 Subsequent Information

(a) If any of the events or actions described in Sections 3.4(g) (iii), 3.4(g) (iv) and 3.4(g) (vi) above, shall be initiated or imposed during the term of service under a storage service agreement, Customer shall provide notification to Petal within two working days of any such initiated or imposed event or action. Customer shall also promptly provide such additional Customer credit information as may be reasonably required by Petal, at any time during the term of service under a storage service agreement, to determine Customer's creditworthiness.

(b) After receipt of a request for service, Petal may require that Customer furnish additional information as a prerequisite to Petal offering to execute a storage service agreement with Customer. Such information may include proof of Customer's lawful right and title to cause the gas to be

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GENERAL TERMS AND CONDITIONS
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delivered to Petal for storage and of Customer's contractual or physical ability to cause such gas to be delivered to and received from Petal.

- 3.6 Request Validity. If Petal has tendered a storage service agreement for execution to Customer and Customer fails to execute the agreement as tendered within 30 consecutive days from the date the agreement is received by Customer, Petal may consider Customer's service request void. For storage service under Rate Schedule FSS or ISS, Petal will not be required to tender an agreement to Customer for execution that relates to requests for service for which Petal does not have sufficient available firm capacity.
- 3.7 Customer's Performance. Customer is required to provide to Petal (1) the State of the source of gas that is to be injected into storage and (2) such other information if required in order for Petal to comply with any FERC reporting or other requirements.
- 3.8 Complaints. In the event that a Customer or potential Customer has a complaint relative to storage service under this Volume No. 1, the Customer shall provide a description of the complaint, verbally or in writing, including the identification of the storage service request (if applicable), and communicate it to:

Petal Gas Storage Company
Attn: David L. Hayden
Vice President
229 Milam Street
Shreveport, LA 71101
(318) 677-5511
Fax: (318) 677-5515

Petal will verbally respond initially within 48 hours, or two (2) Business Days, whichever is later, from the day of receipt of a complaint. Petal shall respond in writing within 30 days of receipt of the complaint advising Customer or a potential Customer of the disposition of the complaint.

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Superseding: Original Sheet No. 109

GENERAL TERMS AND CONDITIONS
(continued)

3.9 Information.

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

Petal Gas Storage Company
Attn: David L. Hayden
229 Milam Street
Shreveport, LA 71101
(318) 677-5511
Fax: (318) 677-5515

- (b) Each Customer will be provided with a list of phone numbers for Petal's gas dispatch and control personnel, who are on-call 24-hours a day.

3.10 Electronic Bulletin Board.

- (a) Petal will maintain an interactive Electronic Bulletin Board ("EBB") for the use of its Customers and prospective Customers interested in obtaining information about storage capacity available. Petal's EBB will provide all information required to be posted thereon under regulations of the FERC, together with such additional information as Petal considers appropriate.

- (b) Information posted on Petal's EBB will include the following:

- (i) Firm and interruptible storage capacity currently available from Petal.
- (ii) Injection and withdrawal capacity (or deliverability) currently available.
- (iii) Firm and recallable capacity released by FSS Customers or Replacement Customers pursuant to Section 4 of Petal's FSS Rate Schedule and currently available for allocation.
- (iv) Firm capacity which is currently available or will become available by reason of the

GENERAL TERMS AND CONDITIONS (continued)

3.9 Information.

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

Petal Gas Storage, L.L.C.
Attn: David L. Hayden
229 Milam Street
Shreveport, LA 71101
(318) 677-5511
Fax: (318) 677-5515

- (b) Each Customer will be provided with a list of phone numbers for Petal's gas dispatch and control personnel, who are on-call 24-hours a day.

3.10 Internet Website.

- (a) Petal will maintain an Internet website for the use of its Customers and prospective Customers interested in obtaining information about storage or transportation capacity available. Petal's Internet website will provide all information required to be posted thereon under regulations of the FERC, together with such additional information as Petal considers appropriate.
- (b) Information posted on Petal's Internet website will include the following:
- (i) Firm and interruptible storage and transportation capacity currently available from Petal.
 - (ii) Injection and withdrawal capacity (or deliverability) currently available.
 - (iii) Firm and recallable capacity released by FSS and FTS Customers or Replacement Customers pursuant to Section 4 of Petal's FSS or FTS Rate Schedule and currently available for allocation.
 - (iv) Firm capacity which is currently available or will become available by reason of the

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GENERAL TERMS AND CONDITIONS
(continued)

termination of an FSS Agreement under Section 10 of Petal's FSS Rate Schedule and is or will be subject to an Open Season.

- (v) Currently operative offers to purchase capacity tendered pursuant to Section 4.8 of Petal's FSS Rate Schedule.
 - (c) With respect to each category of information posted on Petal's EBB, Petal also includes relevant information pertaining to the minimum rates at which capacity is offered to Customers and Replacement Customers, any restrictions, terms, or conditions imposed on the reallocation of released capacity by the Customer or Replacement Customer releasing that capacity (including the name of any Replacement Customer designated by the releasing Customer), and the terms and conditions upon which offers to purchase capacity have been tendered.
 - (d) Petal shall maintain daily backups of all pipeline transactions and archive them for a period of three (3) years pursuant to Commission regulations, and shall allow any Customer access to such historical information, for a reasonable fee, within a reasonable period of any such request.
 - (e) Nondiscriminatory access to Petal's EBB will be available through subscription with a third party provider. Customers interested in obtaining information or subscription forms should telephone (318) 222-7791.
- 3.11 Construction of Facilities. Petal shall not be required to provide any requested service under any Rate Schedule which would require construction or acquisition by Petal of new facilities, or expansion of existing facilities.

4. PRIORITY AND INTERRUPTION OF SERVICE

- 4.1 Priority of Service. Any Customer executing a storage service agreement with Petal shall be entitled to the injection, storage and withdrawal of gas subject to the

GENERAL TERMS AND CONDITIONS (continued)

termination of an FSS Agreement under Section 10 of Petal's FSS or FTS Rate Schedule and is or will be subject to an Open Season.

- (v) Currently operative offers to purchase capacity tendered pursuant to Section 4.8 of Petal's FSS or FTS Rate Schedule.
 - (c) With respect to each category of information posted on Petal's Internet website, Petal also includes relevant information pertaining to the minimum rates at which capacity is offered to Customers and Replacement Customers, any restrictions, terms, or conditions imposed on the reallocation of released capacity by the Customer or Replacement Customer releasing that capacity (including the name of any Replacement Customer designated by the releasing Customer), and the terms and conditions upon which offers to purchase capacity have been tendered.
 - (d) Petal shall maintain daily backups of all transactions and archive them for a period of three (3) years pursuant to Commission regulations, and shall allow any Customer access to such historical information, for a reasonable fee, within a reasonable period of any such request.
 - (e) Nondiscriminatory access to Petal's Internet website will be available through subscription with a third party provider. Customers interested in obtaining information or subscription forms should telephone (318) 222-7791.
- 3.11 Construction of Facilities. Petal shall not be required to provide any requested service under any Rate Schedule which would require construction or acquisition by Petal of new facilities, or expansion of existing facilities.
4. PRIORITY AND INTERRUPTION OF SERVICE
- 4.1 Priority of Service. Any Customer executing a service agreement with Petal shall be entitled to the injection, storage, and withdrawal of gas or the transportation of gas subject to the

GENERAL TERMS AND CONDITIONS
(continued)

availability of storage capacity and deliverability in the following order of declining priority:

(a) Firm storage service at Primary Point(s) of Receipt or Delivery.

(b) Firm storage service at point(s) other than Primary Point(s) of Receipt or Delivery.

(c) Make-up volumes to correct prior variances between (i) Transporter and Petal under a balancing agreement, (ii) Customer and Petal, and (iii) Customer and Transporter if the variance was due to Petal's failure to receive or deliver Customer's scheduled volumes.

(d) Interruptible storage service pursuant to Section 4.3 below.

(e) Authorized overrun service for FSS Customers.

(f) Authorized overrun service for ISS Customers.

4.2 Firm Service.

(a) During an open season, Petal will accept requests for firm storage service from potential customers. Capacity will be allocated to those customers offering to pay the highest negotiated rates. Specifically, capacity will be allocated to those customers offering to pay the highest present value of the weighted average per unit Capacity and Deliverability Charges over the term of each agreement. Such present value of the Capacity and Deliverability Charges shall be calculated in accordance with the following formula:

(Monthly Charges Per Unit of Storage Capacity) X
[1 - ((1 + i) to the -n power) / i] X ((1 + i) to the
-t power) = Present Value Per Unit of Storage Capacity

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Where: i = The prime rate as published by the Wall Street Journal on the first day of the open season plus five percent (5%) (or 500 basis points). The sum of which is then divided by twelve (12).

n = The term of the agreement, in months.

t = Month of contract start (example: May = 5) minus the first month capacity is available (Feb = 2), not to exceed 3 months.

For example, a bid of \$.08/dth (storage capacity charge) and \$1.45/dth (storage deliverability charge) would equal a weighted per unit charge of \$.225/dth/month, $([($.08 \times 100,000) + ($1.45 \times 10,000)] / 100,000)$. A bid equal to \$.225/dth/month for five years (60 months) starting in May, assuming capacity is available in February and using a 7% prime rate, yields a present value per unit of \$9.82.

- (b) During the allocation process of an open season, should requests for storage capacity exceed available capacity, capacity will first be allocated to the highest present value bids received. When remaining unallocated capacity is not sufficient to meet the next highest present value bidder's capacity requirements, that next highest bidder has the option of declining the remaining capacity. Petal will then offer the remaining capacity to the next highest bidder, until all the remaining capacity is allocated.
- (c) Should the next highest present value bid in 4.2(b) above be submitted by two or more Customers (e.g., tied bids) and there is insufficient remaining capacity available to serve such Customers, then capacity will be allocated to the Customer submitting the earliest tied bid, until the remaining unallocated capacity is insufficient to serve the next tied Customer's capacity requirements. That next tied Customer has the option of declining the remaining capacity. However, should the last of the tied bidders decline the remaining capacity, then Petal will offer the remaining capacity to the next highest bidder, until all the remaining capacity is allocated.

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Second Revised Sheet No. 113 Second Revised Sheet No. 113 : Effective
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(d) Petal will accept requests for firm storage service for any storage capacity remaining available after an open season. The remaining capacity shall be allocated on a first-come, first-served basis. That is, the first customer offering to pay a rate for storage that Petal finds acceptable shall be allocated capacity.

4.3 Interruptible Service. Agreements relating to interruptible service obligations and extensions of the service shall have priority as follows:

(a) The order of priority relating to storage service requests under Rate Schedule ISS shall be by the average daily Interruptible Storage Charge agreed to by Petal and Customer, with the highest charge calculated on a daily basis given highest priority. Volumetric fees will have the lowest priority.

(b) Should two or more interruptible customers have the same priority, capacity will be allocated to the Customer that submitted the earlier request to Petal.

4.4 Interruption.

(a) If on any day, due to any cause whatsoever, Petal's capability to receive or deliver volumes is impaired so that Petal is unable to receive or deliver all the volumes which are scheduled, then interruption of storage service shall be made in the reverse order of priority set forth in Section 4.1. If firm service must be interrupted, interruption of storage service to firm customers shall be pro rata based on MDWQ. Interruption of storage service to interruptible customers shall be based on the storage service charges paid by Customer, with the lowest rate being interrupted first. Any ties shall be interrupted on a pro rata basis.

(b) Petal shall provide Customer as much advance notice of any interruption as is practicable under the circumstances. Such notice shall state the reduced volumes of gas that Petal estimates it will be able to inject or withdraw for Customer and the estimated duration of the interruption. Petal shall provide Customer such notice by telephone and/or facsimile.

GENERAL TERMS AND CONDITIONS
(continued)

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

4.5 Interruption Liability. Petal 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 Petal's gross negligence or willful misconduct.

5. STORAGE OPERATIONS

5.1 Customer shall tender or cause to be tendered to Petal 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 upon tender for delivery by Petal.

5.2 Subject to the operating conditions of the delivering or receiving pipelines, Petal 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 Petal 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 Storage Capacity; nor shall Petal be obligated at any time to deliver more gas to Customer than Customer has stored in its Storage Capacity.

5.3 Due to certain limitations of Petal's facilities, Petal shall not be obligated to receive on a firm basis, at any Point of Receipt for injection, or deliver on a firm basis, at any Point of Delivery, any quantity of gas when the quantity of gas tendered for delivery to Petal or requested by Customer to be delivered, together with all other volumes of gas tendered for delivery to Petal at any such Point of Receipt or requested for delivery at such Point of Delivery, results in a net metered flow which is less than or equal to 5,000 MMBtu per day.

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(continued)

5.4 In the event that batch flowing nominated volumes less than 5,000 MMBTU per day is deemed operationally impractical by Transporter or Petal, and should Petal receive nominations for the injection or withdrawal of gas, which after aggregation with other nominations commencing at the same time and same meter, results in a net metered volume less than or equal to 5,000 MMBtu per day, Petal will attempt to schedule such nominations on a "best efforts" basis. However, if any single or combination of nominations is scheduled such that the aggregated nominated volumes result in a net metered volume less than or equal to 5,000 MMBtu per day, all nominations may be curtailed on a pro-rata basis such that the net metered volume will be zero. Petal will verbally notify the affected Customer(s) within four (4) hours of being notified of changes to nominations which would result in curtailment as provided herein.

6. SCHEDULING

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

Although Petal shall accept nominations 24 hours a Day, Customer may Elect to utilize the following standard nomination timeline:

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

GENERAL TERMS AND CONDITIONS (Continued)

- (b) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that do not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.

- (c) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by the transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by the transporter from upstream and downstream connected parties; 2:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on gas day.

- (d) The Intraday 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on the gas day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

- 6.2 Customer shall make available and tender any gas to be injected hereunder and receive and accept delivery, upon tender by Petal, any gas requested to be withdrawn from storage. The quantity of gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of gas from storage, as applicable. Customer shall not (unless otherwise agreed by Petal) tender for injection, nor shall Petal be obligated to receive gas for injection, or to withdraw and deliver gas from storage, on an hourly basis at rates of flow in excess of 1/24 of Customer's TMDIQ or TMDWQ, respectively. Petal shall not be obligated to receive,

GENERAL TERMS AND CONDITIONS (Continued)

- 7.8 Failure to Use Service. If within three (3) months after the execution of an ITS Agreement Customer has not commenced service under the provisions of such executed ITS Agreement, or if Customer has commenced service but fails to use service during a consecutive twelve (12) month period after commencement, Petal may, on a non-discriminatory basis, terminate the ITS Agreement and Customer's request for interruptible service shall be deemed a nullity for all present and future purposes. Petal shall give Customer written notice thirty (30) days in advance of termination of an executed ITS Agreement. Customer may retain the ITS Agreement by notifying Petal in writing of its intent to retain such Service Agreement; however, if Customer fails to use service during a consecutive twelve (12) month period after notice of its intent to retain such service, the ITS Agreement and Customer's request for interruptible service shall be automatically terminated and abandoned.
- 7.9 Overbooking of Available Capacity. Petal may contract to transport gas, on an interruptible basis, in excess of Available Capacity. If such overbooking should ever limit Petal's ability to provide interruptible service, then Petal shall provide such service on the basis described in Section 7.7 of the General Terms and Conditions.
- 7.10 Additional Facilities. Petal shall not be required to construct additional facilities, modify or expand facilities or acquire facilities to provide interruptible transportation service.
8. SCHEDULING
- 8.1 Petal shall accept nominations 24 hours a Day during any day when Customer desires Petal to (i) receive and inject gas into, or to withdraw and deliver gas from storage, or (ii) transport gas for Customer. Customer shall submit a nomination via fax or Petal's Internet website, that includes but is not limited to the following information: daily volume, flow period (Customer defined begin dates and end dates), upstream transportation contract number(s) (for injections and transportation), downstream transportation contract number(s) (for withdrawals and transportation), customer name and contract number, the customer's authorized employee name and telephone number, the type of service desired, for injections or transportation, the State of the source of gas, and for customers obtaining released capacity from a capacity holder other than Petal, the name of that capacity holder. All nominations excluding intra-day nominations shall have roll-over options. Specifically, customers shall have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of Customer's contract. All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only. Override quantities should be requested on a separate transaction.

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

- 6.3 Intraday Nominations. An intra-day nomination is any nomination submitted after the deadline set forth in Section 6.1 and whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day. The intra-day nomination shall include an effective date and time and daily quantity to be injected or withdrawn from storage. Customer and Petal shall agree on the hourly flows of the intra-day nomination, however, Petal shall not be obligated to inject or withdraw from storage an hourly amount greater than one-twenty-fourth of Shipper's TMDIQ or TMDWQ. An intra-day nomination may be utilized to request increases or decreases in gas flow and/or changes to receipt and/or delivery points of scheduled gas and/or to nominate new supply or market. Intra-day nominations do not rollover.

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GENERAL TERMS AND CONDITIONS
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- 6.4 (a) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 4.1 of the General Terms and Conditions of this Tariff. However nominations received after the nomination deadline will be scheduled after the nominations received before the nomination deadline.
- (b) Notices provided in this Section 6 must be submitted in writing via fax or Petal's EBB. Customer shall provide notice of any changes in deliveries to or receipt from Petal to all applicable transporting pipelines and shall be responsible for, and shall hold Petal harmless from, any and all liabilities and expense resulting from any such changes.
- (c) Nominations to schedule gas for the first day of a prospective month must be submitted no later than the date and time allowed by the interconnecting upstream Transporter for

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GENERAL TERMS AND CONDITIONS (Continued)

- 8.4 (a) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 4.1 of the General Terms and Conditions of this Tariff. However nominations received after the nomination deadline will be scheduled after the nominations received before the nomination deadline.
- (b) Notices provided in this Section 8 must be submitted in writing via fax or Petal's Internet website. Customer shall provide notice of any changes in deliveries to or receipt from Petal to all applicable Interconnecting Pipelines and shall be responsible for, and shall hold Petal harmless from, any and all liabilities and expense resulting from any such changes.
- (c) Nominations to schedule gas for the first day of a prospective month must be submitted no later than the date and time allowed by the upstream Interconnecting Pipeline for

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(continued)

injections, and downstream interconnecting Transporter for withdrawals, as indicated in the Transporter's respective tariffs. Nominations received after these dates and times will be deemed "late" and will require that the capacity holder renominate for service to commence at a time accepted by Transporter.

7. POINT(S) OF RECEIPT, DELIVERY

7.1 Point(s) of Receipt. Customer shall tender all gas for injection into storage to Petal at the Point(s) of Receipt as specified in Customer's storage service agreement. The quantity of gas tendered by Customer to Petal for injection into storage shall (i) not exceed at each Point of Receipt the MDIQ for such Point plus the applicable Fuel Reimbursement in effect from time to time, or (ii) not exceed at all Point(s) of Receipt the TMDIQ plus applicable Fuel Reimbursement in effect from time to time, without the consent of Petal.

7.2 Point(s) of Delivery. Petal shall tender all gas withdrawn from storage to Customer at the Point(s) of Delivery as specified in Customer's storage service agreement. The quantity of gas delivered to Customer shall (i) not exceed at each Point of Delivery the MDWQ for such Point in effect from time to time, or (ii) not exceed the TMDWQ at all Point(s) of Delivery in effect from time to time, without the consent of Petal.

7.3 Transportation Guidelines. The Transporter(s)' rules, guidelines, operational procedures and policies, as they may be changed from time to time, shall define and control the manner in which gas is delivered and received at the Point(s) of Delivery and Receipt. Petal and Customer each agree to provide to the other, in as prompt a manner as reasonable, all information necessary to permit scheduling pursuant to such requirements. In addition, Petal will not be required to begin injections or withdrawals for a Customer's account unless and until the data required for nominations, provided for in Section 6.1, have been confirmed by the applicable Transporter to Petal Gas Dispatcher.

GENERAL TERMS AND CONDITIONS (Continued)

- 7.4 Transportation Imbalances. In the event that Petal or Customer receives from or delivers to, or causes to be received from or to be delivered to, Transporter at the Point(s) of Receipt or Delivery a quantity of gas not equal to the volume of gas scheduled by received or taken by Customer or Petal, a "Transportation Imbalance" may occur. Provided that Petal has taken or delivered the quantity of gas nominated by Customer and scheduled by Transporter, Customer shall be liable for all imbalances under its transportation agreement with Transporter. Upon notification by Customer or Transporter that a Transportation Imbalance exists because Petal failed to deliver or receive the quantity of gas nominated by Customer and scheduled by Transporter, Petal will use its best efforts to correct the Transportation Imbalance subject to any restrictions imposed by Transporter(s). Customer agrees to use its best efforts to prevent or diminish any occurrences of imbalances.
- 7.5 Measurement. Customer and Petal agree that the volumes of gas delivered hereunder shall be measured by Petal in accordance with the Transporter's pipeline tariff, and, as such, may be allowed to fluctuate within the applicable measurement or flow tolerances on a daily and monthly basis.
- 7.6. Costs and Penalties. Customer and Petal shall hold each other harmless for all costs and penalties which may be assessed under their agreements with their respective transporters. Customer and Petal shall cooperate with each other and with the Transporter to verify delivery and receipt of the volumes of gas delivered hereunder on a timely basis.
- 7.7 Downstream and Upstream Transportation. Customer shall be responsible for transportation from the Point(s) of Delivery and payment of all transportation charges relating thereto. Customer shall be responsible for transportation to the Point(s) of Receipt and payment of all transportation charges relating thereto.
8. QUALITY
- 8.1 Specifications. The gas delivered by either party to the other hereunder shall meet the quality specifications of the transporting pipeline which receives or delivers such gas at the Point(s) of Receipt or Delivery, as applicable, and

GENERAL TERMS AND CONDITIONS (Continued)

shall in all events 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, PCB's, 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 sulphide per one hundred (100) cubic feet, as determined by the cadmium sulfate quantitative test, nor more than twenty (20) grains of total sulphur 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) BTU's per cubic feet and not more than eleven hundred (1100) BTU's per cubic feet.
- (e) Have a temperature of not more than one hundred twenty 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.

8.2 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 8.1. Acceptance of such gas does not constitute any waiver of either party's right to refuse to accept similarly nonconforming gas.

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9. PRESSURE AND INJECTION/WITHDRAWAL RATES

9.1 Delivery Pressures. Petal 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). Petal shall not be required to deliver gas at pressures in excess of those required by Transporter(s) or in excess of Transporter(s) maximum allowable operating pressure (MAOP), not to exceed 950 psig. Customer shall deliver or cause to be delivered to Petal all gas for injection at the Point(s) of Receipt at such pressures as may exist from time to time in the Transporter's facilities at such points, but in no event shall Petal be obligated to accept gas at a pressure in excess of the MAOP of Petal's facilities at the Point(s) of Receipt or below pressures necessary to operate Petal facilities.

9.2 Injection and Withdrawal Rates. Petal has designed the facilities required to inject and withdraw gas from the storage cavern 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 transporting pipeline(s) vary substantially from this "normal" design condition coincident with high levels of customer injection or withdrawal activity, Petal's capability to receive or deliver the volumes set forth in its storage service agreements may be impaired, triggering an interruption in service. If this happens, capacity and deliverability will be allocated pursuant to Section 4. Details regarding the conditions under which such a potential interruption could occur and the estimated impact on operations are available for review by Customers and potential customers upon request. Customer agrees to indemnify and hold Petal harmless for any loss caused by any such interruption in service.

10. TITLE AND RISK OF LOSS

10.1 Title to the natural gas stored by Petal and delivered to Customer hereunder shall, at all times, be held by Customer. Customer warrants for itself, its successors and assigns, that it will have at the time of delivery of gas for storage hereunder good title. Customer warrants for itself,

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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 Petal and save it harmless from all claims, suits, actions, damages, costs and expenses arising directly or indirectly from or with respect to the title to gas tendered to Petal hereunder.

- 10.2 As between Customer and Petal: Customer shall be in control and possession of the gas prior to delivery to Petal for injection at the Point(s) of Receipt and after redelivery by Petal to Customer at the Point(s) of Delivery, and shall indemnify and hold Petal harmless from any damage or injury caused thereby, except for damages and injuries caused by the negligent acts or omissions of Petal when the gas is in Petal's control and possession; and except for the damages and injuries caused by the negligent acts or omissions of the pipeline; and except for the damages or injuries resulting from Petal's failure to deliver gas complying with the quality and pressure specifications of this Tariff. Petal shall be in control and possession of the gas after the receipt of the same for injection at the Point(s) of Receipt and until redelivery by Petal 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 negligent acts and omissions of Customer and except for damages and injuries caused by the negligent acts or omissions of the pipeline; and except for the damages and injuries resulting from Customer's failure to deliver, or cause to be delivered, gas complying with the quality specifications of this Tariff. The risk of loss for all gas injected into, stored in and withdrawn from storage shall remain with Customer, and Petal shall not be liable to Customer for any loss of gas, except as may be occasioned due to the intentional or grossly negligent acts or omissions by Petal.

11. MEASUREMENT

- 11.1 The unit of volume for measurement of all quantities of gas in terms of Mcf's and Btu's delivered to and received from storage hereunder shall be one (1) cubic foot of gas at a base temperature of sixty degrees Fahrenheit (60 degrees F) and at an absolute pressure of (14.73) pounds per square inch. All fundamental constants, observations, records, and procedures involved in determining and/or verifying the quantity and other characteristics of gas delivered hereunder shall, unless otherwise specified herein, be in accordance with the standards prescribed in Report No. 3 of the American Gas Association, as now 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,

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are in terms of such unit. Notwithstanding the foregoing, it is agreed that, for all purposes, the dth content of the gas received and delivered by Petal hereunder shall be measured on an "as delivered" basis rather than a fully saturated or "wet" basis.

- 11.2 Petal 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 orifice meters, recording gauges, or other types of meters of standard make and design commonly acceptable in the industry, as to accomplish the accurate measurement of gas delivered hereunder. The retrieval of data, calibrating and adjustment of meters shall be done by Petal or its agent.

12. BILLINGS AND PAYMENTS

- 12.1 Invoice. On or before the ninth (9th) Business Day of each month, Petal shall provide Customer (including a Replacement Customer) an invoice (which may be transmitted by fax) setting forth (i) the Capacity and Deliverability Charges due for the current month (or applicable Standby Charges); (ii) the total quantity of gas 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 (Injection, Withdrawal and Overrun Charges (due therefor; and (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 Petal in determining the amount billed. If actual volumes are not available by the ninth (9th) business day of the month, Petal may invoice based on estimated volumes, based on best available data, subject to adjustment to actuals at a later date.

- 12.2 Application of Payments for Released Capacity. Payments to Petal by a Replacement Customer for released capacity shall be applied as follows: (i) Petal shall retain amounts equal to the Releasing Customer's rates for Storage Injection Charge, Overrun Injection Charge, Storage Withdrawal Charge, and Overrun Withdrawal Charge multiplied by the Replacement Customer's volumes; (ii) Petal will credit the balance to Capacity and Deliverability Charges due from the

GENERAL TERMS AND CONDITIONS (Continued)

Replacement Customer; and (iii) Petal shall remit the remaining balance, if any, or shall charge any balance due, to the Releasing Customer, provided that the Releasing Customer is only liable to the extent of its Capacity and Deliverability Charges. Petal is not obligated to the Releasing Customer for any payments not received from the Replacement Customer.

- 12.3 Payment. Customer shall pay Petal by wire transfer the undisputed portion of the amount reflected on the invoice provided within fifteen (15) days of its receipt of same. If the fifteenth (15th) day shall fall upon a weekend or legal holiday, then such payment shall be made on the first regular Business Day prior to such fifteenth (15th) day.
- 12.4 Billing Error. If an error is discovered in any billing, such error shall be adjusted within 30 days of the determination thereof provided that claim shall have been made within six months from the date of the initial invoice, with a three-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. If a dispute arises as to the amount payable in any invoice rendered hereunder, Customer shall nevertheless pay when due the amount not in dispute under such invoice.

Such payment shall not be deemed to be a waiver of the right by Customer to recoup any overpayment, nor shall acceptance of any payment be deemed to be a waiver by Petal of any underpayment. In the event Customer fails to forward the entire undisputed amount due to Petal when same is due, interest on the unpaid portion shall accrue at a rate equal to one percent (1%) above the prime rate charged by Chase Manhattan Bank, N.A., New York, New York, from time to time, or the maximum legal rate, whichever is the lesser, compounded daily 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 Petal, 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 Petal, in addition to all other legal remedies available to it, shall have the right and option to terminate service hereunder.

GENERAL TERMS AND CONDITIONS (Continued)

- 12.5 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 Petal 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 above Section 12.3 from the original due date until the date actually paid.
- 12.6 Right to Audit. Both Petal and Customer shall have the right at their own expense to examine and audit at any reasonable time the books, records (including measurement, billing and payment) and charts of the other to the extent necessary to verify the accuracy of any statements or charges made under or pursuant to any of the provisions of Customer's storage service agreement. Upon request, Customer shall also make available to Petal 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 Petal 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 Petal 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.

13. TAXES

Customer shall reimburse Petal for all applicable taxes as may be assessed Petal for the receipt, injection, storage, withdrawal and/or delivery of Customer's gas. In addition, Customer shall reimburse Petal for Customer's pro rata portion of all ad valorem taxes, property taxes and/or other similar taxes. Customer shall also reimburse Petal for all fees and charges, as required by regulatory authorities, that are related to the service provided under this Agreement.

Effective Date: 03/15/2002 Status: Effective
FERC Docket: CP00- 59-002

First Revised Sheet No. 125 First Revised Sheet No. 125 : Effective
Superseding: Original Sheet No. 125

GENERAL TERMS AND CONDITIONS (Continued)

14. INSURANCE

Customer shall be responsible for providing its own insurance coverage with respect to its gas in the Storage Facility.

15. FORCE MAJEURE

15.1 Effect of Force Majeure. In the event Petal or Customer is rendered unable, wholly or in part, by reason of an event of force majeure, as defined herein, to perform, wholly or in part, any obligation or commitment under Customer's storage service agreement, it is agreed that, upon Petal or Customer giving notice and full particulars of such force majeure event in writing (and/or on its EBB for Petal) to the other party within forty-eight (48) hours after the occurrence of the cause relied on, then the obligations of the notifying party shall be suspended to the extent that it 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. An event of force majeure shall not excuse Customer's obligations to pay invoices in accordance with Section 12 of the General Terms and Conditions of this tariff.

15.2 Nature of Force Majeure. The term "Force Majeure" as employed in Customer's storage service agreement shall mean any cause whether of the kind enumerated herein or otherwise, not reasonably within the control of Petal or Customer, 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;

GENERAL TERMS AND CONDITIONS (Continued)

16. INSURANCE

Customer shall be responsible for providing its own insurance coverage with respect to its gas in the Storage Facility.

17. FORCE MAJEURE

17.1 Effect of Force Majeure. In the event Petal or Customer is rendered unable, wholly or in part, by reason of an event of force majeure, as defined herein, to perform, wholly or in part, any obligation or commitment under Customer's storage or transportation service agreement, it is agreed that, upon Petal's or Customer giving notice and full particulars of such force majeure event in writing (and/or on its Internet website for Petal) to the other party within forty-eight (48) hours after the occurrence of the cause relied on, then the obligations of the notifying party shall be suspended to the extent that it 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. An event of force majeure shall not excuse Customer's obligations to pay invoices in accordance with Section 14 of the General Terms and Conditions of this tariff.

17.2 Nature of Force Majeure. The term "Force Majeure" as employed in Customer's storage or transportation service agreement shall mean any cause whether of the kind enumerated herein or otherwise, not reasonably within the control of Petal or Customer, 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;

Effective Date: 03/15/2002 Status: Effective
FERC Docket: CP00- 59-002

Second Revised Sheet No. 126 Second Revised Sheet No. 126 : Effective
Superseding: First Revised Sheet No. 126

GENERAL TERMS AND CONDITIONS (Continued)

blockades; insurrections; epidemics; landslides; lightning; hurricanes; earthquakes; fires; storms; floods; washouts; weather which necessitates extraordinary measures and expense to maintain operations; explosions; breakage, accidents and/or maintenance to plant facilities including machinery, lines of pipe, freezing of wells or lines of pipe, or partial or entire failure of wells or cavern integrity; testing (as required by governmental authority or as deemed necessary by Petal for the safe operation of the underground storage reservoir and facilities required to perform the service hereunder); and the making of repairs or alterations to pipelines and plant facilities including Transporter(s)' pipeline repairs. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of Petal, 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 the affected party.

16. NOTICES

Any notice, request, demand, or statement, provided for in Customer's storage service agreement, except as otherwise herein provided, may be posted on Petal's EBB, given in writing, delivered in person or by United States Mail, to the parties hereto at the addresses shown below or at such other addresses as may hereafter be furnished to the other party in writing:

Customer: INVOICES, NOTICES, AND CORRESPONDENCE

Petal: CORRESPONDENCE AND NOTICES

Attn: David L. Hayden
Vice President
229 Milam Street
Shreveport, LA 71101
(318) 677-5511
Fax: (318) 677-5515

Effective Date: 10/01/2002 Status: Pending
FERC Docket: RP02-435-000

Fourth Revised Sheet No. 126 Fourth Revised Sheet No. 126 : Pending
Superseding: Third Revised Sheet No. 126

GENERAL TERMS AND CONDITIONS (Continued)

blockades; insurrections; epidemics; landslides; lightning; hurricanes; earthquakes; fires; storms; floods; washouts; weather which necessitates extraordinary measures and expense to maintain operations; explosions; breakage, accidents and/or maintenance to plant facilities including machinery, lines of pipe, freezing of wells or lines of pipe, or partial or entire failure of wells or cavern integrity; testing (as required by governmental authority or as deemed necessary by Petal for the safe operation of the underground storage reservoir and facilities required to perform the service hereunder); and the making of repairs or alterations to pipelines and plant facilities including Interconnecting Pipeline(s)' pipeline repairs. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the affected party, 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 the affected party.

18. NOTICES

Any notice, request, demand, or statement, provided for in Customer's storage or transportation service agreement, except as otherwise herein provided, may be posted on Petal's Internet website, given in writing, delivered in person or by United States Mail, to the parties hereto at the addresses shown below or at such other addresses as may hereafter be furnished to the other party in writing:

Customer: INVOICES, NOTICES, AND CORRESPONDENCE

Petal: CORRESPONDENCE AND NOTICES
Attn: David L. Hayden
Vice President
229 Milam Street
Shreveport, LA 71101
(318) 677-5511
Fax: (318) 677-5515

Effective Date: 03/15/2002 Status: Effective
FERC Docket: CP00- 59-002

Third Revised Sheet No. 127 Third Revised Sheet No. 127 : Effective
Superseding: Second Revised Sheet No. 127

GENERAL TERMS AND CONDITIONS (Continued)

Payments Shall Be Made By Wire Transfer To:
Petal Gas Storage, L.L.C.
Credit Petal Gas Storage, L.L.C.
Account No. 552880092939
Shreveport, Louisiana
ASA No. 065400137

Statements:

Petal Gas Storage, L.L.C.
229 Milam Street
P.O. Box 21101
Shreveport, Louisiana 71120

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

17. FUEL REIMBURSEMENT

- 17.1 Categories of Fuel Usage. The two general categories of fuel usage are: (1) Direct Fuel Usage, consisting of (a) compression fuel, including electric power associated with compression, (b) dehydration fuel, and (c) line heating fuel; and (2) Indirect Fuel Usage, which shall include lost and unaccounted for volumes.
- 17.2 Fuel Reimbursement Adjustment Calculation. The amount charged for Fuel Reimbursement shall reflect the actual fuel used. The results of all calculations shall be rounded to the nearest dekatherm or kilowatt hour. Natural gas included in the Fuel Reimbursement Calculation shall be paid in kind to Petal. The charge for electric power included in the Fuel Reimbursement Calculation shall be set forth as a separate line item in the monthly invoice from Petal to Customer, and shall include all charges for electric power associated with compression. Petal shall use reasonable efforts to minimize fuel usage.

Effective Date: 12/18/1993 Status: Effective

FERC Docket: CP93-69-002

Original Sheet No. 128 Original Sheet No. 128 : Effective

GENERAL TERMS AND CONDITIONS
(continued)

18. TITLE TRANSFERS OF GAS IN STORAGE

18.1 A Customer may sell Working Storage Gas to any other Customer with Storage Capacity if:

(a) Customer selling Working Storage Gas provides Petal with verification of the transfer in writing; and

(b) The purchase does not cause either Customer to exceed its Maximum Storage Capacity, as specified in the Customer's Service Agreement.

18.2 Petal will recognize the transfer for purposes of computing available Working Storage Gas and applicable Injection and Withdrawal Quantities on a prospective basis within 24 hours after receiving the written verification.

GENERAL TERMS AND CONDITIONS (Continued)

21. GAS INDUSTRY STANDARDS BOARD (GISB)

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

Version 1.4: 0.3.1, 1.1.17, 1.1.18, 1.1.19, 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.3.1, 1.3.2(v), 1.3.2(vi), 1.3.3, 1.3.4, 1.3.5, 1.3.8, 1.3.9, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49, 1.3.50, 1.3.51, 1.3.52, 1.3.53, 1.3.54, 1.3.55, 1.3.56, 1.3.57, 1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.79, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7, 2.2.1, 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.24, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.4.1, 3.4.2, 3.4.3, 3.4.4, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22, 4.1.23, 4.1.24, 4.1.25, 4.1.26, 4.1.27, 4.1.28, 4.1.29, 4.1.30, 4.1.31, 4.1.32, 4.1.33, 4.1.34, 4.1.35, 4.1.36, 4.1.37, 4.1.38, 4.2.1, 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, 4.3.1, 4.3.2, 4.3.3, 4.3.4, 4.3.5, 4.3.6, 4.3.7, 4.3.8, 4.3.9, 4.3.10, 4.3.11, 4.3.12, 4.3.13, 4.3.14, 4.3.15, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.37, 4.3.38, 4.3.39, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.56, 4.3.57, 4.3.58, 4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.63, 4.3.64, 4.3.65, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.70, 4.3.71, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.77, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 5.2.1, 5.3.1, 5.3.2, 5.3.3, 5.3.4, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 5.3.17, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.27, 5.3.28, 5.3.29, 5.3.30, 5.3.31, 5.3.32, 5.3.33, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.18, 5.4.19

GENERAL TERMS AND CONDITIONS (Continued)

21. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB)

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

Version 1.5: 0.3.1, 1.1.17, 1.1.18, 1.1.19, 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19, 1.3.1, 1.3.2(v), 1.3.2(vi), 1.3.3, 1.3.4, 1.3.5, 1.3.8, 1.3.9, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49, 1.3.50, 1.3.51, 1.3.52, 1.3.53, 1.3.54, 1.3.55, 1.3.56, 1.3.57, 1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.64, 1.3.65, 1.3.66, 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, 1.3.78, 1.3.79, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7, 2.2.1, 2.2.2, 2.2.3, 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.24, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.36, 2.3.37, 2.3.38, 2.3.39, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.49, 2.3.50, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, 2.4.16, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.4.1, 3.4.2, 3.4.3, 3.4.4, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22, 4.1.23, 4.1.24, 4.1.25, 4.1.26, 4.1.27, 4.1.28, 4.1.29, 4.1.30, 4.1.31, 4.1.32, 4.1.33, 4.1.34, 4.1.35, 4.1.36, 4.1.37, 4.1.38, 4.2.1, 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, 4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.6, 4.3.7, 4.3.8, 4.3.9, 4.3.10, 4.3.11, 4.3.12, 4.3.13, 4.3.14, 4.3.15, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.37, 4.3.38, 4.3.39, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.56, 4.3.57, 4.3.58, 4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.63, 4.3.64, 4.3.65, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.70, 4.3.71, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 5.2.1, 5.3.1, 5.3.2, 5.3.3, 5.3.4, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 5.3.17, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.27, 5.3.28, 5.3.29, 5.3.30, 5.3.31, 5.3.32, 5.3.33, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.43, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.18, 5.4.19

Effective Date: 05/01/2001 Status: Effective
FERC Docket: RP01-347-001

Sub. Original Sheet No. 129A Sub. Original Sheet No. 129A : Effective
Superseding: Original Sheet No. 129A

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

Effective Date: 08/01/1998 Status: Effective

FERC Docket: RP98-323-000

Original Sheet No. 130 Original Sheet No. 130 : Effective

GENERAL TERMS AND CONDITIONS
(continued)

20. Electronic Information

To the extent that Petal uses a numeric or other designation to represent information, an electronic cross-reference table between the numeric or other designation and the information represented shall be available at a cost not to exceed reasonable shipping and handling.

Petal shall maintain, for a period of three years, all information displayed and transactions conducted electronically under 18 C.F.R. 284.10 and be able to recover and regenerate all such electronic information and documents. Petal shall make this archived information available in electronic form for a reasonable fee.

Effective Date: 10/01/2002 Status: Pending
FERC Docket: RP02-435-000

First Revised Sheet No. 131 First Revised Sheet No. 131 : Pending
Superseding: Alternate Original Sheet No. 131

GENERAL TERMS AND CONDITIONS (Continued)

23. OPERATIONAL FLOW ORDER ("OFO")

- (a) Circumstances Warranting Issuance: Petal shall have the right to issue Operational Flow Orders (OFOs) as specified in this Section that require actions by Customers in order (1) to alleviate conditions that threaten the integrity of the system; (2) to maintain pipeline operations at the pressures required to provide efficient and reliable transportation services; (3) to have adequate gas supplies in the system to deliver on demand; (4) to maintain service to all firm Customers; and (5) to maintain the system in balance for the foregoing purposes.
- (b) Preliminary Notifications/Follow-up Reports: Petal shall provide, via posting on its Internet website, prior notice to all Customers of upcoming system events such as anticipated weather patterns and operational problems that may necessitate the issuance of an OFO. On a quarterly basis, Petal will provide every Customer that was affected by an OFO during the previous quarter a written report that details the underlying causes that warranted the issuance and lifting of the OFO during the quarter and explains why the actions required by the OFO were necessary to alleviate the identified problems.

GENERAL TERMS AND CONDITIONS (Continued)

- (e) Notice: NAESB Standard 5.3.34 (Version 1.5) states: Transportation Service Providers should provide affected parties with notification of intraday bumps, operational flow orders and other critical notices through the affected party's choice of Electronic Notice Delivery mechanism(s). NAESB Standard 5.2.2 (Version 1.5) states: "Electronic Notice Delivery" is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM. Pursuant to NAESB Standards 5.3.34 and 5.2.2, Petal shall issue notice of all OFOs to the affected Customer via e-mail or EDI/EDM, at the Customer's election, provided that Customer has provided Petal with an Internet E-mail address for such notices. In addition, Petal shall notify the affected Customer of issuance of an OFO via telephone. All OFO notices shall be subsequently posted on Petal's Internet website. The OFO will set forth (1) the time and date of issuance; (2) the actions Customer is required to take; (3) the time by which Customer must be in compliance with the OFO; (4) the anticipated duration of the OFO; and (5) any other terms that Petal may reasonably require to ensure the effectiveness of the OFO. Each Customer must designate one or more persons, but not more than 3 persons, for Petal to contact on operating matters at any time, on a 24-hour a day, 365-day a year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters. If Petal cannot contact any Customer because that party has failed to designate a contact person or Customer's contact person is unavailable, Petal shall not be responsible for any consequences that could have been prevented by communication. Petal, however, will make reasonable continuing efforts to notify the affected Customer.
- (f) Customer Compliance: A Customer must comply with an OFO within the time period set forth therein unless the Customer is able to demonstrate that such compliance (1) is not within the Customer's physical control or capability; (2) is prevented by operating conditions on a third party system that are beyond the Customer's control; (3) is precluded by contractual restrictions or the lack of any contract at all with persons other than Petal; and/or (4) is prevented due to a force majeure event as defined in Section 17 of Petal's General Terms and Conditions. The Customer shall make a good faith effort to comply with any such OFO, including seeking waivers of any contractual limits with third parties or modifications of operating conditions on third party systems. Customer shall notify Petal immediately if it believes that it is excused from compliance with the OFO for any of the above stated reasons and shall provide Petal with documentation sufficient to support its basis for non-compliance.
- (g) Penalties: If a Customer fails to comply with an OFO for any reason other than force majeure on an upstream or downstream pipeline, such Customer shall be: (a) liable for any damages, including, but not limited to direct, consequential, exemplary or punitive damages incurred by Petal or any other affected party as a result of such failure; and (b) subject to the following penalty for each MMBtu of gas associated with the quantity of gas that does not comply with such OFO:

Effective Date: 06/01/2002 Status: Effective

FERC Docket: GT02-25-000

Second Revised Sheet No. 139 Second Revised Sheet No. 139 : Effective
Superseding: First Revised Sheet No. 139

GENERAL TERMS AND CONDITIONS (Continued)

27. Non-Conforming Agreements

1. Southern Company Services, Inc., Firm Transportation Agreement dated April 12, 2002.
2. Southern Company Services, Inc., Firm Storage Service Agreement dated December 22, 2000.

GENERAL TERMS AND CONDITIONS (Continued)

28. Off-System Capacity

From time to time, Petal may enter into transportation and/or storage agreements and/or other approved types of services (such as Park and Loan) with other interstate and intrastate pipeline and storage companies or other third party providers of such services ("off-system capacity"). In the event that Petal acquires off-system capacity, Petal will use such capacity for operational reasons or to render service for its Customers. In the event that Petal uses off-system capacity to render service for its Customers, it will only render service to Customers on the acquired off-system capacity pursuant to Petal's FERC Gas Tariff and subject to Petal's approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 28, the "shipper must have title" requirement is waived.

Effective Date: 03/01/2003 Status: Effective

FERC Docket: RP03-242-000

Sheet Nos. 141 - 199 Sheet Nos. 141 - 199 : Effective

Sheet Nos. 141 through 199 are Reserved for Future Use.

Effective Date: 08/16/1999 Status: Effective
FERC Docket: RP99-443-000

Original Sheet No. 200 Original Sheet No. 200 : Effective

FORM OF FIRM STORAGE SERVICE AGREEMENT

THIS AGREEMENT made this ___ day of _____, _____, by and between Petal Gas Storage Company, a Delaware corporation (hereinafter called "Petal") and _____ (hereinafter called "Customer").

WITNESSETH: That in consideration of the mutual covenants herein contained, Petal and Customer agree that Petal will store natural gas for Customer during the term, at the rates and on the terms and conditions hereinafter provided.

ARTICLE I - SCOPE AND QUANTITIES

Beginning on the date on which storage service is commenced hereunder and thereafter for the remaining term of this Agreement, and subject to the provisions of Petal's FSS Rate Schedule, Petal agrees to receive, cause to be injected into storage for Customer's account, store, withdraw from storage, and deliver to Customer's transporter quantities of natural gas pursuant to Appendix 1 attached hereto.

ARTICLE II - RECEIPT AND DELIVERY POINTS

The point(s) at which the gas is to be tendered by Customer to Petal under this Agreement shall be appropriately designated as such on Appendix 1, as Receipt Point(s).

The point(s) at which the gas is to be tendered by Petal to Customer under this Agreement shall be appropriately designated as such on Appendix 1, as Delivery Point(s).

ARTICLE III PRICE

The prices to be charged Customer hereunder for the services are market based.

ARTICLE IV - FUEL REIMBURSEMENT

Customer shall pay a monthly charge for an amount of gas for fuel and losses as provided in Rate Schedule FSS and the General Terms and Conditions of Petal's FERC Gas Tariff.

Form of Firm Storage Service Agreement
(Continued)

ARTICLE V - TAXES AND REGULATORY FEES AND CHARGES

Customer shall reimburse Petal for all applicable taxes as may be assessed Petal for the receipt, injection, storage, withdrawal and/or delivery of Customer's gas. In addition, Customer shall reimburse Petal for Customer's pro rata portion of all ad valorem taxes, property taxes and/or other similar taxes. Customer shall also reimburse Petal for all fees and charges, as required by regulatory authorities, that are related to the service provided under this Agreement.

ARTICLE VI - TERM OF AGREEMENT

This Agreement shall be effective _____, _____, and shall remain in force and effect for _____ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of _____ each (the "Renewed Term") unless either party gives _____ days written notice to the other party prior to the end of the Primary Term or any Renewed Term thereafter.

ARTICLE VII NOMINATIONS

Petal shall use its best efforts to accept both verbal and electronic changes in nominations twenty-four (24) hours per day in order to accommodate Customer's requests for such changes. Such changes shall be made as soon as Petal can practically make such changes. Customer shall acknowledge such changes in writing or by telecopy within four hours of requesting such changes.

Petal shall maintain personnel and equipment available to receive and act upon nomination changes and confirmations twenty-four (24) hours per day, seven (7) days per week. In the event that Petal fails to obtain confirmation from Customer's Transporter of Customer's nomination, Petal shall notify Customer of such failure as soon as possible.

ARTICLE VIII - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

ARTICLE IX - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be tendered in accordance with Appendix 2 to this Agreement.

ARTICLE X - TRANSFER AND ASSIGNMENT

Any individual or entity which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Petal or Customer, as the case may be, shall be entitled to

Form of Firm Storage Service Agreement
(Continued)

the rights and shall be subject to the obligations of its predecessor in title under this Agreement. No assignment of this Agreement by either party or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party, which consent shall not be unreasonably delayed or withheld. Any release of Customer from its obligations hereunder shall be conditioned on the approval of Petal's lenders/note holders.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness without the written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of the respective authorized successors and assigns.

ARTICLE XI - LAW OF AGREEMENT

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

ARTICLE XII - MISCELLANEOUS

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.
2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of the Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.
3. Petal and Customer shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Petal reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file pleadings and motions (including motions for dismissal).
4. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules, and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

Effective Date: 08/16/1999 Status: Effective
FERC Docket: RP99-443-000

Original Sheet No. 203 Original Sheet No. 203 : Effective

Form of Firm Storage Service Agreement
(continued)

- 5. If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 6. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

ARTICLE XIII - PRIOR AGREEMENTS CANCELED

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

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in several counterparts by their authorized agents.

PETAL GAS STORAGE COMPANY [CUSTOMER]

By: _____ By: _____

Title: _____ Title: _____

Effective Date: 08/16/1999 Status: Effective
FERC Docket: RP99-443-000

Original Sheet No. 204 Original Sheet No. 204 : Effective

FORM OF INTERRUPTIBLE STORAGE SERVICE AGREEMENT

THIS AGREEMENT made this ___ day of _____, ___ by and between Petal Gas Storage Company, a Delaware corporation (hereinafter called "Petal") and _____ (hereinafter called "Customer").

WITNESSETH: That in consideration of the mutual covenants herein contained, Petal and Customer agree that Petal will store natural gas for Customer during the term, at the rates and on the terms and conditions hereinafter provided.

ARTICLE I - SCOPE AND QUANTITIES

Beginning on the date on which storage service is commenced hereunder and thereafter for the remaining term of this Agreement, and subject to the provisions of Petal's ISS Rate Schedule, Petal agrees to receive, cause to be injected into storage for Customer's account, store, withdraw from storage, and deliver to Customer's transporter quantities of natural gas pursuant to Appendix 1 attached hereto.

ARTICLE II - RECEIPT AND DELIVERY POINTS

The point(s) at which the gas is to be tendered by Customer to Petal under this Agreement shall be appropriately designated as such on Appendix 1, as Receipt Point(s).

The point(s) at which the gas is to be tendered by Petal to Customer under this Agreement shall be appropriately designated as such on Appendix 1, as Delivery Point(s).

ARTICLE III PRICE

The prices to be charged Customer hereunder for the services are market based.

ARTICLE IV - FUEL REIMBURSEMENT

Customer shall pay a monthly charge for an amount of gas for fuel and losses as provided in Rate Schedule ISS and the General Terms and Conditions of Petal's FERC Gas Tariff.

ARTICLE V - TAXES AND REGULATORY FEES AND CHARGES

Customer shall reimburse Petal for all applicable taxes as may be assessed Petal for the receipt, injection, storage, withdrawal and/or delivery of Customer's gas. In addition, Customer shall reimburse Petal for Customer's pro rata portion of all ad valorem taxes, property taxes and/or other similar taxes. Customer shall also reimburse Petal for all fees and charges, as required by regulatory authorities, that are related to the service provided under this Agreement.

Form of Interruptible Storage Service Agreement
(continued)

ARTICLE VI - TERM OF AGREEMENT

This Agreement shall be effective _____, _____, and shall remain in force and effect for _____ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of _____ each (the "Renewed Term") unless either party gives _____ days written notice to the other party prior to the end of the Primary Term or any Renewed Term thereafter.

ARTICLE VII NOMINATIONS

Petal shall use its best efforts to accept both verbal and electronic changes in nominations twenty-four (24) hours per day in order to accommodate Customer's requests for such changes. Such changes shall be made as soon as Petal can practically make such changes. Customer shall acknowledge such changes in writing or by telecopy within four hours of requesting such changes.

Petal shall maintain personnel and equipment available to receive and act upon nomination changes and confirmations twenty-four (24) hours per day, seven (7) days per week. In the event that Petal fails to obtain confirmation from Customer's Transporter of Customer's nomination, Petal shall notify Customer of such failure as soon as possible.

ARTICLE VIII - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

ARTICLE IX - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be tendered in accordance with Appendix 2 to this Agreement.

ARTICLE X - TRANSFER AND ASSIGNMENT

Any individual or entity which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Petal or 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. No assignment of this Agreement by either party or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party, which consent shall not be unreasonably delayed or withheld. Any release of Customer from its obligations hereunder shall be conditioned on the approval of Petal's lenders/note holders.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness without the written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of the respective authorized successors and assigns.

Form of Interruptible Storage Service Agreement
(continued)

ARTICLE XI - LAW OF AGREEMENT

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

ARTICLE XII - MISCELLANEOUS

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.
2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of the Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.
3. Petal and Customer shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Petal reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file pleadings and motions (including motions for dismissal).
4. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules, and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.
5. If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
6. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

Effective Date: 08/16/1999 Status: Effective

FERC Docket: RP99-443-000

Original Sheet No. 207 Original Sheet No. 207 : Effective

Form of Interruptible Storage Service Agreement
(continued)

ARTICLE XIII - PRIOR AGREEMENTS CANCELED

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

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in several counterparts by their authorized agents.

PETAL GAS STORAGE COMPANY [CUSTOMER]

By: _____

By: _____

Title: _____

Title: _____

Effective Date: 08/16/1999 Status: Effective
FERC Docket: RP99-443-000

Original Sheet No. 208 Original Sheet No. 208 : Effective

APPENDICES TO FORMS OF FIRM AND INTERRUPTIBLE STORAGE
SERVICE AGREEMENTS

APPENDIX 1 1/

QUANTITIES: (Insert volume in increments of MMBtu)

Maximum Storage Quantity (MSQ) _____

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

DELIVERY POINTS: Designate appropriate points, and volumes in MMBtu/Day.
(Aggregate volumes not to exceed MDWQ.)

CUSTOMER'S TRANSPORTING PIPELINE	VOLUME MMBTU/DAY	P/L STATION DESIGNATION
-------------------------------------	---------------------	----------------------------

Total Volume -

1/ Receipts and deliveries to or for the account of Customer at the receipt or the delivery point(s) shall be subject to the terms and conditions set forth in Petal's FERC Gas Tariff, as amended from time to time.

Effective Date: 08/16/1999 Status: Effective
FERC Docket: RP99-443-000

Original Sheet No. 209 Original Sheet No. 209 : Effective

Appendices to Forms of Firm and Interruptible
Storage Service Agreements
(continued)

RECEIPT POINTS: Designate appropriate points, and volumes in MMBtu/Day.
(Aggregate volumes not to exceed MDIQ.)

CUSTOMER'S TRANSPORTING PIPELINE	VOLUME MMBTU/DAY	P/L STATION DESIGNATION
-------------------------------------	---------------------	----------------------------

Total Volume -

OPERATING PARAMETERS:

Treatment of normally encountered operating conditions are addressed in the General Terms and Conditions of Petal's FERC Gas Tariff concerning Storage Operations, Scheduling, Point(s) of Receipt, Delivery, Transportation Quality, Title and Risk of Loss and Measurement, and others. Petal's anticipated level of performance is designed to meet "Normal Operating Conditions". In recognition thereof, the following operating circumstances unique to specifics of the Agreement and capable of impeding performance are identified:

OPERATIONAL IMPAIRMENTS:

(Identify operational impairments attendant to circumstances of requested service.)

Effective Date: 08/16/1999 Status: Effective
FERC Docket: RP99-443-000

Original Sheet No. 210 Original Sheet No. 210 : Effective

Appendices to Forms of Firm and Interruptible
Storage Service Agreements
(continued)

APPENDIX 2

CORRESPONDENCE, NOTICES, INVOICES, PAYMENT, DELIVERY, NOTIFICATION, AND
NOMINATIONS:

PETAL:

Correspondence, Notices, Invoices, and
Payment:
Petal Gas Storage Company
P. O. Box 21101
Shreveport, Louisiana 71120
Attention: David L. Hayden

Payments Shall Be Made via Wire Transfer To:

Credit: Account No. 552880092939
Bank One Louisiana N.A.
Shreveport, Louisiana
ABA No. 065400137
Petal Gas Storage Company

All Telephone Correspondence:

Telephone: (318) 677-5511
Facsimile: (318) 677-5515

Delivery, Notification, and Nominations:
Petal Gas Storage Company
Post Office Box 21101
Shreveport, Louisiana 71120
Attention: David L. Hayden

CUSTOMER:

Correspondence, Notices, Invoices and
Payment:

Effective Date: 08/16/1999 Status: Effective
FERC Docket: RP99-443-001

Sub. Original Sheet No. 211 Sub. Original Sheet No. 211 : Effective
Superseding: Original Sheet No. 211

Petal Gas Storage Company
FERC Gas Tariff
Original Volume No. 1

Sub. Original Sheet No. 211

CANCELLATION OF FORM OF SALES SERVICE AGREEMENT

Notice is hereby given that effective August, 16, 1999, the Form of Sales Service Agreement constituting Original Sheet Nos. 211, 212, 213, and 214 of the FERC Gas Tariff of Petal Gas Storage Company is to be canceled.

FORM OF ADVANCING SERVICE AGREEMENT

THIS AGREEMENT made this ____ day of _____, ____ by and between Petal Gas Storage, L.L.C., a Delaware limited liability corporation (hereinafter called "Petal") and _____ (hereinafter called "Customer").

WITNESSETH

That in consideration of the mutual covenants herein contained, Petal and Customer agree that Petal will advance natural gas for Customer during the term, at the rates and on the terms and conditions hereinafter provided.

ARTICLE I - SCOPE AND QUANTITIES

1. Petal's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental organizations, in a manner and form acceptable to Petal.
2. Subject to the terms and conditions of this Agreement and Appendix 1 attached hereto, Petal, upon Customer's request, may deliver or cause to be delivered to Customer on an interruptible basis, Gas up to the Maximum Advancing Quantity, less Petal's Fuel Reimbursement.
3. Subject to the terms and conditions of this Agreement and Appendix 1 attached hereto, Customer agrees to redeliver or cause to be redelivered Equivalent Quantities of Gas up to the Advancing Account Balance plus Petal's Fuel Reimbursement.

ARTICLE II - DELIVERY AND RECEIPT POINTS

The point(s) at which the gas is to be tendered by Petal to Customer under this Agreement shall be appropriately designated as such on Appendix 1, as Delivery Point(s).

The point(s) at which the gas is to be tendered by Customer to Petal under this Agreement shall be appropriately designated as such on Appendix 1, as Receipt Point(s).

FORM OF ADVANCING SERVICE AGREEMENT (Continued)

ARTICLE III PRICE

The prices to be charged Customer hereunder for the services are market based.

ARTICLE IV - FUEL REIMBURSEMENT

Customer shall pay a monthly charge for an amount of gas for fuel and losses as provided in Rate Schedule AS and the General Terms and Conditions of Petal's FERC Gas Tariff.

ARTICLE V - TAXES AND REGULATORY FEES AND CHARGES

Customer shall reimburse Petal for all applicable taxes as may be assessed Petal for the receipt, injection, storage, withdrawal and/or delivery of Customer's gas. In addition, Customer shall reimburse Petal for Customer's pro rata portion of all ad valorem taxes, property taxes and/or other similar taxes. Customer shall also reimburse Petal for all fees and charges, as required by regulatory authorities, that are related to the service provided under this Agreement.

ARTICLE VI - TERM OF AGREEMENT

This Agreement shall be effective _____, _____, and shall remain in force and effect for _____ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of _____ each (the "Renewed Term") unless either party gives _____ days written notice to the other party prior to the end of the Primary Term or any Renewed Term thereafter.

ARTICLE VII - NOMINATIONS

Petal shall use its best efforts to accept both verbal and electronic changes in nominations twenty-four (24) hours per day in order to accommodate Customer's requests for such changes. Such changes shall be made as soon as Petal can practically make such changes. Customer shall acknowledge such changes in writing or by telephone within four hours of requesting such changes.

Effective Date: 06/01/2002 Status: Effective
FERC Docket: RP02-332-000

First Revised Sheet No. 217 First Revised Sheet No. 217 : Effective

FORM OF ADVANCING SERVICE AGREEMENT (Continued)

Petal shall maintain personnel and equipment available to receive and act upon nomination changes and confirmations twenty-four (24) hours per day, seven (7) days per week. In the event that Petal fails to obtain confirmation from Customer's Transporter of Customer's nomination, Petal shall notify Customer of such failure as soon as possible.

ARTICLE VIII - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

ARTICLE IX - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be tendered in accordance with Appendix 2 to this Agreement.

ARTICLE X - TRANSFER AND ASSIGNMENT

Any individual or entity which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Petal or 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. No assignment of this Agreement by either party or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party, which consent shall not be unreasonably delayed or withheld. Any release of Customer from its obligations hereunder shall be conditioned on the approval of Petal's lenders/note holders.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness without the written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of the respective authorized successors and assigns.

FORM OF ADVANCING SERVICE AGREEMENT (Continued)

ARTICLE XI - LAW OF AGREEMENT

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

ARTICLE XII - MISCELLANEOUS

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.
2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of the Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.
3. Petal and Customer shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Petal reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file pleadings and motions (including motions for dismissal).
4. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules, and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.
5. If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

Effective Date: 06/01/2002 Status: Effective
FERC Docket: RP02-332-000

First Revised Sheet No. 219 First Revised Sheet No. 219 : Effective

FORM OF ADVANCING SERVICE AGREEMENT (Continued)

6. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

ARTICLE XIII - PRIOR AGREEMENTS CANCELED

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

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in several counterparts by their authorized agents.

PETAL GAS STORAGE, L.L.C.

[CUSTOMER]

By: _____

By: _____

Title: _____

Title: _____

Effective Date: 06/01/2002 Status: Effective
FERC Docket: RP02-332-000

First Revised Sheet No. 220 First Revised Sheet No. 220 : Effective

APPENDICES TO FORM OF ADVANCING SERVICE AGREEMENT

APPENDIX 1

QUANTITIES: (Insert volume in increments of MMBtu)

Maximum Advancing Quantity (MAQ) _____
Maximum Daily Injection Quantity (MDIQ) _____
Maximum Daily Withdrawal Quantity (MDWQ) _____

DELIVERY POINTS: Designate appropriate points, and volumes in MMBtu/Day.
(Aggregate volumes not to exceed MDWQ.)

CUSTOMER'S TRANSPORTING PIPELINE	VOLUME MMBTU/DAY	P/L STATION DESIGNATION
-------------------------------------	---------------------	----------------------------

Total Volume -

RECEIPT POINTS: Designate appropriate points, and volumes in MMBtu/Day.
(Aggregate volumes not to exceed MDIQ.)

CUSTOMER'S TRANSPORTING PIPELINE	VOLUME MMBTU/DAY	P/L STATION DESIGNATION
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Total Volume -

Effective Date: 06/01/2002 Status: Effective
FERC Docket: RP02-332-000

First Revised Sheet No. 221 First Revised Sheet No. 221 : Effective

APPENDICES TO FORM OF ADVANCING SERVICE AGREEMENT (Continued)

OPERATING PARAMETERS:

Treatment of normally encountered operating conditions are addressed in the General Terms and Conditions of Petal's FERC Gas Tariff concerning Storage Operations, Scheduling, Point(s) of Receipt, Delivery, Transportation Quality, Title and Risk of Loss and Measurement, and others. Petal's anticipated level of performance is designed to meet "Normal Operating Conditions." In recognition thereof, the following operating circumstances unique to specifics of the Agreement and capable of impeding performance are identified:

OPERATIONAL IMPAIRMENTS:

(Identify operational impairments attendant to circumstances of requested service.)

Effective Date: 06/01/2002 Status: Effective

FERC Docket: RP02-332-000

First Revised Sheet No. 222 First Revised Sheet No. 222 : Effective

APPENDICES TO FORM OF ADVANCING SERVICE AGREEMENT (Continued)

APPENDIX 2

CORRESPONDENCE, NOTICES, INVOICES, PAYMENT,
DELIVERY, NOTIFICATION, AND NOMINATIONS:

PETAL:

Correspondence, Notices, Invoices, and Payment:

Petal Gas Storage, L.L.C.
P. O. Box 21101
Shreveport, Louisiana 71120
Attention: David L. Hayden

Payments Shall Be Made via Wire Transfer To:

Credit: Account No. 8188202747
Bank of America
Chicago, Illinois
ABA No. 071000039
Petal Gas Storage, L.L.C.

All Telephone Correspondence:

Telephone: (318) 677-5511
Facsimile: (318) 677-5515

Delivery, Notification, and Nominations:

Petal Gas Storage, L.L.C.
Post Office Box 21101
Shreveport, Louisiana 71120
Attention: David L. Hayden

