

# Non-binding Request for Interest Firm Storage Service Jefferson Island Storage & Hub, L.L.C.

Jefferson Island Storage & Hub, L.L.C. (JISH), an indirect wholly owned subsidiary of AGL Resources Inc., will conduct a non-binding Request for Interest for up to .5 million Dekatherms (Dth) of Firm Storage Service. The capacity will be available beginning July 1, 2011. While JISH will consider requests for contract term of any length, a minimum contract duration of at least 21 months (expires March 31, 2013) is preferred.

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## **Process Information and Guidelines**

### **Non-binding Request for Interest Period**

The non-binding Request for Interest will begin at 10:00 a.m. CST on Wednesday, June 1, 2011, and will end at 5:00 p.m. CST on Thursday, June 9, 2011.

### **Bids**

Participants are invited to express their interest by completing the accompanying Request for Interest Form (Appendix A) and submitting by e-mail, U.S. mail or facsimile to:

Jefferson Island Storage & Hub, L.L.C.  
Attention: John Pellegrin  
1200 Smith Street, Suite 900  
Houston, Texas 77002  
Fax: 832-397-3713  
Email: [jpelle@aglresources.com](mailto:jpelle@aglresources.com)

Website: <http://www.pivotalenergydev.com/Commercial-Operations/JISH-Storage-Capacity-Bids.aspx>

Questions concerning this non-binding Request for Interest should be directed to:

John Pellegrin  
Phone: 832-397-3881  
Fax: 832-397-3713  
[jpelle@aglresources.com](mailto:jpelle@aglresources.com)

Additional information can be found at <http://www.gasnom.com/ip/jeffersonisland/>

The Request for Interest Form requires bidders to provide the following:

- Potential Customer's name, address, representative telephone number, e-mail
- Maximum Storage Quantity (MSQ)
- Maximum Daily Injection Quantity (MDIQ) subject to injection ratchets discussed below.
- Maximum Daily Withdrawal Quantity (MDWQ)

- Term of Service (beginning July 1, 2011)
- Space Reservation Rate: \$/Dth/Month of MSQ
- Injection Rate (\$/Dth for injection quantities)
- Withdrawal Rate (\$/Dth for withdrawal quantities)
- Fuel: Standard fuel is 1.5% and applies to quantities injected
- Participants may submit multiple bids. Please complete a separate Request for Interest Form (Appendix A) for each bid.
- Primary Receipt and Delivery Points may be chosen from the table below. Total quantities for receipt and delivery must be equal to requested MDIQ and MDWQ quantities respectively.

<u>JISH Interconnect</u>	<u>Total Nominal Meter Capacity</u>	<u>Meter Functionality</u>
Crosstex LIG	250,000 Dth/d	Bi-directional
Texas Gas (Z-SL)	280,000 Dth/d	Bi-directional
Columbia Gulf (Onshore)	323,200 Dth/d	Bi-directional
Tennessee (Z-L, 800)	311,948 Dth/d	Bi-directional
Sea Robin	212,436 Dth/d	Receipt to JISH
NGPL (La.)	295,830 Dth/d	Bi-directional
Gulf South (Z 2)	200,000 Dth/d	Bi-directional
Sabine Pipeline (Henry Hub)	450,000 Dth/d	Bi-directional
Trunkline (E. La.)	250,000 Dth/d	Bi-directional

#### **Ratchets (Injection)**

Standard Ratchets on injections are detailed below:

<u>Percentage Inventory</u>	<u>Injection Capacity</u>
0-40%	100%
41-60%	80%
61-80%	67%
> 80%	50%

#### **Bid Evaluation and Contracting**

Should the service/commercial parameters submitted in a participant's indication of interest be considered acceptable to JISH, in its sole discretion, JISH will commence further discussions with the participant for confirmation of service levels and commercial terms with the objective of executing a Firm Storage Service Agreement. Execution of a Firm Storage Service Agreement is contingent on a satisfactory credit appraisal by JISH pursuant to Article 3.2.6 of JISH's Statement of Operating Terms and Conditions.

JISH reserves the right, in its sole discretion, to accept late submittals. Further, JISH reserves the right to reject any and all bids, in its sole discretion.

No legally binding obligation will be created unless all necessary corporate authorizations of participant and JISH are obtained, and a definitive Firm Storage Service Agreement has been executed by both parties.