

**AGREEMENT FOR NGPA SECTION 311 FIRM STORAGE SERVICE**

**BETWEEN**

**JEFFERSON ISLAND STORAGE & HUB, L.L.C.**

**AND**

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**DATE OF AGREEMENT**

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## **AGREEMENT FOR NGPA SECTION 311 FIRM STORAGE SERVICE**

**THIS AGREEMENT FOR NGPA SECTION 311 FIRM STORAGE SERVICE (“SERVICE AGREEMENT”)** made and entered into as of this \_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_, by and between **JEFFERSON ISLAND STORAGE & HUB, L.L.C.**, a Delaware corporation, hereinafter referred to as “Jefferson Island” and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as “Customer,” individually referred to as “party” and both sometimes collectively hereinafter referred to as the “parties.”

### **ARTICLE I - SCOPE OF SERVICE AGREEMENT**

- 1.1 Jefferson Island will provide to Customer on a Firm Basis, reservation of capacity in the Storage Facilities, receipt, injection, storage, withdrawal, and delivery of Customer’s Gas at Jefferson Island’s Storage Facilities in accordance with this Service Agreement and Jefferson Island’s “Statement of Operating Terms and Conditions for Services Rendered Pursuant to Section 311 Of The Natural Gas Policy Act Of 1978 And The Rules and Regulations Adopted Thereunder” (the “SOTC”) as filed with the Federal Energy Regulatory Commission (“FERC”) attached hereto as Exhibit A as may be amended by Jefferson Island from time to time without prior notice to Customer.
- 1.2 The Service Agreement expressly incorporates the SOTC and the provisions contained in Exhibit B attached hereto (hereinafter collectively referred to as the “Service Agreement,” except where the context requires otherwise). The terms set forth in Exhibit B shall be in effect for the term of this Service Agreement and may only be amended by a replacement Exhibit B with each party’s written agreement to such amendment. Each Exhibit B shall be numbered in consecutive order from “B-1” through B-n” and shall supersede the previous Exhibit “B-n.” The term of any replacement Exhibit B will not exceed the term set forth in Article IV herein.
- 1.3 Firm Storage Service is provided under the terms of this Service Agreement pursuant to Section 311 (a) (2) of the Natural Gas Policy Act of 1978 (NGPA) and, accordingly, such service can be rendered without the prior approval of the FERC. Firm Storage Service is offered and provided under the Service Agreement solely to the extent that service will not cause Jefferson Island to become regulated as a “Natural Gas Company” within the meaning of the Natural Gas Act of 1938, as subsequently amended.

### **ARTICLE II - FIRM STORAGE SERVICE**

- 2.1 Jefferson Island shall provide storage service on a Firm Basis at the Storage Facilities for Customer, which service shall include the reservation of capacity in the Storage Facilities, on a Firm Basis, sufficient to enable Customer to inject gas into, withdraw gas from, and store gas in the Storage Facilities, in quantities up to

the maximum quantities set forth in Exhibit B pursuant to Section 7.2.1 of the SOTC.

- 2.2 All Firm Storage Service provided to Customer is subject to Jefferson Island's reasonable determination of the creditworthiness of Customer pursuant to Sections 3.2.6 and 3.3 of the SOTC.
- 2.3 The terms of this Service Agreement prepared pursuant hereto, including but not limited to the applicable charges, quantity, and all other material terms, shall be kept confidential by the parties hereto, except to the extent that any information must be disclosed (i) to a third party for the purpose of effectuating transportation of Gas subject to this Service Agreement, (ii) to meet New York Mercantile Exchange requirements or regulatory filing requirements, or (iii) as otherwise required by law.
- 2.4 Customer represents and warrants that it is receiving Firm Storage Service on behalf of an interstate pipeline or local distribution company served by an interstate pipeline, pursuant to 18 C.F.R. §284.122(d).

### **ARTICLE III – FIRM STORAGE SERVICE CHARGES**

- 3.1 The rates for Firm Storage Service performed under this Service Agreement shall be as set forth in Exhibit B pursuant to Section 7.2.2 of the SOTC. Such rates shall be as agreed upon by Jefferson Island and Customer pursuant to Jefferson Island's market-based rate authority set forth in Section 6.1 of the SOTC.
- 3.2 Customer agrees to pay Jefferson Island the charges for all Firm Storage Service furnished to Customer hereunder as set forth in Exhibit B.
- 3.3 Where applicable, Customer agrees to pay Jefferson Island in kind or in dollars for Fuel as set forth in Exhibit B.
- 3.4 Customer further agrees to pay Jefferson Island all other applicable fees and other charges including penalties as described in the SOTC to the extent applicable to any Firm Storage Service.

### **ARTICLE IV - POINT(S) OF RECEIPT AND DELIVERY**

- 4.1 The individual Point(s) of Receipt for all gas, including Working Gas and Fuel, to be tendered by Customer to Jefferson Island for injection into the Storage Facilities shall be as set forth on Exhibit B. The Maximum Daily Injection Quantity that Jefferson Island is obligated to receive from Customer at each individual Point of Receipt shall not exceed the maximum stated thereon for that point and in total.
- 4.2 The individual Point(s) of Delivery for all gas to be tendered by Jefferson Island to Customer for delivery pursuant to the terms hereof shall be as set forth on

Exhibit B. The Maximum Daily Withdrawal Quantity that Jefferson Island is obligated to deliver to Customer at each such Point of Delivery shall not exceed the maximum stated thereon for that point and in total.

**ARTICLE V - CORRESPONDENCE**

5.1 Any correspondence between Jefferson Island and Customer applicable to this Service Agreement shall be made pursuant to Section 16.1 of the SOTC.

**CUSTOMER:**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Attn: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**BILLING AND ACCOUNTING ISSUES TO CUSTOMER:**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Attn: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**ARTICLE VI – TERM**

6.1 This Service Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall remain in force until \_\_\_\_\_, 20\_\_\_\_. The obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of this Service Agreement.

**ARTICLE VII – ABANDONMENT**

7.1 The parties recognize and take cognizance of the fact that this Service Agreement will expire and terminate ipso facto for all purposes on the termination date referenced in Article VI of this Service Agreement or such earlier date as provided in other provisions of this Service Agreement, (hereinafter "Termination Date"), pursuant to the terms and conditions hereof.

- 7.2 Notwithstanding the foregoing, and in no way affecting the agreement of the parties as set out in the preceding paragraph, if this Service Agreement becomes subject to regulation and the parties, despite their mutual efforts, are prohibited from abandoning or terminating the Service Agreement, or any of the services and/or facilities connected herewith on the Termination Date, all of the terms and conditions of this Service Agreement shall apply to any continued service.

#### **ARTICLE VIII – ASSIGNMENT**

- 8.1 Assignment of this Service Agreement is subject to the terms and conditions of Section 17.1 of the SOTC.

#### **ARTICLE IX – LAW OF AGREEMENT**

- 9.1 This Service Agreement shall be governed by and construed, enforced, and performed in accordance with the law of the State of Texas, without regard to principles of conflicts of law.

#### **ARTICLE X – MISCELLANEOUS**

- 10.1 The descriptive headings of the provisions of this Service Agreement are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provisions.
- 10.2 All other capitalized words used in this Service Agreement that are not expressly defined herein shall have the meanings set forth in the SOTC, as such SOTC may be amended from time-to-time.
- 10.3 IN NO EVENT SHALL JEFFERSON ISLAND OR CUSTOMER BE LIABLE HEREUNDER TO THE OTHER AT ANY TIME FOR ANY EXEMPLARY, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES OF ANY KIND, INCLUDING LOSS OF PROFIT, LOSS OF REVENUE OR ANY OTHER SPECIAL OR INCIDENTAL DAMAGES, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. NOR SHALL THIS AGREEMENT CONFER THIRD PARTY BENEFICIARY STATUS ON ANY ENTITY.

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

ACCEPTED AND AGREED THIS  
\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_

ACCEPTED AND AGREED THIS  
\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_

**JEFFERSON ISLAND STORAGE  
& HUB, L.L.C.**

**CUSTOMER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**JEFFERSON ISLAND STORAGE & HUB, L.L.C.**

**STATEMENT OF OPERATING TERMS AND CONDITIONS  
FOR SERVICES RENDERED PURSUANT TO  
SECTION 311 OF THE NATURAL GAS POLICY ACT OF 1978 AND THE  
RULES AND REGULATIONS ADOPTED THEREUNDER ("SOTC")**

