

**AGREEMENT FOR NGPA SECTION 311 HUB SERVICES**

**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 HUB SERVICES**

**THIS AGREEMENT FOR NGPA SECTION 311 HUB SERVICES (“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 an Interruptible Basis, Parking Service, Loan Service, Wheeling, Imbalance Trading, Overrun, and/or Title Transfers as applicable (“Hub Services”) 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”) 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 written provisions contained in the confirmation letters that may be executed by the parties from time to time, the form of which is attached hereto as Exhibit B, hereinafter referred to as “Confirmation Letter” (hereinafter collectively referred to as the “Service Agreement,” except where the context requires otherwise).
- 1.3 Hub Services are 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 services can be rendered without the prior approval of the Federal Energy Regulatory Commission (FERC). Hub Services are offered and provided under the Service Agreement solely to the extent such services 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 - HUB SERVICES**

- 2.1 From time to time, Customer may request Jefferson Island to provide one or more Hub Services under this Service Agreement by submitting a Transaction Request to Jefferson Island pursuant to Section 7.3.1.7 of the SOTC. Upon successful negotiation with Customer, Jefferson Island will issue confirmation of its acceptance of such Transaction Request in the form of a Confirmation Letter also pursuant to Section 7.3.1.7 of the SOTC. Each individual type of Hub Service requested by Customer will require a separate Confirmation Letter.

- 2.2 Jefferson Island shall provide, on an Interruptible Basis, the Hub Service specified on each Confirmation Letter, up to the Maximum Quantities specified thereon, and as allocated to the individual Points of Receipt and Delivery specified thereon.
- 2.3 All Hub Services provided to Customer are subject to Jefferson Island's reasonable determination of the creditworthiness of Customer pursuant to Sections 3.2.6 and 3.3 of the SOTC.
- 2.4 The terms of a Confirmation Letter 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.
- 2.5 Customer represents and warrants that it is receiving these Hub Services 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 – HUB SERVICES CHARGES**

- 3.1 The rates for Hub Services performed under this Service Agreement shall be as set forth in each Confirmation Letter. 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 Hub Services furnished to Customer hereunder as set forth in each Confirmation Letter.
- 3.3 Where applicable, Customer agrees to pay Jefferson Island in kind or in dollars for Fuel as set forth in each Confirmation Letter.
- 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 Hub Service.

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

- 4.1 The 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 specified on each Confirmation Letter. 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 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 specified on each Confirmation Letter. 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 and effect on a Month to Month basis unless terminated by either party upon at least thirty (30) days prior written notice to the other party, but shall remain in effect until the expiration of the term(s) of any Confirmation Letter(s). 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 paragraphs, if this Service Agreement becomes subject to regulation and the parties, despite their mutual efforts, are prohibited from abandoning or terminating said Service Agreement, or any of the services and/or facilities connected herewith on said 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 included in the SOTC, as such SOTC may be amended from time-to-time.
- 10.3 IN NO EVENT SHALL EITHER JEFFERSON ISLAND OR CUSTOMER BE LIABLE 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")**

**EXHIBIT B**  
**Confirmation Letter Applicable To**  
**Agreement for NGPA Section 311 Hub Services**  
**NUMBER: XXX\_XXXXXX\_XXXX**

Deal Date: MM/DD/YYYY

**CONTRACT TYPE: INTER**  
**CONTRACT #:**

**CUSTOMER:**

X Customer Name  
**Attention: X**  
X Address  
X City, State Zip  
**Facsimile: XXX-XXX-XXXX**

**JEFFERSON ISLAND:**

Jefferson Island Storage & Hub, L.L.C.  
Representative: XX  
1200 Smith Street, Suite 900  
Houston, TX 77002  
Phone: 832-397-1700  
Facsimile: 832-397-3713

**NGPA SECTION 311 HUB SERVICE (Parking, Loan, Wheeling, Overrun, Imbalance Trading, or Title Transfer)**

X\*

\*Interruptible Services

**MAXIMUM QUANTITY**

Up to x MMBtu/day

**TERM**

Commence: MM/DD/YYYY  
Terminate: MM/DD/YYYY

**SERVICE CHARGES**

Fees:	Fee (per MMBtu)	Fuel (%)
<input checked="" type="checkbox"/> X Fee: \$X	\$X	X%

**POINTS OF DELIVERY**

Pipeline X

**MDWQ**

    X    

**POINTS OF RECEIPT**

Pipeline X

**MDIQ**

    X    

**OTHER TERMS AND CONDITIONS**

This teletcopy shall confirm the verbal agreement reached between Customer and Jefferson Island to proceed with the receipt, injection, storage, withdrawal and delivery of certain volumes of Gas pursuant to the above general terms and shall incorporate the terms and conditions of the Service Agreement entered into between the Parties and the SOTC.

Please acknowledge receipt and acceptance of the above terms by signing below and returning by telefax as soon as possible to Jefferson Island. This Confirmation Letter is binding upon the parties unless Jefferson Island or Customer is notified of a dispute with all or a portion hereof within 24 hours after receipt hereof.

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

**CUSTOMER**

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

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

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_