FERC GAS TARIFF

FIRST REVISED VOLUME NO. 1

of

TRES PALACIOS GAS STORAGE LLC

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

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FERC GAS TARIFF
ORIGINAL VOLUME NO. 1
OF
TRES PALACIOS GAS STORAGE LLC
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2.0 PRELIMINARY STATEMENT

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

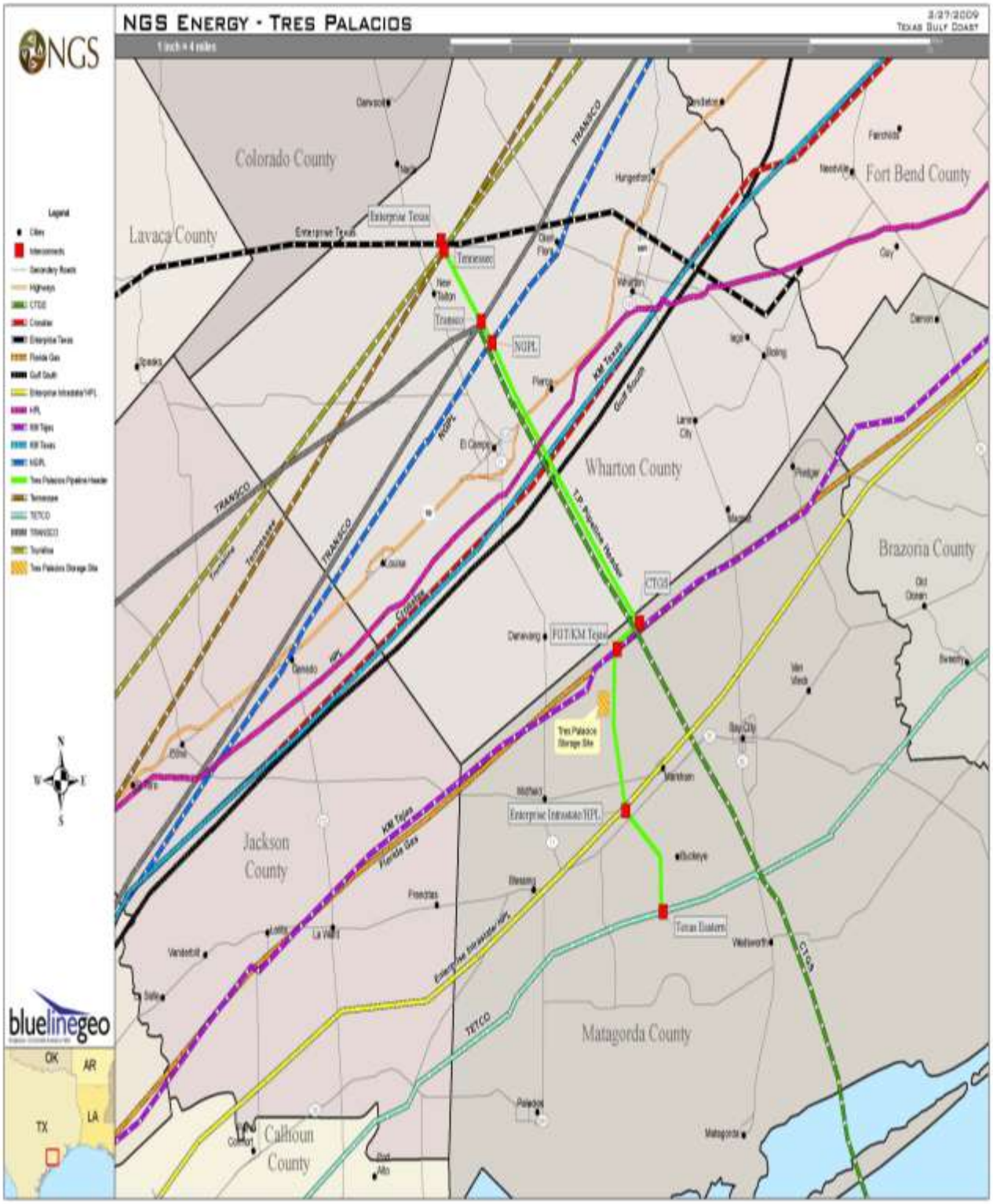
TRES PALACIOS will charge and collect market-based rates for all of the services it performs. These market-based rates will cover all storage and storage-related transportation services TRES PALACIOS renders.

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

Transcontinental Gas Pipe Line Company, LLC
Florida Gas Transmission Company, LLC
Tennessee Gas Pipeline Company
Texas Eastern Transmission, L.P.
Enterprise Texas Pipeline L.P.
Enterprise Intrastate L.P.
Natural Gas Pipeline Company of America
Kinder Morgan Tejas Pipeline, L.P.
Central Texas Gathering System

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

3.0 MAP OF SYSTEM



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4.10 EIWS RATE STATEMENT - ENHANCED INTERRUPTIBLE WHEELING SERVICE

4.11 ACA UNIT CHARGE

4.1 FSS RATE STATEMENT - FIRM STORAGE SERVICE*

	RATE	UNITS
Storage Reservation Charge	Market Based/ Negotiable	$/Dth/Month

Payment shall be equal to the Storage Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Storage Quantity.

Withdrawal Reservation Charge	Market Based/ Negotiable	$/Dth/Month

Payment shall be equal to the Withdrawal Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Daily Withdrawal Quantity

Injection Reservation Charge	Market Based/ Negotiable	$/Dth/Month

Payment shall be equal to the Injection Reservation Charge specified in Customer's executed Firm Storage Service Agreement multiplied by Customer's Maximum Daily Injection Quantity

Storage Injection Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Injection Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

Storage Withdrawal Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Firm Storage Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Firm Storage Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Firm Storage Service Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

*All quantities of Gas are measured in Dekatherms (Dth).

4.2 NNSS RATE STATEMENT - NO-NOTICE STORAGE SERVICE*

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

Payment shall be equal to the No-Notice Reservation Charge specified in Customer's No-Notice Storage Service Agreement multiplied by Customer's No-Notice Maximum Daily Quantity.

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

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the No-Notice Storage Service Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

*All quantities of Gas are measured in Dekatherms (Dth).

4.3 FP RATE STATEMENT - FIRM PARKING SERVICE*

	RATE	UNITS
Firm Parking Reservation Charge	Market Based/ Negotiable	$/Dth/Month

Payment shall be equal to the Firm Parking Reservation Charge specified in Customer's executed Firm Parking Service Agreement multiplied by Customer's Maximum Parking Quantity.

Firm Parking Injection Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Firm Parking Injection Charge specified in Customer's executed Firm Parking Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

Firm Parking Withdrawal Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Firm Parking Withdrawal Charge specified in Customer's executed Firm Parking Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Firm Parking Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Firm Parking Service Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

*All quantities of Gas are measured in Dekatherms (Dth).

4.4 FL RATE STATEMENT - FIRM LOAN SERVICE*

	RATE	UNITS
Firm Loan Reservation Charge	Market Based/ Negotiable	$/Dth/Month

Payment shall be equal to the Firm Loan Reservation Charge specified in Customer's executed Firm Loan Service Agreement multiplied by Customer's Maximum Loan Quantity.

Firm Loan Injection Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Firm Loan Injection Charge specified in Customer's executed Firm Loan Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

Firm Loan Withdrawal Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Firm Loan Withdrawal Charge specified in Customer's executed Firm Loan Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Firm Loan Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Firm Loan Service Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

*All quantities of Gas are measured in Dekatherms (Dth).

4.5 ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE*

	RATE	UNITS
Storage Inventory Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Inventory Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity of Customer's Storage Inventory at the end of each Day, such amounts summed for all Days in a given Month.

Storage Injection Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Injection Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

Storage Withdrawal Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Interruptible Storage Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Interruptible Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Interruptible Storage Service Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

* All quantities of Gas are measured in Dekatherms (Dth).

4.6 IHBS RATE STATEMENT - INTERRUPTIBLE HOURLY BALANCING SERVICE*

	RATE	UNITS
Hourly Balancing Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Hourly Balancing Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth of Customer's hourly balancing quantity, such amounts summed for all hours in a given Month.

Storage Inventory Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Inventory Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth quantity of Customer's Storage Inventory at the end of each Day, such amounts summed for all Days in a given Month.

Storage Injection Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Injection Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth quantity Customer shall have delivered to TRES PALACIOS for injection into storage for each Day during a given Month.

Storage Withdrawal Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's executed Interruptible Hourly Balancing Service Agreement multiplied by the Dth quantity TRES PALACIOS shall have withdrawn from storage for Customer's account for each Day during a given Month.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Interruptible Hourly Balancing Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Interruptible Hourly Balancing Service Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

* All quantities of Gas are measured in Dekatherms (Dth).

4.7 IP RATE STATEMENT - INTERRUPTIBLE PARKING SERVICE

	RATE	UNITS
Interruptible Parking Charge	Market Based/ Negotiable	$/Dth
Interruptible Parking Injection Charge	Market Based/ Negotiable	$/Dth
Interruptible Parking Withdrawal Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Interruptible Parking Charge multiplied by the Dth quantity of Customer's Park Balance at the end of each Day, such amounts summed for all Days in a given Month, plus the Interruptible Parking Injection Charge multiplied by the quantity injected, plus the Interruptible Parking Withdrawal Charge multiplied by the quantity withdrawn, as applicable and specified in the Customer's Hub Services Agreement.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Customer's Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

* All quantities of Gas are measured in Dekatherms (Dth).

4.8 IW RATE STATEMENT - INTERRUPTIBLE WHEELING SERVICE*

	RATE	UNITS
Interruptible Wheeling Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Interruptible Wheeling Charge multiplied by the Dth quantity TRES PALACIOS shall have wheeled for Customer during a given invoice period, as specified in the Customer's Hub Services Agreement.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Customer's Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

* All quantities of Gas are measured in Dekatherms (Dth).

4.9 IL RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE*

	RATE	UNITS
Interruptible Loan Charge	Market Based/ Negotiable	$/Dth
Interruptible Loan Injection Charge	Market Based/ Negotiable	$/Dth
Interruptible Loan Withdrawal Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Interruptible Loan Charge multiplied by the Dth quantity of Customer's Loan Balance at the end of each Day, such amounts summed for all Days in a given Month, plus the Interruptible Loan Injection Charge multiplied by the quantity TRES PALACIOS shall have injected for Customer's account, plus the Interruptible Loan Withdrawal Charge multiplied by the quantity TRES PALACIOS shall have withdrawn for Customer's account, as applicable and specified in the Customer's Hub Services Agreement.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Customer's Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

* All quantities of Gas are measured in Dekatherms (Dth).

4.10 EIWS RATE STATEMENT – ENHANCED INTERRUPTIBLE WHEELING SERVICE*

	RATE	UNITS
Enhanced Interruptible Wheeling Capacity Charge	Market Based/ Negotiable	$/Dth/Month or $/Dth/Day

Payment shall be equal to either (i) the Monthly Enhanced Interruptible Wheeling Capacity Charge specified in Customer's Hub Services Agreement multiplied by Customer's Maximum Daily Wheeling Quantity or (ii) the sum for all Days of service during a given Month of the product of the Daily Enhanced Interruptible Wheeling Capacity Charge specified in Customer's Hub Services Agreement and Customer's Maximum Daily Wheeling Quantity.

Enhanced Interruptible Wheeling Commodity Charge	Market Based/ Negotiable	$/Dth

Payment shall be equal to the Enhanced Interruptible Wheeling Commodity Charge specified in Customer's executed Hub Services Agreement multiplied by the Dth quantity TRES PALACIOS shall have wheeled for Customer during a given invoice period.

Fuel Reimbursement	Market Based/ Negotiable	In Kind %

This amount of Gas shall be reimbursed by Customer in kind, as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff and the Customer's executed Hub Services Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in either the General Terms and Conditions of this FERC Gas Tariff or the Customer's Hub Services Agreement and all other applicable surcharges, including, but not limited to, ACA charges.

* All quantities of Gas are measured in Dekatherms (Dth).

4.11 ACA UNIT CHARGE

	RATE	UNITS
ACA Unit Charge	0.0018	$/Dth

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

5.0 RATE SCHEDULES

5.1 FSS RATE SCHEDULE - FIRM STORAGE SERVICE

5.2 NNSS RATE SCHEDULE - NO-NOTICE STORAGE SERVICE

5.3 FP RATE SCHEDULE - FIRM PARKING SERVICE

5.4 FL RATE SCHEDULE - FIRM LOAN SERVICE

5.5 ISS RATE SCHEDULE - INTERRUPTIBLE STORAGE SERVICE

5.6 IHBS RATE SCHEDULE - INTERRUPTIBLE HOURLY BALANCING SERVICE

5.7 IP RATE SCHEDULE - INTERRUPTIBLE PARKING SERVICE

5.8 IW RATE SCHEDULE - INTERRUPTIBLE WHEELING SERVICE

5.9 IL RATE SCHEDULE - INTERRUPTIBLE LOAN SERVICE

5.10 EIWS RATE SCHEDULE - ENHANCED INTERRUPTIBLE WHEELING SERVICE

5.1 FSS RATE SCHEDULE -FIRM STORAGE SERVICE

1. AVAILABILITY

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

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

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

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

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

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

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

Inventory not less than the quantity Customer shall have nominated for withdrawal on such Day.

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

3. RATES AND CHARGES

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

(a) Storage Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Storage Quantity.

(b) Withdrawal Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Daily Withdrawal Quantity.

(c) Injection Reservation Charge. A Monthly charge for each Dth of Customer's Maximum Daily Injection Quantity.

(d) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule for each Day during a given Month.

(e) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule for each Day during a given Month.

(f) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Firm Storage Service Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. EXPIRATION OF TERM

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

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

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

9. GENERAL TERMS AND CONDITIONS

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

5.2 NNSS RATE SCHEDULE - NO-NOTICE STORAGE SERVICE

1. AVAILABILITY

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

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

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

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

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

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

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

(b) Customer may not use no-notice deviations from nominations to exceed the Maximum Daily Injection Quantity set forth in Customer's Firm Storage Service Agreement;

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

(d) Customer may not use no-notice deviations from nominations to exceed the Maximum Daily Withdrawal Quantity set forth in Customer's Firm Storage Service Agreement; and

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

3. RATES AND CHARGES

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

(a) No-Notice Reservation Charge. A Monthly charge for each Dth of Customer's No-Notice Maximum Daily Quantity.

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

(c) Taxes. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed TRES PALACIOS, as set forth in Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's No-Notice Storage Service Agreement.

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. GENERAL TERMS AND CONDITIONS

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

5.3 FP RATE SCHEDULE -FIRM PARKING SERVICE

1. AVAILABILITY

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

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

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

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

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

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

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

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

3. RATES AND CHARGES

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

(a) Firm Parking Reservation Charge. A monthly charge for each Dth of Customer's Maximum Park Quantity.

(b) Firm Parking Injection Charge. A charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule during a given Month.

(c) Firm Parking Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(d) of this Rate Schedule during a given Month.

(d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Firm Parking Service Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. EXPIRATION OF TERM

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

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

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

9. GENERAL TERMS AND CONDITIONS

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

5.4 FL RATE SCHEDULE - FIRM LOAN SERVICE

1. AVAILABILITY

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

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

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

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

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

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

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

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

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

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

3. RATES AND CHARGES

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

(a) Firm Loan Reservation Charge. A monthly charge for each Dth of Customer's Maximum Loan Quantity.

(b) Firm Loan Injection Charge. A charge for each Dth of Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule.

(c) Firm Loan Withdrawal Charge. A charge for each Dth of Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule.

(d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Firm Loan Service Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. GENERAL TERMS AND CONDITIONS

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

5.5 ISS RATE SCHEDULE - INTERRUPTIBLE STORAGE SERVICE

1. AVAILABILITY

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

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

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

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

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

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

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

Delivery, provided that all Firm Storage Service nominations for withdrawal have been satisfied and Customer has a quantity of Gas in Customer's Interruptible Storage Inventory not less than the quantity Customer shall have nominated for withdrawal on such Day.

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

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

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

3. RATES AND CHARGES

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

(a) Storage Inventory Charge. A usage charge for each Dth of Gas in Customer's Storage Inventory pursuant to Section 2.1(b) of this Rate Schedule at the end of each Day, for each Day during a given Month.

(b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule.

(c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule.

(d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Interruptible Storage Service Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

If, due to any cause whatsoever, TRES PALACIOS' capability to receive or deliver quantities of Gas is impaired so that TRES PALACIOS is unable to receive or deliver the quantities provided for in its Storage Service Agreements with Customers for Interruptible services, then capacity,

withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

8. EXPIRATION OF TERM

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

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

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

9. GENERAL TERMS AND CONDITIONS

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

5.6 IHBS RATE SCHEDULE - INTERRUPTIBLE HOURLY BALANCING SERVICE

1. AVAILABILITY

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

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

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

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

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

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

(a) The receipt on any Day of Customer's Gas per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ") as stated in Customer's executed Interruptible Hourly Balancing Service Agreement, plus Fuel Reimbursement, at the Point(s) of Receipt and the injection of Gas so received into storage, provided that all Firm Storage Service nominations for injections have been satisfied and

Customer's Storage Inventory has not exceeded Customer's Maximum Storage Quantity;

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

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

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

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

2.3 In the event Customer desires to use Interruptible balancing service for balancing at more than one delivery point on Transporters' pipeline systems under its Interruptible Hourly Balancing Service Agreement,

hourly balancing quantities for each such delivery point shall be separately determined, nominated and used for purposes of billing Hourly Balancing Charges.

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

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

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

3. RATES AND CHARGES

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

(a) Hourly Balancing Charge. A usage charge for each Dth of hourly balancing quantities injected to or withdrawn from storage for Customer's account pursuant to Section 2.1(d) of this Rate Schedule.

(b) Storage Inventory Charge. A usage charge for each Dth of Gas in Customer's Storage Inventory pursuant to Section 2.1(b) of this Rate Schedule at the end of each Day, for each Day during a given Month.

(c) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2.1(a) of this Rate Schedule.

(d) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2.1(c) of this Rate Schedule.

(e) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Interruptible Hourly Balancing Service Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. EXPIRATION OF TERM

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

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

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

9. GENERAL TERMS AND CONDITIONS

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

5.7 IP RATE SCHEDULE - INTERRUPTIBLE PARKING SERVICE

1. AVAILABILITY

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

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

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

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement under this Rate Schedule;

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

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

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

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

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

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

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

3. RATES AND CHARGES

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

(a) Interruptible Parking Charge. A charge for each Dth of Gas in Customer's Park Balance at the end of each Day, for each Day during a given Month.

(b) Interruptible Parking Injection Charge. A charge for each Dth of Customer's Gas injected into TRES PALACIOS' facilities pursuant to Section 2(a) of this Rate Schedule during a given invoice period.

(c) Interruptible Parking Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2(c) of this Rate Schedule during a given invoice period.

(d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in the Customer's Hub Services Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

8. EXPIRATION OF TERM

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

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

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

9. GENERAL TERMS AND CONDITIONS

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

5.8 IW RATE SCHEDULE - INTERRUPTIBLE WHEELING SERVICE

1. AVAILABILITY

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

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

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

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement under this Rate Schedule;

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

3. RATES AND CHARGES

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

(a) Interruptible Wheeling Charge. A charge for each Dth of Customer's Gas wheeled by TRES PALACIOS.

(b) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of this FERC Gas Tariff and as set forth in the Customer's Hub Services Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

If, due to any cause whatsoever, TRES PALACIOS' capability to receive or deliver quantities of Gas is impaired so that TRES PALACIOS is unable to receive or deliver the quantities provided for in its Storage Service

Agreements with Customers for Interruptible services, then capacity, withdrawals and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

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

5.9 IL RATE SCHEDULE - INTERRUPTIBLE LOAN SERVICE

1. AVAILABILITY

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

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

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

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement under this Rate Schedule;

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

To the extent Gas which is advanced to an Interruptible Customer hereunder is needed by TRES PALACIOS in order to satisfy TRES PALACIOS' obligations to Firm Storage Services or to meet system needs, TRES PALACIOS may at its reasonable judgment and upon giving notice to Customer, interrupt the continuation of any or all services hereunder and require Customer to replace or replenish all, or any portion, of the IL Gas quantities borrowed

by Customer at a time to be agreed upon. Unless TRES PALACIOS otherwise agrees, Customer shall be required to make ratable injections.

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

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

3. RATES AND CHARGES

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

(a) Interruptible Loan Charge. A charge for each Dth of Gas in Customer's Loan Balance at the end of each Day, for each Day during a given Month.

(b) Interruptible Loan Injection Charge. A charge for each Dth of Gas injected into TRES PALACIOS' facilities pursuant to Section 2 of this Rate Schedule.

(c) Interruptible Loan Withdrawal Charge. A charge for each Dth of Gas withdrawn from TRES PALACIOS' facilities pursuant to Section 2 of this Rate Schedule.

(d) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in the Customer's Hub Services Agreement.

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

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

Section 15 of the General Terms and Conditions of this FERC Gas Tariff and in the Customer's Hub Services Agreement.

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

7. CURTAILMENT

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

8. GENERAL TERMS AND CONDITIONS

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

5.10 EIWS RATE SCHEDULE - ENHANCED INTERRUPTIBLE WHEELING SERVICE

1. AVAILABILITY

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

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

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

(c) Customer and TRES PALACIOS have executed a Hub Services Agreement under this Rate Schedule;

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

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

3. RATES AND CHARGES

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

(a) Enhanced Interruptible Wheeling Capacity Charge. Either a monthly or daily charge for each Dth of Customer's Maximum Daily Wheeling Quantity. Daily Enhanced Interruptible Wheeling Capacity Charges shall be summed for all Days of service during a Month. TRES PALACIOS shall credit Customer's account for an amount equal to the daily Enhanced Interruptible Wheeling Capacity Charge for any Day as to which TRES PALACIOS interrupts Customer's Enhanced Interruptible Wheeling Service. If Customer's Hub Services Agreement specifies a monthly Enhanced Interruptible Wheeling Capacity Charge, the daily Enhanced Interruptible Wheeling Capacity Charge shall be calculated by dividing the monthly Enhanced Interruptible Wheeling Capacity Charge by the number of Days in the Month.

(b) Enhanced Interruptible Wheeling Commodity Charge. A charge for each Dth of Customer's Gas wheeled by TRES PALACIOS.

(b) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 6.19 of this FERC Gas Tariff and as set forth in Customer's Hub Services Agreement.

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

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

4. INVOICE

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

5. TERM

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

6. AUTHORIZATION, RATES, TERMS AND CHANGES

6.1 The Hub Services Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for TRES PALACIOS to provide the wheeling service contemplated hereby and to construct and operate

the Gas wheeling facilities necessary to provide such wheeling service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the wheeling service provided for herein.

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

7. CURTAILMENT

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

8. GENERAL TERMS AND CONDITIONS

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

6.0 GENERAL TERMS AND CONDITIONS

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6.1 GENERAL TERMS AND CONDITIONS

1. INTRODUCTORY STATEMENT

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

6.2 GENERAL TERMS AND CONDITIONS - DEFINITIONS

2. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.16 "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.

2.17 "Internet Web Site" means TRES PALACIOS' HTML site accessible via the Internet's World Wide Web and located at http:/www.trespalaciosgasstorage.com.

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

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

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

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

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

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

2.24 "Maximum Daily Wheeling Quantity" or "MDTQ" means the maximum quantity of Gas, expressed in Dths, specified in the Customer's Hub Services

Agreement that Customer may nominate and that TRES PALACIOS shall transport from a Point of Receipt to a Point of Delivery, subject to Section 8.3 of these General Terms and Conditions.

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

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

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

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

2.29 "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.

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

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

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

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

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

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

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

2.37 "Psig" means pounds per square inch gauge.

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

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

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

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

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

6.3 GENERAL TERMS AND CONDITIONS – REQUEST FOR SERVICE

3. REQUEST FOR SERVICE

3.1 Procedures for Sale of Capacity.

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

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

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

(d) At the conclusion of the open season, the value of each submitted bid will be determined according to the Bid Evaluation Procedures. TRES PALACIOS reserves the right to reject any bid which (i) may detrimentally impact the operational integrity of TRES PALACIOS' facility, (ii) yields an economic value that is unacceptable to TRES PALACIOS, (iii) does not satisfy all of the terms of a specific open season, (iv) does not contain all of the required information specified in the notice of the open season, (v) contains terms and conditions other than those contained in TRES PALACIOS' FERC Gas Tariff, and/or (vi) does not meet TRES PALACIOS' creditworthiness requirements set forth in Section 3.3 of these General Terms and Conditions. If TRES PALACIOS rejects any request for available capacity posted pursuant to this Section 3.1(d), TRES PALACIOS will notify the potential Customer that submitted the rejected bid of the reason(s) for such rejection via e-mail.

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

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

(g) Firm storage capacity that is or becomes available in TRES PALACIOS' facilities outside of an open season or for which TRES PALACIOS determines, pursuant to Section 3.1(a) above, that an open season will not be held shall be posted on TRES PALACIOS' Internet Web Site pursuant to Section 284.13(d)(1) of the Commission's regulations and shall be allocated on a first-come, first-served basis to the first prospective Customer offering to pay a rate for service that TRES PALACIOS finds acceptable. From time to time, TRES PALACIOS may negotiate with Customers for prearranged storage service for a future period or for interim service. TRES PALACIOS will post information regarding available storage capacity on its Internet Web Site before it provides such information to any potential Customer.

3.2 Requests for Service. Any prospective Customer wishing to obtain service from TRES PALACIOS shall submit in writing to TRES PALACIOS a request for service in substantially the same format as that shown in Section 33. Such request may be delivered in person or submitted by United States mail, overnight courier service, or facsimile transmission (fax). TRES PALACIOS shall evaluate and respond to prospective Customer's request within five (5) Business Days of its receipt. If TRES PALACIOS and prospective Customer mutually agree to the rates prospective Customer will pay for service, TRES PALACIOS shall, subject to execution of a Storage Service Agreement, endeavor to provide service within the time specified in the written request. Prospective Customer's request for service shall be considered complete only if the information specified in Sections 3.3 and 3.4 of these General Terms and Conditions is provided in writing.

Requests for service may be sent to:

Bruce Page
TRES PALACIOS GAS STORAGE LLC
350 Glenborough, Suite 138
Houston, TX 77067
Telephone: 281-453-5306
Facsimile: 281-453-5367
e-mail: bpage@inergyservices.com

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

(a) Prospective Customer's name, address, representative and telephone number.

(b) A statement as to whether the prospective Customer is a local distribution company ("LDC"), an intrastate pipeline company, an interstate pipeline company, a marketer/broker, a producer, an end user or an other type of entity (which other entity must be described).

(c) Type of service requested, whether FSS, NNSS, FP, FL, ISS, IHBS, IP, IL, IW or EIWS.

(d) Quantity requested:

(1) MDIQ, MDWQ and, as applicable, MSQ, Maximum Park Quantity, or Maximum Loan Quantity (stated in Dth).

(2) MDRQ (stated in Dth/Day) for each Transporter (FSS, FP and FL only).

(3) MDDQ (stated in Dth/Day) for each Transporter (FSS, FP and FL only).

(4) For no-notice service, No-Notice Maximum Daily Quantity (stated in Dth/Day).

(5) For interruptible wheeling service and enhanced interruptible wheeling service, MDTQ.

(e) Price offered by the prospective Customer for each service requested.

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

(g) Evidence of creditworthiness. Acceptance of a service request and/or continuation of service is contingent upon TRES PALACIOS' completion of a credit appraisal it deems satisfactory in accordance with the criteria set forth in this Section. To enable TRES PALACIOS to conduct such credit appraisal, a prospective Customer shall submit the information enumerated below, to the extent such information is applicable to such prospective Customer; provided, however, that TRES PALACIOS' receipt of such material shall not be deemed acceptance of a request for service, which acceptance shall be made only after TRES PALACIOS' receipt of the material and information set forth below and a determination by TRES PALACIOS that the prospective Customer is sufficiently creditworthy. A prospective Customer shall not be required to provide the foregoing information if prospective Customer has a Credit Rating, as defined in Section 31 of these General Terms and Conditions, or if prospective Customer has agreed to provide Financial Assurances in accordance with Section 31. TRES PALACIOS shall maintain the confidentiality of any non-public information received from a prospective Customer pursuant to this Section. A prospective Customer shall be deemed creditworthy if the prospective Customer has an Acceptable Credit Rating, as defined in Section 31 of these General Terms and Conditions, or if the prospective Customer satisfies TRES PALACIOS' credit appraisal criteria based on an evaluation of the material provided by prospective Customer pursuant to this Section. If TRES PALACIOS concludes that a prospective Customer is not creditworthy, TRES PALACIOS shall provide written notice to the prospective Customer within ten (10) days after that determination is made. If requested by the prospective Customer, TRES PALACIOS will provide a written explanation of the basis for its determination within five (5) days of such request. A prospective Customer may challenge TRES PALACIOS' determination by providing a written rebuttal in accordance with Section 3.3(j)(6) of these General Terms and Conditions. TRES PALACIOS shall respond to such a rebuttal in writing within five (5) business days in accordance with Section 3.3(j)(7). Any reevaluation of credit by TRES PALACIOS in response to such a rebuttal by a prospective Customer shall be based on the creditworthiness criteria set forth in this Section.

(1) Prospective Customer shall provide current audited financial statements, annual reports, 10-K reports, interim financial statements with attestation by the Chief Financial Officer (or equivalent) that such statements are a true, correct and fair representation of financial condition prepared in accordance with Generally Accepted Accounting Principles and other filings with regulatory agencies which discuss the prospective Customer's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available;

(2) Prospective Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports must show that the prospective Customer's obligations are being paid on a reasonably prompt basis;

(3) Prospective Customer shall confirm in writing that it is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a prospective Customer that is a debtor in possession operating under Chapter XI of the U.S. Bankruptcy Code but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the bankruptcy court's jurisdiction;

(4) Prospective Customer shall confirm in writing that it is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an ongoing business entity;

(5) If Prospective Customer has an on-going business relationship with TRES PALACIOS, no delinquent balances shall be outstanding for services TRES PALACIOS shall have previously performed and Customer shall have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract;

(6) Prospective Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent;

(7) For prospective Customers that are state-regulated local distribution companies, documentation provided by each state regulatory commission (or equivalent authority) having jurisdiction over the local distribution company's rates establishing the existence and effectiveness of an authorized gas cost recovery mechanism which (x) provides for full recovery of both gas commodity and transportation capacity costs and (y) is

afforded regulatory asset accounting treatment in accordance with Generally Accepted Accounting Principles;

(8) A Statement of prospective Customer's legal composition and a statement of the length of time Customer's business has been in operation; and

(9) Such other information as may be mutually agreed to by TRES PALACIOS and prospective Customer.

(h) In the event prospective Customer cannot provide the information specified in Section 3.3(g) above, it shall, if applicable, provide that information for its parent company.

(i) TRES PALACIOS shall not be required to perform or to continue service under any Rate Schedule on behalf of any Customer or prospective Customer which is or has become insolvent or which, at TRES PALACIOS' request, fails to demonstrate creditworthiness in accordance with Section 3.3, and TRES PALACIOS may take such action as is permitted in Section 28.2 of these General Terms and Conditions; provided, however, that such Customer or prospective Customer may receive service under any Rate Schedule if it provides Financial Assurances pursuant to Section 31. For purposes of this Section 3.3(i), the insolvency of a Customer or prospective Customer shall be conclusively demonstrated by the filing by Customer, or any parent entity thereof or guarantor of Customer, of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Customer, or any parent entity thereof or guarantor of Customer, bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Customer, or any parent entity thereof or guarantor of Customer, under the U.S. Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Customer, or any parent entity thereof or guarantor of Customer, or of any substantial part of their property, or the ordering of the winding-up or liquidation of their affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days. TRES PALACIOS may not take any action under this Section 3.3(i) which conflicts with any order of the U.S. Bankruptcy Court.

(j) TRES PALACIOS' determination of a Customer's or prospective Customer's creditworthiness shall be subject to the following procedures:

(1) If TRES PALACIOS requests additional information to be used for credit evaluation after the initiation of service, TRES PALACIOS, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Customer and designate to whom the response shall be sent. TRES PALACIOS and Customer may mutually agree to waive the requirements of this standard.

(2) Upon receipt of either an initial or follow-up request from TRES PALACIOS for information to be used for creditworthiness evaluation, Customer's or prospective Customer's authorized representative(s) shall acknowledge receipt of TRES PALACIOS' request. TRES PALACIOS and the Customer or prospective Customer may mutually agree to waive the requirements of this standard.

(3) Customer's or prospective Customer's authorized representative(s) shall respond to TRES PALACIOS' request for credit information, as allowed by TRES PALACIOS' tariff, on or before the due date specified in the request. Customer or prospective Customer shall provide all the credit information requested by TRES PALACIOS or provide the reason(s) why any of the requested information was not provided.

(4) Upon receipt from Customer or prospective Customer of all credit information provided pursuant to applicable NAESB WGQ standards, TRES PALACIOS shall notify the Customer's or prospective Customer's authorized representative(s) that it has received such information. TRES PALACIOS and Customer or Prospective Customer may mutually agree to waive the requirements of this standard.

(5) (i) Customer or prospective Customer shall designate up to two representatives who are authorized to receive notices regarding the Customer's or prospective Customer's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and shall provide to TRES PALACIOS the Internet e-mail addresses of such representatives prior to the initiation of service.

Written requests and responses shall be provided via Internet e-mail, unless otherwise agreed to by the parties. The obligation of TRES PALACIOS to provide creditworthiness notifications is waived until the above requirement has been met. Customer or prospective Customer shall manage internal distribution of any creditworthiness notices that are received.

(ii) TRES PALACIOS shall designate, on its Internet Web Site or in written notices to Customer or prospective Customer, the Internet e-mail addresses of up to two representatives who are authorized to receive notices regarding Customer's or prospective Customer's creditworthiness. Customer's or prospective Customer's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and TRES PALACIOS shall manage internal distribution of any such confirmations.

(6) At any time after Customer or prospective Customer is determined to be noncreditworthy by TRES PALACIOS, Customer or prospective Customer may initiate a creditworthiness re-evaluation by TRES PALACIOS. As part of Customer's or prospective Customer's reevaluation request, Customer or

prospective Customer shall either update or confirm in writing the prior information provided to TRES PALACIOS related to Customer's or prospective Customer creditworthiness. Such update shall include any event(s) that Customer or prospective Customer believes could lead to a material change in Customer's or prospective Customer's creditworthiness.

(7) After TRES PALACIOS' receipt of a Customer's or prospective Customer's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard 0.3.8 ("Customer's Request"), within five (5) Business Days, TRES PALACIOS shall provide a written response to Customer's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for TRES PALACIOS' decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event shall such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of Customer's Request unless specified in TRES PALACIOS' tariff or if the parties mutually agree to some later date.

(8) In complying with the creditworthiness related notifications pursuant to the applicable NAESB WGQ standards, the Customer(s) and TRES PALACIOS may mutually agree to other forms of communication in lieu of Internet e-mail notification.

3.4 Additional Information.

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

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

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

3.5 Request Validity. If TRES PALACIOS has tendered a Storage Service Agreement for execution to a prospective Customer and such prospective Customer fails to execute the agreement as tendered within 30

consecutive days from the date it receives the agreement, TRES PALACIOS may consider prospective Customer's service request void. For service under Rate Schedule FSS, NNSS, FP or FL, TRES PALACIOS will not be required to tender a Storage Service Agreement to a prospective Customer for execution that relates to requests for service for which TRES PALACIOS does not have sufficient available firm capacity.

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

3.7 Complaints. In the event that a Customer or prospective Customer has a complaint relative to service under this FERC Gas Tariff, the Customer or prospective Customer shall provide a description of the complaint, including the identification of the service request (if applicable), and communicate it to:

Bruce Page
TRES PALACIOS GAS STORAGE LLC
350 Glenborough, Suite 138
Houston, TX 77067
Telephone: 281-453-5306
Facsimile: 281-453-5367
e-mail: bpage@inergyservices.com

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

3.8 Information.

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

Bruce Page
TRES PALACIOS GAS STORAGE LLC
350 Glenborough, Suite 138
Houston, TX 77067
Telephone: 281-453-5306
Facsimile: 281-453-5367
e-mail: bpage@inergyservices.com

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

3.9 Construction of Facilities. TRES PALACIOS shall not be required to provide any requested service under any Rate Schedule which would require

construction or acquisition by TRES PALACIOS of new facilities, or expansion of existing facilities.

6.4 GENERAL TERMS AND CONDITIONS – CAPACITY RELEASE

4. CAPACITY RELEASE

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

4.1 Notice of Offer. A Customer offering to release firm service entitlements shall post the terms of its proposed release on TRES PALACIOS' Internet Web Site by the posting deadline as determined pursuant to Section 4.3 herein. If Customer is unable to post such information on TRES PALACIOS' Internet Web Site, Customer shall notify TRES PALACIOS via the Internet Web Site of the terms of its offer, by the posting deadline as determined pursuant to Section 4.3 herein, and TRES PALACIOS will post this information on the Internet Web Site. The Customer may propose a designated Pre-arranged Replacement Customer to which the capacity would be released. Offers shall be binding until notice of withdrawal is received by TRES PALACIOS on its Internet Web Site. Customer shall have the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made. The notice must contain the reason for withdrawal which TRES PALACIOS shall post on the Internet Web Site. The offer shall contain the following minimum information:

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

(b) TRES PALACIOS' Storage Service Agreement number;

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

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

(e) The identity of any designated Pre-arranged Replacement Customer (pursuant to Section 4.4), a statement as to whether the Pre-arranged Replacement Customer is an asset manager (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(3)) or marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(4)), and the full terms of such pre-arranged release;

(f) The method to be applied in evaluating bids, allocating capacity and breaking ties, as described below;

(g) Whether, to what extent, and the conditions pursuant to which capacity will be subject to recall for a full Day or a partial

Day; if recallable, (1) whether the Releasing Customer's recall notification must be provided exclusively on a Business Day, and (2) any reput methods and rights associated with returning the previously released capacity to the Replacement Customer;

(h) Whether bids on a volumetric rate basis may be submitted, and, if so, the method for evaluating any such bids, including how to rank bids if bids are also to be accepted on a demand charge basis, and any other special conditions;

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

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

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

(l) Other special terms and conditions Releasing Customer imposes on the release of its capacity, including, but not limited to, minimum rates, term and quantity;

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

(n) For purposes of bidding and awarding, any minimum rates specified by the Releasing Customer shall include the tariff reservation rate and all demand surcharges, as a total number or as stated separately;

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

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

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

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

conditions that the Releasing Customer chooses to place on the storage inventory transfers.

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

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

(b) a quantity equal to 1/24th of the Releasing Customer's MDIQ and MDWQ for the contract to be released multiplied by the number of hours between the effective time of the release and the end of the Day.

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

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

4.3 Posting and Bidding Timeline. For the Capacity Release business process timing model, only the following methodologies shall be supported by TRES PALACIOS and provided to Releasing Customers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. For index-based capacity release transactions, the Releasing Customer shall provide the necessary information and instruction to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) can be accorded similar timeline evaluation treatment at TRES PALACIOS' discretion; however, TRES PALACIOS is not required to offer other choices or similar timeline treatment for other choices. Further, TRES PALACIOS shall not be held to the timeline specified in Sections 4.3(a) and 4.3(b) below should the Releasing Customer elect another method of evaluation. Should the Releasing Customer elect another method of evaluation, the timeline specified in Section 4.3(c) below shall apply. The proposed duration of Customer's release determines the minimum bid period for the Customer's offer pursuant to this Section 4. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process provided that: (i) all information provided by the parties to the transaction is valid and the Replacement Customer has been determined to be creditworthy before the capacity release bid is tendered, (ii) for index-based capacity release transactions, the Releasing Customer has provided TRES PALACIOS with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (iii) there are no special terms or conditions of the release. Further, TRES PALACIOS may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by TRES PALACIOS).

The Capacity Release timeline is as follows:

(a) For standard releases (one (1) year or less):

- Offers shall be tendered by 12:00 p.m. CCT on a Business Day;
- The bid period shall end at 1:00 p.m. CCT on the same Business Day or at 1:00 p.m. CCT on any subsequent Business Day as specified in Releasing Customer's offer, whichever is elected by Releasing Customer;
- Evaluation period begins at 1:00 p.m. CCT on the Day the bid period ends, during which contingency is eliminated, determination of best bid is made, and ties are broken;
- Evaluation period ends and award is posted if no match is required at 2:00 p.m. CCT the same Day;
- If the Prearranged Replacement Customer's bid is not the "best bid", TRES PALACIOS shall allow such Prearranged Replacement Customer a Matching Period of thirty (30) minutes from 2:00 p.m. until 2:30 p.m. CCT on the Day the Bid Period ends, or such later time as specified in the Releasing Customer's offer, to determine whether to match the "best bid" and to notify TRES PALACIOS of its decision.
- If a match is required, the award will be posted by 3:00 p.m. CCT.

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

(b) For standard releases (more than one year):

- Offers shall be tendered by 12:00 p.m. CCT four Business Days before the award;
- The bid period shall end at 1:00 p.m. CCT on the Day before timely nominations are due (open season is three Business Days) or at 1:00 p.m. CCT on any subsequent Business Day as specified in Releasing Customer's offer, whichever is elected by Releasing Customer;
- Evaluation period begins at 1:00 p.m. CCT on the Day the bid period ends, during which contingency is eliminated, determination of best bid is made, and ties are broken;
- Evaluation period ends and award is posted if no match is required at 2:00 p.m. CCT the same Day;
- If the Prearranged Replacement Customer's bid is not the "best bid," TRES PALACIOS shall allow such Prearranged Replacement Customer a Matching Period of

thirty (30) minutes from 2:00 p.m. CCT until 2:30 p.m. CCT on the Day the Bid Period ends, or such later time as specified in the Releasing Customer's offer, to determine whether to match the "best bid" and to notify TRES PALACIOS of its decision.

- If a match is required, the award will be posted by 3:00 p.m. CCT.

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

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

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

Timely Cycle:

Posting of prearranged deals not subject to bid are due by 10:30 a.m. CCT.

Evening Cycle:

Posting of prearranged deals not subject to bid are due by 5:00 p.m. CCT.

Intraday 1 Cycle:

Posting of prearranged deals not subject to bid are due by 9:00 a.m. CCT.

Intraday 2 Cycle:

Posting of prearranged deals not subject to bid are due by 4:00 p.m. CCT.

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

TRES PALACIOS shall post offers and bids, including pre-arranged deals, upon receipt, unless Releasing Customer requests otherwise. If Releasing Customer requests a posting time, TRES PALACIOS shall support such request insofar as it comports with the standard timeline. A Releasing Customer cannot specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.

4.4 Pre-arranged Releases. Releasing Customer may designate an entity (a designated "Pre-arranged Replacement Customer") to which it has agreed to release the capacity upon specified terms and conditions. Customer's offer to release under such a pre-arranged transaction shall be subject to the prior posting and bidding procedures described in Sections 4.5 and 4.6, herein, with the designated Pre-arranged Replacement Customer being given a right to match the best bid submitted during the bid period; provided, however, if a pre-arranged transaction with a Pre-arranged Replacement Customer is for a period of thirty-one (31) Days or less, to an asset manager (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(3)) or to a marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(4)), the Releasing Customer shall provide notice to TRES PALACIOS in accordance with this Section and may implement the release without complying with such prior posting and bidding procedures. Notices of such exempted releases shall be posted on the Internet Web Site in accordance with Section 4.3 herein.

4.5 Posting. Following receipt of a notice of offer to release capacity which satisfies the requirements set forth in this Section, TRES PALACIOS will post such information on its Internet Web Site in accordance with the timeline set forth in Section 4.3 herein. TRES PALACIOS shall also post offers to purchase capacity from those who desire current Customers to release capacity upon receipt of the applicable information as set forth in this Section.

4.6 Bidding and Selection of Replacement Customer.

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

(b) Any bid submitted by a prospective Replacement Customer shall include an e-mail address for at least one contact person, and it is the Customer's responsibility to update e-mail address information provided to TRES PALACIOS, as necessary. A bidder may not have more than one eligible bid for the same release offer at any time. Bids shall be binding until notice of withdrawal is received by TRES PALACIOS on its Internet Web Site, before the end of the bid period. Bids cannot be withdrawn after the bid period ends. Once a bid is withdrawn, that bidder may only submit a new bid pursuant to that release offer if it is at a higher rate than the withdrawn bid.

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

4.7 Best Bid. When TRES PALACIOS makes awards of capacity for which there have been multiple bids meeting minimum conditions, TRES PALACIOS shall award the bids, best bid first, until all offered capacity is awarded. The capacity being awarded represents the Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, or Maximum Storage Quantity. These quantities are separate parts of the capacity and are awarded until one of the quantities is fully awarded, at which point all capacity is deemed to be fully awarded. TRES PALACIOS shall evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by the Releasing Customer as follows:

(a) TRES PALACIOS shall apply the standard or criteria for such determination specified by the Releasing Customer, including the standard to be used for breaking ties. Any standard or criteria so specified must be objective, economic, not unduly discriminatory, not contrary to applicable provisions of this FERC Gas Tariff, applicable to all prospective Replacement Customers and require TRES PALACIOS in

applying such standard to exercise no more than a ministerial function. The Releasing Customer shall indemnify and hold TRES PALACIOS harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by TRES PALACIOS arising out of or related to any determination of a "best bid" pursuant to a standard specified, supplied, approved or provided by Releasing Customer.

(b) In default of Releasing Customer specifying a bid evaluation standard, TRES PALACIOS shall determine the bid or bids generating the highest net present value, using a 10% discount factor, based on the rate bid (reservation or demand component), the applicable quantity(ies) and term or period bid upon. In default of Releasing Customer specifying a method to break ties priority will be given first to the bid with the shortest term, and next to the bid submitted first in time.

4.8 Qualification of Prospective Replacement Customer. A prospective Replacement Customer must be on TRES PALACIOS' approved bidders list before bids may be posted on the Internet Web Site, must satisfy all requirements of the applicable Rate Schedule and the General Terms and Conditions of this FERC Gas Tariff and must have executed a Capacity Release Umbrella Agreement. To be on the approved bidders list, the prospective Replacement Customer must satisfy TRES PALACIOS' credit requirements as outlined in Section 3 of the General Terms and Conditions, and, if applicable, provide the information required by Section 3 of the General Terms and Conditions. TRES PALACIOS will apply its creditworthiness criteria to assess the submission. Such credit appraisal shall be reevaluated and updated every three (3) months. The prospective Replacement Customer shall remain on the approved bidders list until such prospective Replacement Customer (i) notifies TRES PALACIOS to the contrary, (ii) no longer meets the credit qualifications established in Section 3 of the General Terms and Conditions, or (iii) is suspended from the approved bidders list in the event, and for such time as, such Replacement or Prearranged Replacement Customer fails to pay part or all of the amount of any bill for service in accordance with Section 14 of the General Terms and Conditions. TRES PALACIOS will waive the creditworthiness requirement on a non-discriminatory basis for Replacement Customers and permit them to submit bids, if the Releasing Customer provides TRES PALACIOS with a guarantee or other form of credit assurance in form and substance satisfactory to TRES PALACIOS of all financial obligations of the Replacement Customer with respect to the capacity being released by Releasing Customer prior to the commencement of service to the Replacement Customer. TRES PALACIOS shall not award capacity release offers to a prospective Replacement Customer until and unless the Customer meets TRES PALACIOS' creditworthiness requirements applicable to all services that it receives from TRES PALACIOS, including the service represented by the capacity release.

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

4.10 Billing. The Replacement Customer shall be billed and make payments to TRES PALACIOS in accordance with the applicable Rate Schedule, other provisions of this FERC Gas Tariff and of its Storage Service Agreement

incorporating its bid terms. In accordance with the terms of the release, the Replacement Customer shall pay or be liable for the usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) applicable under the relevant Rate Schedule attributable to its usage of the released capacity. TRES PALACIOS shall continue to bill the Releasing Customer all applicable charges under its existing Storage Service Agreement, excluding usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to Replacement Customer's usage of the released capacity. Invoices sent to the Releasing Customer shall reflect a credit equal to any reservation charges (plus all surcharges applicable thereto) being billed to the Replacement Customer for the released capacity rights, or as otherwise agreed. If the Replacement Customer fails to pay when due all or part of the amounts credited to the Releasing Customer, TRES PALACIOS shall pursue payment from the Replacement Customer by notifying such Customer by registered letter, return receipt requested, that it has five (5) days from receipt of such letter to pay the amount due including any applicable interest. If the Replacement Customer fails to pay such amount by the end of the fifth day, TRES PALACIOS shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest.

4.11 Rights and Obligations of the Parties.

(a) The Storage Service Agreement between the Releasing Customer and TRES PALACIOS shall remain in full force and effect with the Releasing Customer to receive a credit to its invoice as described in Section 4.10 above. If the Replacement Customer fails to pay all or part of the amounts credited to the Releasing Customer after the five Day notification period specified in Section 4.10, TRES PALACIOS shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. The Storage Service Agreement executed by the Replacement Customer shall be fully effective and enforceable by and against the Replacement Customer. The Replacement Customer may also release capacity pursuant to this Section, and in such event and for such purposes, shall be considered the Releasing Customer.

(b) TRES PALACIOS shall accept nominations, schedule service, afford priority of service and interrupt service based on instructions and communications from the Releasing Customer and the Replacement Customer which are consistent with one another and with the terms and conditions of TRES PALACIOS' FERC Gas Tariff and their respective Storage Service Agreements. In the event that instructions or nominations from the Releasing Customer and Replacement Customer are, in TRES PALACIOS' opinion, inconsistent or conflicting, TRES PALACIOS shall comply with the instructions of the Releasing Customer; provided, however, that such instructions must not be inconsistent with TRES PALACIOS' FERC Gas Tariff or the terms of either the Releasing Customer's or Replacement Customer's Storage Service Agreement, in TRES PALACIOS' opinion. The Releasing Customer will indemnify TRES PALACIOS against any claim or suit by the Replacement Customer, its successors or assigns arising from any action taken by TRES PALACIOS in reliance upon the Releasing Customer's nominations and instructions and will hold TRES PALACIOS harmless for any action taken by TRES PALACIOS in reliance upon the nominations and scheduling instructions of the

Replacement Customer; provided, however, that the Releasing Customer shall not be liable for the Replacement Customer's failure to pay the usage charges (plus all applicable surcharges, Fuel Reimbursement, taxes, penalties, etc.) billed to the Replacement Customer and attributable to its usage of the released capacity. The Replacement Customer will indemnify TRES PALACIOS against any claim or suit by the Releasing Customer, its successors or assigns, arising from any action taken by TRES PALACIOS in reliance upon the nominations and scheduling instructions of the Replacement Customer and will hold TRES PALACIOS harmless for any actions taken by TRES PALACIOS in reliance upon the instructions of the Releasing Customer.

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

4.13 Limitations.

(a) Releases and assignments hereunder shall be for period(s) of one or more Day(s) and the maximum term shall not extend beyond the expiration of this FERC Gas Tariff provision or beyond the expiration of the Releasing Customer's Storage Service Agreement.

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

(c) Any terms and conditions imposed on the offer to release by the Releasing Customer as provided for in this Section 4 must be objectively stated, reasonable, capable of administration or implementation by TRES PALACIOS without any material increase in burden or expense, applicable to all potential bidders, not unduly discriminatory, and consistent with the terms and conditions of this FERC Gas Tariff and Releasing Customer's Storage Service Agreement.

(d) A Releasing Customer may re-release to the same Replacement Customer, where such first release was not subject to posting and bidding pursuant to Section 4.4, for a term of 31 Days or less, only if: 1) a period of 28 Days has elapsed after the first release for 31 Days or less has expired or 2) the Point(s) of Receipt and/or Point(s) of Delivery for the re-release is (are) different from the Point(s) of Receipt and/or Point(s) of Delivery of the first release or 3) the Releasing Customer causes the posting of an offer to release capacity or of a pre-arranged transaction to be made, and capacity is allocated on the basis of bids submitted.

(e) Recall Provisions. If the Releasing Customer retains recall rights, Releasing Customer's offer to release capacity shall clearly specify the conditions precedent to such recall and whether the recall right retained by Releasing Customer is on a full Day or partial Day basis. The Releasing Customer shall provide capacity recall notification to TRES PALACIOS via the Internet Web Site. The recall notification shall specify the recall notification period for the specified effective Day, as well as any other information needed to

uniquely identify the capacity being recalled. TRES PALACIOS shall support the following recall notification periods for all released capacity subject to recall rights:

(1) Timely Recall Notification:

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

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

(2) Early Evening Recall Notification:

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

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

(3) Evening Recall Notification:

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

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

(4) Intraday 1 Recall Notification:

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

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

(5) Intraday 2 Recall Notification:

(A) A Releasing Customer recalling capacity should provide notice of such recall to TRES PALACIOS and the first Replacement Customer no later than 2:30 P.M. CCT on the Day that Intraday 2 Nominations are due;

(B) TRES PALACIOS shall provide notification of such recall to all affected Replacement Customers no later than 3:30 P.M. CCT on the Day that Intraday 2 Nominations are due.

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

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

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

(1) The quantity specified in the Releasing Customer's notice to recall capacity; or

(2) The difference between the quantity released by the Releasing Customer and the Elapsed Prorata Capacity.

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

Releasing Customer and the Replacement Customer(s) based upon the Elapsed Prorata Capacity.

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

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

(h) Following the awarding of capacity to a Replacement Customer in accordance with the procedures provided in this Section 4, the Releasing Customer's rights and TRES PALACIOS' obligations under the Releasing Customer's Storage Service Agreement shall be modified and subject to the capacity rights released and assigned to the Replacement Customer for the term of such release. Effecting a release pursuant to the provisions of this Section 4 shall constitute Releasing Customer's consent and agreement to such amendment or modification of its existing Storage Service Agreement.

(i) The offer to release by a Customer under Rate Schedules FSS, NNSS, FP or FL must specify the quantities of MDDQ, MDRQ, MSQ (or No-Notice Maximum Daily Quantity, Maximum Park Quantity or Maximum Loan Quantity, as applicable), MDIQ, MDWQ or rights offered, and actually available on the effective date of the assignment, and the exercise of which rights, in conjunction with Releasing Customer's exercise of its retained rights, will not violate any maximum or minimum quantity requirements or limitations applicable under the Rate Schedule or the respective Storage Service Agreements. Releasing Customer shall be responsible for ensuring that the Firm Storage Service quantities offered for release shall be available upon the commencement of the release, in accordance with the terms and conditions of the applicable Rate Schedule. A Replacement Customer under Rate Schedules FSS, NNSS, FP or FL shall be responsible for arranging transportation to and from the Point(s) of Receipt and Point(s) of Delivery consistent with its rights and obligations under its Storage Service Agreement and Rate Schedules FSS, NNSS, FP or FL. The Replacement Customer must comply with all obligations imposed under such Rate Schedule and its rights to store, withdraw and/or inject Gas will be subject to the provisions thereof. If the Releasing Customer proposes to, or requires a transfer-in-place of the portion of its Storage Inventory in conjunction with its release and assignment of storage capacity rights, it shall so specify in its offer to release and such transfer shall be

implemented contemporaneously with the release and assignment subject to compliance with the provisions of Section 20 of these General Terms and Conditions. The Replacement Customer must withdraw the portion of its Maximum Storage Quantity by the end of the term of the release. In lieu of withdrawing the portion of its Storage Inventory, the Replacement Customer can also attempt to effect a transfer of the portion of its Storage Inventory to another storage service Customer as provided in Section 20 of these General Terms and Conditions. If the Replacement Customer fails to withdraw or transfer the portion of its Storage Inventory by the end of the term of its release, title to the portion of Customer's remaining Storage Inventory will be vested, at no cost, in the Releasing Customer which released its capacity to the Replacement Customer on a temporary basis.

4.14 TRES PALACIOS' Rights to Terminate Temporary Capacity Releases.

(a) In the event of a temporary release for which (1) TRES PALACIOS has given notice of termination of the Releasing Customer's Storage Service Agreement pursuant to Section 28 of these General Terms and Conditions and (2) the reservation charge specified in the effective Addendum to the Replacement or Prearranged Replacement Customer's Capacity Release Umbrella Agreement is less than the level of the reservation charge which the Releasing Customer was obligated to pay TRES PALACIOS, then TRES PALACIOS shall be entitled to terminate the Addendum, upon 30 days' written notice to the Replacement or Prearranged Replacement Customer, unless the Replacement or Prearranged Replacement Customer agrees prior to the end of said 30-day notice period to pay for the remainder of the term of the Addendum either (i) the reservation and commodity charges at levels which the Releasing Customer was obligated to pay TRES PALACIOS, or (ii) such rate as mutually agreed by TRES PALACIOS and Replacement or Prearranged Replacement Customer. Customer may elect to pay the lesser of the two foregoing options. TRES PALACIOS' right to terminate the Addendum is subject to TRES PALACIOS providing written notice of termination to the Replacement or Prearranged Replacement Customer within 30 days of the determination by TRES PALACIOS that the Releasing Customer no longer satisfies TRES PALACIOS' credit requirements. Termination of the Addendum shall not occur prior to termination of the Releasing Customer's contract.

(b) In the event that a Customer has received 30 days' notice of termination of the Addendum to Customer's Capacity Release Umbrella Agreement pursuant to Section 4.14(a) above for storage service and there is Gas in storage for Customer's account at the end of such 30-day period, the Addendum shall continue in force and effect for the sole purpose of withdrawal of said Gas by Customer until Customer's Storage Inventory is zero. TRES PALACIOS shall require Customer to withdraw each Day a quantity equal to the MDWQ, or such other lesser quantity acceptable to TRES PALACIOS. The requirement to withdraw storage quantities shall be suspended on any Day to the extent that TRES PALACIOS cannot accommodate a nomination or withdraw such storage quantities on such Day. Customer may also transfer title of Gas remaining in Customer's Storage Inventory to another Customer pursuant to Section 20 of TRES PALACIOS' General Terms and Conditions. In the event Customer fails to withdraw its entire Storage Inventory within

the time required by this Section, TRES PALACIOS shall auction any remaining Storage Inventory and credit the proceeds of such sale to Customer, net of withdrawal charges and fuel, if applicable. Customer shall indemnify TRES PALACIOS and hold it harmless from all costs, damages and liabilities arising out of the failure of Customer to remove such Storage Inventory and the disposal of such Storage Inventory by sale by TRES PALACIOS. TRES PALACIOS shall post such quantities on the Internet Web Site as soon as reasonably practicable. TRES PALACIOS shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second Business Day following such posting. Prior to 4:00 p.m., CCT of the same Day, TRES PALACIOS shall notify the Customer submitting the highest bid. When the Gas is purchased at auction, Customer purchasing the Gas must provide identification of the existing Storage Service Agreement with TRES PALACIOS under which Customer shall store all such Gas purchased. Customer purchasing the Gas agrees to pay the applicable storage rate on the Gas purchased beginning on the date the bid was accepted at auction.

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

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

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

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

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

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

5. PRIORITY, INTERRUPTION OF SERVICE AND OFOS

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

(a) (i) Firm Storage Services at primary Point(s) of Receipt, not in excess of MDRQ, and at primary Point(s) of Delivery, not in excess of MDDQ, or (ii) for constraints that develop after Gas is scheduled, Firm Storage Services at secondary Point(s) of Receipt or Delivery and Firm Storage Services at primary Point(s) of Receipt in excess of MDRQ, but less than or equal to MDIQ, and Firm Storage Services at primary Point(s) of Delivery, in excess of MDDQ but less than or equal to MDWQ.

(b) For constraints that develop before Gas is scheduled, Firm Storage Services at secondary Point(s) of Receipt or Delivery and Firm Storage Services at primary Point(s) of Receipt, in excess of MDRQ but less than or equal to MDIQ, and Firm Storage Services at primary Point(s) of Delivery, in excess of MDDQ but less than or equal to MDWQ.

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

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

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

(f) Extended injections for firm service in excess of MDRQ/24 or extended withdrawals for firm service in excess of MDDQ/24.

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

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

5.3 Interruption.

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

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

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

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

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

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

5.4 Interruption Liability. TRES PALACIOS shall not be liable for any loss or damage to any person or property caused, in whole or in part, by any interruption of service, except to the extent caused solely by TRES PALACIOS' negligence or willful misconduct.

5.5 Action Alerts and Operational Flow Orders.

(a) Circumstances Warranting Issuance: As specified in this Section 5.5, TRES PALACIOS shall have the right to issue Action Alerts or Operational Flow Orders ("OFOs") that require actions by Customers in order (1) to alleviate conditions that threaten to impair reliable service, (2) to maintain operations at the pressures required to provide efficient and reliable services, (3) to have adequate Gas supplies in the system to deliver on demand, (4) to maintain service to all firm shippers and for all firm services, and (5) to maintain the system in balance for the foregoing purposes.

(b) Actions to be Taken to Avoid Issuance: TRES PALACIOS shall, to the extent practicable, take all reasonable actions necessary to avoid issuing an Action Alert or OFO. Such actions shall include,

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

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

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

(e) Notice: All Action Alerts and OFOs will be issued via telephone to be followed by a facsimile to the affected Customer(s) or point operator(s), with subsequent posting on the Internet Web Site, and notification to the affected parties through the affected party's choice of electronic notice delivery mechanism(s). TRES PALACIOS shall also provide such notification via e-mail communication to those Customers and point operators that have provided e-mail address information for at least one contact person, and have requested via TRES PALACIOS' Internet Web Site, e-mail notification of Critical Notices issued by TRES PALACIOS. The Action Alert or OFO will set forth (1) the time and date of issuance, (2) the actions Customer or point operator is required to take, (3) the time by which Customer or point operator must be in compliance with the Action Alert or OFO, (4) the anticipated duration of the Action Alert or OFO, and (5) any other terms that TRES PALACIOS may reasonably require to ensure the effectiveness of the Action Alert or OFO. In addition to the other information contemplated by this Section 5.5(e), such notice shall also include information about the status of operational variables that determine when an Action Alert or OFO will begin and end, and TRES PALACIOS shall post periodic updates of such information, promptly upon occurrence of any material change in the information. TRES PALACIOS will post a notice on the Internet Web Site informing the Customers and point operators when any Action Alert or OFO in effect will be lifted and specifying the factors that caused the Action Alert or OFO to be

issued and then lifted, to the extent such factors are known. TRES PALACIOS shall post a notice on its Internet Web Site specifying the factors that caused the Action Alert or OFO to be issued, to the extent such factors are known. TRES PALACIOS shall also provide such notification via e-mail communication to those Customers who have submitted a request and provided e-mail address information for at least one contact person, via TRES PALACIOS' Internet Web Site to receive e-mail notification of Critical Notices issued by TRES PALACIOS.

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

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

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

(A) restriction of Interruptible services;

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

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

(g) OFOs: In the event that, in TRES PALACIOS' judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain operations at the pressures required to provide efficient and reliable service, to have adequate Gas supplies in the system to deliver on demand, to maintain services to all firm Customers and for all firm services, and/or to maintain the system in balance for the foregoing purposes, TRES PALACIOS may forgo the action described in Section 5.5(f) and immediately issue an OFO. In the event that (l) Customer or point operator does not respond to an Action Alert, (2) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or (3) there is insufficient time to carry out the procedures with respect to Action Alerts, TRES PALACIOS may issue an OFO pursuant to this Section 5.5(g) or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of TRES PALACIOS'

system. For purposes of this Section, the operational integrity of TRES PALACIOS' system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered.

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

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

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

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

Any penalty revenue collected by TRES PALACIOS pursuant to this Section 5.5(i) shall be credited to those firm and Interruptible Customers that did not incur Action Alert or OFO penalties pursuant to this Section 5.5(i) in the Month for which Action Alert or OFO penalty revenues were received ("Non-Offending Customers"), based on the ratio of the total charges paid during that Month by the Non-Offending Customer to the sum of the total charges paid during that Month by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month following the date of the final Commission order approving TRES PALACIOS' penalty disbursement report; provided, however, that TRES PALACIOS will calculate and include such credits on Non-Offending

Customer's invoices for a period shorter than twelve Months in the event and to the extent that the total accumulated amount of Action Alert or OFO penalty revenue collected pursuant to this Section 5.5(i) by TRES PALACIOS as of the end of any Month exceeds $1,000,000. TRES PALACIOS will file with the Commission a penalty disbursement report within sixty days of July 31 or sixty days after the end of the Month for which revenue collected exceeds $1,000,000. Any penalty revenue credited to Non-Offending Customers pursuant to this Section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

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

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

6.6 GENERAL TERMS AND CONDITIONS - STORAGE OPERATIONS

6. STORAGE OPERATIONS

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

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

6.7 GENERAL TERMS AND CONDITIONS - WHEELING OPERATIONS

7. WHEELING OPERATIONS

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

6.8 GENERAL TERMS AND CONDITIONS – NOMINATIONS AND SCHEDULING

8. NOMINATIONS AND SCHEDULING

8.1 During any Day when Customer desires TRES PALACIOS to inject, withdraw or wheel Gas, Customer shall submit a nomination to TRES PALACIOS via fax or via the Internet Web Site that includes, but is not limited to, the following information: quantity, flow period, upstream transportation contract number(s)and/or downstream transportation contract number(s), Point(s) of Receipt and/or Point(s) of Delivery, Customer name and Storage Service Agreement number, and the Customer's authorized employee name and telephone number. All nominations shall be based on a daily quantity.

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

Overrun quantities shall be requested on a separate transaction.

8.2 TRES PALACIOS will accept nominations for service as follows:

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

11:30 a.m.	Nomination leaves control of the Customer
11:45 a.m.	Receipt of nomination by the Transporters (including from Title Transfer Tracking Service Providers ("TTTSPs"))
12:00 p.m.	TRES PALACIOS provides quick response for validity of data elements
3:30 p.m.	Completed confirmations from upstream and downstream connected parties provided to TRES PALACIOS
4:30 p.m.	Receipt of scheduled quantities by Customer and point operator

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

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

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

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

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

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

(e) Notices provided under this Section 8.2 must be submitted in writing via fax or the Internet Web Site. Customer shall provide notice of any changes in deliveries to or receipt from TRES PALACIOS to all transporters and shall be responsible for, and shall hold TRES PALACIOS harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of TRES PALACIOS.

(f) Minimum NAESB Nomination Standards. In the event the more flexible nomination procedures set forth in Section 8.2(b) above are inapplicable for any reason, nominations shall be submitted and processed in accordance with the minimum standards set forth in this Section 8.2(f). TRES PALACIOS shall support the following standard nomination cycles:

(1) 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 TRES PALACIOS (including from Title Transfer Tracking Service Providers ("TTTSPs")); noon to send

Quick Response; 3:30 p.m. for receipt of completed confirmations by TRES PALACIOS from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Customer and point operator (Central Clock Time on the Day prior to flow).

(2) 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 TRES PALACIOS (including from TTTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by TRES PALACIOS from upstream and downstream connected parties; 10:00 p.m. for TRES PALACIOS to provide scheduled quantities to affected Customers 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 should be effective at 9:00 a.m. on the Day.

(3) 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 TRES PALACIOS (including from TTTSPs); 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by TRES PALACIOS from upstream and downstream connected parties; 2:00 p.m. for TRES PALACIOS to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties),(Central Clock Time on the Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on the Day.

(4) 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 TRES PALACIOS (including from TTTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by TRES PALACIOS from upstream and downstream connected parties; 9:00 p.m. for TRES PALACIOS to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties) (Central Clock Time on the Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on the Day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

8.3 Customer shall make available and tender any Gas to be injected or wheeled hereunder and receive and accept delivery, upon tender by TRES PALACIOS, any Gas requested to be withdrawn from storage or wheeled. The quantity of Gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer shall not (unless otherwise agreed by TRES PALACIOS) receive or deliver Gas, nor shall TRES PALACIOS be obligated to receive Gas or deliver Gas on an hourly basis at rates of flow in excess of 1/24 of Customer’s MDRQ or MDDQ, respectively. As determined by TRES PALACIOS in its sole and reasonable judgment, flow rates above 1/24 of Customer’s MDRQ or MDDQ may be permitted. A Customer shall not be permitted to nominate simultaneous injections to and withdrawals from storage under the same Service Agreement or otherwise to engage in any nomination pattern that would result in

Customer receiving the equivalent of unbundled transportation service, other than interruptible wheeling service provided by TRES PALACIOS in accordance with an executed Hub Services Agreement. The prohibition against simultaneous injection and withdrawal nominations shall not be deemed to limit a Customer's right during a Day, subject to the priorities of service provisions of Section 5 of these General Terms and Conditions, to submit nominations in the Evening, Intraday 1 and/or Intraday 2 Nomination Cycles, or at other times as may be permitted under this FERC Gas Tariff, that would result in a switch from previously nominated injections to withdrawals or from withdrawals to injections; provided that the Customer shall not nominate both injections and withdrawals under a single Service Agreement during any time period within a Day.

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

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

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

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

9.3 Transportation Guidelines. For each Point of Receipt and Point of Delivery, the interconnected 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 or received. TRES PALACIOS 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, TRES PALACIOS will not be required to begin wheeling, injections or withdrawals for a Customer's account unless and until the data required for nominations, provided for in Section 8, have been confirmed by the applicable Transporter to TRES PALACIOS' Gas dispatcher.

9.4 Transportation Imbalances. In the event that TRES PALACIOS or Customer delivers or causes to be delivered to Transporter at the Point(s) of Receipt or Delivery a quantity of Gas not equal to the quantity of Gas received or taken by Customer or TRES PALACIOS, a "Transportation Imbalance" may occur. Provided that TRES PALACIOS 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 TRES PALACIOS failed to deliver or receive the quantity of Gas nominated by Customer and scheduled by Transporter, TRES PALACIOS will endeavor to correct the Transportation Imbalance subject to any restrictions imposed by Transporter but TRES PALACIOS shall be solely responsible and liable for any charges, penalties, costs and expenses incurred or payable by either party as a result of the Transportation Imbalance. Customer agrees to use its best efforts to prevent or diminish any occurrences of imbalances.

9.5 Measurement. Customer and TRES PALACIOS agree that the quantity of Gas delivered hereunder shall be measured by TRES PALACIOS in accordance with the Transporter's pipeline tariff applicable to each Point of Delivery/Receipt, and, as such, may be allowed to fluctuate within the applicable measurement or flow tolerances on a daily and Monthly basis.

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

9.7 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.

6.10 GENERAL TERMS AND CONDITIONS - QUALITY

10. QUALITY

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

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

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

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

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

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

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

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

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

11. PRESSURE AND INJECTION/WITHDRAWAL RATES

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

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

6.12 GENERAL TERMS AND CONDITIONS - TILE AND RISK OF LOSS

12. TITLE AND RISK OF LOSS

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

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

6.13 GENERAL TERMS AND CONDITIONS – MEASURMENT

13. MEASUREMENT

13.1 The unit of volume for measurement of all quantities of Gas wheeled, parked, loaned or stored by TRES PALACIOS or delivered to and received from storage hereunder shall be one (1) cubic foot of Gas at the base temperature of sixty degrees Fahrenheit (60 degrees F) and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch and dry. All fundamental constants, observations, records, and procedures involved in determining and/or verifying the quantity and other characteristics of Gas delivered hereunder shall, unless otherwise specified herein, be in accordance with the standards prescribed in Report No. 3 of the American Gas Association, as now in effect and from time to time amended or supplemented. All measurements of Gas shall be determined by calculation into terms of such unit. All quantities given herein, unless expressly stated otherwise, are in terms of such unit. Notwithstanding the foregoing, it is agreed that, for all purposes, the Btu content of the Gas received and delivered by TRES PALACIOS hereunder shall be measured on a "dry" basis rather than a fully saturated or "wet" basis. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

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

6.14 GENERAL TERMS AND CONDITIONS – BILLINGS AND PAYMENTS

14. BILLINGS AND PAYMENTS

14.1 Invoice. Not later than the ninth (9th) Business Day of each month, TRES PALACIOS shall provide Customer (including a Replacement Customer) an invoice and any required backup data (which may be transmitted by fax) setting forth (i) the charges due for the current Month; (ii) the total quantity of Gas, stated in Dekatherms, received from and delivered to Customer hereunder during the preceding Month(s), with applicable Point(s) of Receipt and Point(s) of Delivery properly identified, and the amount due therefor; and if applicable, (iii) the amount of Customer's Gas in storage as of the close of the preceding Month and information sufficient to explain and support any adjustments made by TRES PALACIOS in determining the amount billed. If actual quantities are not available by the ninth (9th) Business Day of the month, TRES PALACIOS may invoice based on best available data subject to adjustment to actual at a later date. Quantities at points where Operational Balancing Agreements exist shall be invoiced based on scheduled quantities.

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

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

14.4 Billing Error. If an error is discovered in any billing, such error shall be adjusted within thirty (30) days of the determination thereof. If a dispute arises as to the amount payable in any invoice rendered hereunder, Customer shall nevertheless pay when due the amount not in dispute under such invoice. Such payment shall not be deemed to be a waiver of the right by Customer to recoup any overpayment, nor shall acceptance of any payment be deemed to be a waiver of the right by Customer to recoup any overpayment, nor shall acceptance of any payment be deemed to be a waiver by TRES PALACIOS of any underpayment. In the event Customer fails to forward the entire undisputed amount due to TRES PALACIOS when same is due, interest

on the unpaid portion shall accrue at the same rate of interest and in the same manner as prescribed for pipeline refunds as set forth in Section 154.501(d) of the Commission's regulations under the Natural Gas Act from the date such payment is due until the same is paid. If Customer's failure to pay the undisputed portion of any invoice rendered hereunder continues beyond thirty (30) days after the due date of such invoice, then TRES PALACIOS, in addition to all other legal remedies available to it, shall have the right and option to suspend further deliveries of Gas until such default shall have been cured. If Customer's failure to pay the undisputed portion of any invoice rendered hereunder continues beyond sixty (60) days after the due date of such invoice, then TRES PALACIOS, in addition to all other legal remedies available to it, shall have the right and option to terminate service hereunder.

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

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

6.15 GENERAL TERMS AND CONDITIONS - TAXES

15. TAXES

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

6.16 GENERAL TERMS AND CONDITIONS - INSURANCE

16. INSURANCE

As an accommodation to Customers under Rate Schedules FSS, ISS, FP, IP and IHBS, TRES PALACIOS shall be responsible for obtaining for the benefit of such customers insurance coverage against casualty events that result in the loss of Gas held in storage in the TRES PALACIOS storage facility, provided that such insurance coverage is available to TRES PALACIOS on commercially reasonable terms. TRES PALACIOS' undertaking to obtain such insurance coverage shall not be deemed to shift the risk of loss of Customers' Gas in storage to TRES PALACIOS. TRES PALACIOS shall use commercially reasonable efforts from time to time to identify each Customer under Rate Schedules FSS, ISS, FP, IP and IHBS as a named insured under any insurance policy or policies obtained pursuant to this Section 16. A Customer's recovery of the proceeds of any insurance payment made in respect of a casualty event involving the loss of Gas held in storage shall be limited to the Customer's allocable share of the proceeds of insurance paid over to TRES PALACIOS, such share to be determined in accordance with the provisions of Section 12.2 of these General Terms and Conditions. TRES PALACIOS shall make insurance policy(ies) obtained from time to time pursuant to this Section 16 available to Customer for review upon Customer's reasonable request.

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

17. FORCE MAJEURE, RESERVATION CHARGE CREDITS

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

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

(c) Calculation of Credits Against Reservation Charges.

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

Curtailment of a firm Customer's injections:

Reservation Charge Credit = RC/#Days X CNIQ/MDIQ

Curtailment of a firm Customer's withdrawals:

Reservation Charge Credit = RC/#Days X CNWQ/MDWQ

Where:

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

#Days = The number of Days in the Month.

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

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

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

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

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

be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of TRES PALACIOS.

6.18 GENERAL TERMS AND CONDITIONS – NOTICES

18. NOTICES

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

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

6.19 GENERAL TERMS AND CONDITIONS – FUEL REIMBURSEMENT

19. FUEL REIMBURSEMENT

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

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

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

6.20 GENERAL TERMS AND CONDITIONS - GAS TITLE TRANSFERS

20. GAS TITLE TRANSFERS

20.1 Title Transfers of Gas in Storage:

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

(1) Customer selling Storage Inventory or Loan Balance and Customer purchasing Storage Inventory or Loan Balance execute a Title Transfer Form identifying the details of the title transfer transaction, as such form is posted of TRES PALACIOS' Internet Web Site and amended from time to time, and submit such executed form to TRES PALACIOS; and

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

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

(b) TRES PALACIOS will recognize the transfer for purposes of computing each Customer's available Storage Inventory or Loan Balance on a prospective basis within one (1) Business Day after receipt of the executed Title Transfer Form.

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

20.2 Title Transfers of Gas

(a) Transfers of title between Customers and/or Storage Service Agreements under which Gas is delivered to TRES PALACIOS, withdrawn from TRES PALACIOS' storage or wheeled on TRES PALACIOS' system may be permitted by TRES PALACIOS at Point(s) of Receipt and Point(s) of Delivery on an Interruptible basis pursuant to Customer's Title Transfer Form.

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

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

(c) For each title transfer nominated by Customer under Section 20.2(b) herein, Customer shall pay the gas title transfer rate set forth on the executed Title Transfer Form.

6.21 GENERAL TERMS AND CONDITIONS – PENALTIES

21. PENALTIES

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

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

6.22 GENERAL TERMS AND CONDITIONS – TRANSMISSION PROVIDER STANDARDS OF CONDUCT

22. TRANSMISSION PROVIDER STANDARDS OF CONDUCT

TRES PALACIOS does not meet FERC's definition of a "Transmission Provider" (18 C.F.R. § 358.3(a)) because it is a storage company authorized to charge market-based rates, is not interconnected with the facilities of any affiliated interstate natural gas pipeline, has no exclusive franchise area, has no captive customers and has no market power. Therefore, TRES PALACIOS is not required to comply with FERC's Transmission Provider Standards of Conduct, as promulgated in Order Nos. 2004, *et al.*, and codified at 18 C.F.R. Part 358.

6.23 GENERAL TERMS AND CONDITIONS – NORTH AMERICAN ENERGY STANDARDS BOARD

23. NORTH AMERICAN ENERGY STANDARDS BOARD

Compliance with 18 C.F.R. Section 284.12

TRES PALACIOS has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 2.0, which are required by the Commission in 18 C.F.R. Section 284.12 (a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

NAESB Standard		Tariff Record (GT&C Section)
0.3.3	3.3(j)	Request for Service, 2.0.0
0.3.4	3.3(j)	Request for Service, 2.0.0
0.3.5	3.3(j)	Request for Service, 2.0.0
0.3.6	3.3(j)	Request for Service, 2.0.0
0.3.7	3.3(j)	Request for Service, 2.0.0
0.3.8	3.3(j)	Request for Service, 2.0.0
0.3.9	3.3(j)	Request for Service, 2.0.0
0.3.10	3.3(j)	Request for Service, 2.0.0
1.2.3	2.36	Definitions, 0.0.0, “Pooling”
1.2.4	2.19	Definitions, 0.0.0, “Intraday nomination”
1.2.6	2.32	Definitions, 0.0.0, “Operational Flow Order”
1.2.12	2.12	Definitions, 0.0.0, “Elapsed-prorated-scheduled Quantity”
1.3.1	2.9	Definitions, 0.0.0, “Day”
1.3.2(i)-(v)	8.2(f)	Nominations and Scheduling, 0.0.0
1.3.5	8.1	Nominations and Scheduling, 0.0.0
1.3.6	8.2(d)	Nominations and Scheduling, 0.0.0
1.3.8	8.2(b)	Nominations and Scheduling, 0.0.0
1.3.9	8.2(b)	Nominations and Scheduling, 0.0.0
1.3.11	8.2(b)	Nominations and Scheduling, 0.0.0
1.3.13	8.2(b)	Nominations and Scheduling, 0.0.0
1.3.19	8.1	Nominations and Scheduling, 0.0.0
1.3.21	8.2(a)	Nominations and Scheduling, 0.0.0
1.3.26	5.5(e)	Priority, Interruption of Service and OFOs, 1.0.0
1.3.33	8.2(b)	Nominations and Scheduling, 0.0.0
2.3.9	2.3	Definitions, 0.0.0, “Btu”
3.2.1	2.4	Definitions, 0.0.0, “Business Day
3.3.9	14.1	Billing and Payments, 0.0.0
3.3.10	14.1	Billing and Payments, 0.0.0
3.3.17	14.3	Billing and Payments, 0.0.0
3.3.19	14.4	Billing and Payments, 0.0.0
5.2.1	2.6	Definitions, 0.0.0, “Critical Notice”
5.2.3	2.11	Definitions, 0.0.0, “Elapsed Prorata Capacity”

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

NAESB Standard		Tariff Record (GT&C Section)
5.3.1	4.3	Capacity Release, 2.0.0
5.3.2	4.3	Capacity Release, 2.0.0
5.3.3	4.3	Capacity Release, 2.0.0
5.3.4	4.3	Capacity Release, 2.0.0
5.3.7	4.13(g)	Capacity Release, 2.0.0
5.3.13	4.6(b)	Capacity Release, 2.0.0
5.3.14	4.1	Capacity Release, 2.0.0
5.3.15	4.6(b)	Capacity Release, 2.0.0
5.3.16	4.1	Capacity Release, 2.0.0
5.3.24	4.3(d)	Capacity Release, 2.0.0
5.3.25	4.3(d)	Capacity Release, 2.0.0
5.3.27	4.1(n)	Capacity Release, 2.0.0
5.3.44	4.13(e)	Capacity Release, 2.0.0
5.3.45	4.13(e)	Capacity Release, 2.0.0
5.3.59	4.8	Capacity Release, 2.0.0
5.3.60	4.14(c)	Capacity Release, 2.0.0

Standards Incorporated by Reference:

Additional Standards:

General:

Standards:
0.3.1, 0.3.2, 0.3.16, 0.3.17

Gas/Electric Operational Communications:

Definitions:
0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:
0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:
0.3.18, 0.3.19, 0.3.20, 0.3.21, 0.3.22

Datasets:
0.4.2, 0.4.3

Storage Information:

Dataset:
0.4.1

Nominations Related Standards:

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

Standards:
1.3.2(vi), 1.3.3, 1.3.4, 1.3.7, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 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, 1.3.79, 1.3.80

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

Flowing Gas Related Standards:

Definitions:
2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:
2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 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, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65

Datasets:
2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, 2.4.16, 2.4.17, 2.4.18

Invoicing Related Standards:

Standards:
3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.18, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Datasets:
3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:
4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:
4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27. 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.39, 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, 4.3.65, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 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, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102

Capacity Release Standards:

Definitions:
5.2.2, 5.2.4, 5.2.5

Standards:
5.3.5, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72

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

Internet Electronic Transport Related Standards:

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

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

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

None.

6.24 GENERAL TERMS AND CONDITIONS - JOINT OBLIGATIONS

24. JOINT OBLIGATIONS

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

6.25 GENERAL TERMS AND CONDITIONS - WAIVERS

25. WAIVERS

TRES PALACIOS may waive any of its rights hereunder or any obligations of Customer on a basis which is not unduly discriminatory; provided that no waiver by either Customer or TRES PALACIOS of any one or more defaults by the other in the performance of any provision of the Storage Service Agreement between Customer and TRES PALACIOS shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

6.26 GENERAL TERMS AND CONDITIONS - MODIFICATION

26. MODIFICATION

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

6.27 GENERAL TERMS AND CONDITIONS - SUCCESSORS IN INTEREST

27. SUCCESSORS IN INTEREST

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

6.28 GENERAL TERMS AND CONDITIONS – DEFAULT AND TERMINATION

28. DEFAULT AND TERMINATION

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

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

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

(c) Customer or its guarantor becomes insolvent, as set forth in Section 3.3(i); or

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

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

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

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

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

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

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

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

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

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

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

29. FEES AND CONSTRUCTION OF NEW FACILITIES

29.1 Except as provided in Section 29.2 herein, Customer shall reimburse TRES PALACIOS (a) for the costs of any facilities installed by TRES PALACIOS with Customer's consent to receive, measure, store or deliver Gas for Customer's account and (b) for any and all filings and approval fees required in connection with Customer's Storage Service Agreement that TRES PALACIOS is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due TRES PALACIOS by Customer pursuant to this Section 29.1 shall be due and payable to TRES PALACIOS within ten (10) days of receipt by Customer of TRES PALACIOS' invoice(s) for same; provided, however, that subject to TRES PALACIOS' consent, such reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to extend beyond the primary contract term of the Storage Service Agreement between TRES PALACIOS and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both TRES PALACIOS and Customer.

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

6.30 GENERAL TERMS AND CONDITIONS – OFF-SYSTEM CAPACITY

30. OFF-SYSTEM CAPACITY

TRES PALACIOS may, from time to time, acquire transportation and/or storage capacity on a third-party pipeline system. TRES PALACIOS will only provide transportation and storage services for others using such capacity pursuant to its open access FERC Gas Tariff subject to its rates approved by the Federal Energy Regulatory Commission, and the "shipper must hold title" policy is waived to permit such use.

6.31 GENERAL TERMS AND CONDITIONS – CREDITWORTHINESS – FINANCIAL ASSURANCES

31. CREDITWORTHINESS - FINANCIAL ASSURANCES

31.1 "Acceptable Credit Rating" means a Credit Rating for which Customer's Unsecured Collateral Limit is greater than Customer's Credit Exposure.

31.2 "Credit Rating" means the rating given to Customer's unsecured long term debt by Standard and Poor's Corporation ("S&P") or Moody's Investor Services, Inc. ("Moody's "). If both S&P and Moody's have issued a Credit Rating to Customer, the lower rating shall apply for purposes of this FERC Gas Tariff.

31.3 "Credit Exposure" means an amount equal to: (1) in the case of Firm Storage Services to be provided by TRES PALACIOS using existing facilities, reservation charges payable at the rate specified in Customer's bid for service or Storage Service Agreement for a period of three (3) Months or the duration of the Customer's bid or Storage Service Agreement, whichever is shorter; (2) in the case of Interruptible services to be provided by TRES PALACIOS using existing facilities, the Interruptible charge(s) calculated on a one hundred percent (100%) load factor basis payable for a period of three (3) Months or the duration of the Customer's Storage Service Agreement, whichever is shorter; or (3) for service that requires TRES PALACIOS to construct new facilities, an amount determined by TRES PALACIOS prior to the start of construction that is reasonable in light of the risks of the construction project, not to exceed Customer's proportional share of the cost of the facilities to be constructed (which amount shall be reduced as Customer pays off the obligation for construction of new facilities); plus, for each of (1), (2) and (3), the Market Value of Loaned Gas.

31.4 "Market Value of Loaned Gas" means the Customer's Loan Balance for service under Rate Schedules FL and IL, if any, multiplied by the sum of the NYMEX Henry Hub Swap and the NYMEX Tennessee Zone Zero Basis Swap, as posted on the www.nymex.com web site, for the period under which the loaned gas is scheduled to be returned pursuant to the Customer's Storage Service Agreement(s). TRES PALACIOS shall calculate Customer's Market Value of Loaned Gas on a daily basis.

31.5 "Unsecured Collateral Limit" means the maximum amount of credit TRES PALACIOS will extend to a Customer, without Customer providing Financial Assurances pursuant to this Section 31, based upon the Customer's Credit Rating, as provided in the table below:

S&P AAA Moody's Aaa	$25,000,000
S&P AA+ to AA- Moody's Aa1 to Aa3	$15,000,000
S&P A+ to A- Moody's A1 to A3	$5,000,000
S&P BBB+ to BBB- Moody's Baa1 to Baa3	$1,000,000

S&P BB+ and lower Moody's Ba1 and lower	$0

31.6 "Material Adverse Change" means the failure of Customer at any time to satisfy the requirements pertaining to creditworthiness set forth in Section 3.3, to maintain an Acceptable Credit Rating or to maintain or reinstate one of the forms of Financial Assurances specified in Section 31.10.

31.7 "Financial Assurances" means one or more of the forms of security set forth in Sections 31.10(a), 31.10(b), 31.10(c) and 31.10(d), in accordance with and in an amount as set forth in Section 31.10.

31.8 If Customer suffers a Material Adverse Change, Customer shall provide TRES PALACIOS with one or more of the forms of Financial Assurances as set forth in this Section 31. Customer shall provide such Financial Assurances within five (5) Business Days of written notice from TRES PALACIOS in an amount equal to one month of firm service reservation charges, one month of Interruptible service charges calculated on a one hundred percent load factor basis and/or the market value of Customer's loaned gas, each determined in the manner described in Section 31.10 below, as applicable. Customer shall fully comply with Financial Assurances provisions of Section 31.10 of these General Terms and Conditions within 30 days of written notice from TRES PALACIOS.

31.9 If prior to initiation of service Customer does not have an Acceptable Credit Rating, then, as a condition of TRES PALACIOS initiating service, Customer shall provide TRES PALACIOS with one or more of the forms of Financial Assurances provided in this Section 31.

31.10 A Customer that does not have, or at any time fails to maintain, an Acceptable Credit Rating shall provide to TRES PALACIOS, to secure its obligation to TRES PALACIOS pursuant to each of Customer's Storage Service Agreements, one or more of the following forms of Financial Assurances:

(a) An irrevocable Letter of Credit, subject to the following:

(1) each Letter of Credit shall be in effect for the lesser of one (1) year or for the Term of the transaction plus 120 days. If the Term of the transaction plus 120 days is greater than one (1) year, Customer shall ensure that its obligation to TRES PALACIOS is secured continuously, and accordingly shall provide TRES PALACIOS with a replacement Letter of Credit no later than 120 days prior to the expiration of the then-effective Letter of Credit. TRES PALACIOS will return the expiring Letter of Credit to Customer within five (5) days of the date the Replacement Letter of Credit becomes effective;

(2) each Letter of Credit shall be in form and substance satisfactory to TRES PALACIOS, and shall provide for partial drawdowns and, without limiting the generality of the foregoing, shall be issued by a financial institution acceptable to TRES PALACIOS that is rated at least BBB- by Standard and Poor's Corporation and Baa3 by Moody's Investor Services, Inc.; and

(3) in addition to all other remedies available to TRES PALACIOS at law or in equity, if Customer fails to provide a replacement Letter of Credit in accordance with this Section 31.10(a), TRES PALACIOS may draw upon the expiring Letter of Credit to the full amount thereof and apply the funds so drawn in payment in whole or in part of the obligations of Customer under each or any of Customer's Storage Service Agreements.

(b) Customer shall provide to TRES PALACIOS, to secure its obligation to TRES PALACIOS pursuant to each of Customer's Storage Service Agreements, a Guaranty granted to TRES PALACIOS by Customer's direct or indirect parent (the "Guarantor"), provided that the amount of such Guaranty shall not exceed the Unsecured Collateral Limit for such parent determined using the above criteria and parent's Credit Rating. The Guaranty shall be in a form acceptable to TRES PALACIOS and the provisions of this Section shall apply to the Guarantor as if the Guarantor were the Customer;

(c) If Customer has requested, TRES PALACIOS may accept other forms of Financial Assurances to secure Customer's obligations under the Storage Service Agreements, provided that TRES PALACIOS may reject or accept such other forms of Financial Assurances in a manner that is not unduly discriminatory;

(d) Customer shall prepay for service in an amount as set forth immediately below, provided that such prepayments shall be considered collateral held for security and not advance payments for services and that Customer may deposit its prepayment funds into an interest-bearing escrow account established by Customer granting TRES PALACIOS access to the account for payment of services under Customer's Storage Service Agreement(s).

The dollar value of the Financial Assurances set forth above in this Section 31.10 to be provided by Customer shall be in an amount equal to Customer's Credit Exposure minus Customer's Unsecured Collateral Limit. TRES PALACIOS shall re-compute the dollar value of Financial Assurances Customer is required to provide on a daily basis. TRES PALACIOS shall notify Customer when such re-computation indicates that additional credit support is required to comply with the requirements of this section based on a 10% increase in the daily computation of the amount of Financial Assurances over the Financial Assurances previously provided by Customer. Customer shall have two (2) Business Days to comply with a notification by TRES PALACIOS of insufficient credit support.

31.11 Customer's obligation to maintain an Acceptable Credit Rating or to provide Financial Assurances shall continue for so long as the Parties are bound by the Storage Service Agreements and all transactions entered into thereunder. This obligation shall terminate when Customer has performed or satisfied all of its obligations under the Storage Service Agreements and, upon such termination, TRES PALACIOS shall return to Customer, if applicable:

(a) the Letter of Credit and funds held by TRES PALACIOS as security pursuant to Section 31.10(a) then in its possession but only

to the extent it has not then applied such funds pursuant to this FERC Gas Tariff to the debts, expenses, costs, assessments and liabilities payable by Customer to TRES PALACIOS pursuant to the provisions of the Storage Service Agreement(s);

(b) the Guaranty held by TRES PALACIOS pursuant to Section 31.10(b);

(c) any security accepted by TRES PALACIOS pursuant to Section 31.10(c); or

(d) any amount prepaid by Customer pursuant to Section 31.10(d) not required to pay charges for service rendered under the Storage Service Agreements.

6.32 GENERAL TERMS AND CONDITIONS – DISPOSITION OF RETAINED QUANTITIES

32. DISPOSITION OF RETAINED QUANTITIES

In the event that TRES PALACIOS holds an auction for Gas quantities retained pursuant to Section 8 of Rate Schedule FSS, Section 8 of Rate Schedule FP, Sections 2 or 8 of Rate Schedule ISS, Sections 2 or 8 of Rate Schedule IHBS, or Sections 2 or 8 of Rate Schedule IP, TRES PALACIOS shall post such quantities on the Internet Web Site as soon as reasonably practicable. TRES PALACIOS shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second Business Day following such posting. TRES PALACIOS shall award purchase of the Gas to the Customer submitting the highest bid, and shall notify the Customer submitting the highest bid prior to 4:00 p.m. CCT of the same Day on which TRES PALACIOS accepts bids; provided, however, TRES PALACIOS reserves the right to reject all bids. When the Gas is purchased at auction, Customer must provide identification of the existing Storage Service Agreement with TRES PALACIOS under which Customer shall store the Gas in TRES PALACIOS' facilities.

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

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

6.33 GENERAL TERMS AND CONDITIONS – FORM OF SERVICE REQUEST

33. FORM OF SERVICE REQUEST

TRES PALACIOS GAS STORAGE LLC
SERVICE REQUEST

Send to: Bruce Page
Director – Commercial Operations
TRES PALACIOS GAS STORAGE LLC
350 Glenborough, Suite 138
Houston, TX 77067
Telephone: 281-453-5306
Facsimile: 281-453-5367
e-mail: bpage@inergyservices.com

INFORMATION REQUIRED FOR VALID STORAGE REQUEST

NOTE: Any change in the facts set forth below, whether before or after service begins, must be promptly communicated to TRES PALACIOS in writing.

33.1 Prospective Customer's name and address: (Note: the Customer is the party that has all lawful right and title to the Gas to be stored and that proposes to execute the Storage Service Agreement with TRES PALACIOS).

_____

_____

_____

Attention: _____ Telephone: ( ) _____

33.2 This request is for: (check one)

_____ Firm storage service under Rate Schedule FSS

_____ No-notice storage service under Rate Schedule NNSS

_____ Firm parking service under Rate Schedule FP

_____ Firm loan service under Rate Schedule FL

_____ Interruptible storage service under Rate Schedule ISS

_____ Interruptible hourly balancing service under Rate Schedule IHBS

_____ Interruptible parking service under Rate Schedule IP

_____ Interruptible wheeling service under Rate Schedule IW

_____ Interruptible loan service under Rate Schedule IL

_____ Enhanced interruptible wheeling service under Rate Schedule EIWS

33.3 Requested Firm Storage Services:

(a) Request Quantities

Maximum Storage Quantity (MSQ) (FSS only) _____
No-Notice Maximum Daily Quantity (NNSS only) _____
Maximum Park Quantity (FP only) _____
Maximum Loan Quantity (FL only) _____
Maximum Daily Injection Quantity (MDIQ) _____
Maximum Daily Withdrawal Quantity (MDWQ) _____

Transporter Name:
_____

(b) Rate prospective Customer proposes to pay for storage service under Rate Schedules FSS, NNSS, FP or FL:

Monthly Storage Reservation Charge (FSS only) _____

Monthly Withdrawal Reservation Charge (FSS only) _____

Monthly Injection Reservation Charge (FSS only) _____

Monthly No-Notice Reservation Charge (NNSS only) _____

Monthly Parking Reservation Charge (FP only) _____

Monthly Loan Reservation Charge (FL only) _____

Injection Charge _____

Withdrawal Charge _____

Fuel Reimbursement _____

(c) Term of Service:

Commencement Date: _____

Termination Date: _____

33.4 Requested Interruptible Storage Services under Rate Schedule ISS or IHBS:

(a) Request Quantities

Maximum Storage Quantity (MSQ) _____

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

Maximum Hourly Deviation (IHBS only) _____

Transporter Name:

_____

(b) Rate prospective Customer proposes to pay for storage service under Rate Schedule ISS or IHBS:

Hourly Balancing Charge (IHBS only): _____

Storage Inventory Charge: _____

Injection Charge: _____

Withdrawal Charge: _____

Fuel Reimbursement: _____

(c) Term of Service:

Commencement Date: _____

Termination Date: _____

33.5 Requested Interruptible Hub Services:

(a) Requested Quantities (as applicable)

Maximum Parking Quantity _____
Maximum Loan Quantity _____
Maximum Daily Injection Quantity (MDIQ) _____
Maximum Daily Withdrawal Quantity (MDWQ) _____
Maximum Daily Wheeling Quantity (MDTQ) _____
Point(s) of Receipt* _____
Point(s) of Delivery* _____

(b) Rate Customer proposes to pay for Interruptible services under Rate Schedules EIWS, IP, IW or IL:

Enhanced Interruptible Wheeling
Capacity Charge (EIWS only) _____
Enhanced Interruptible Wheeling
Commodity Charge (EIWS only) _____
Interruptible Wheeling Charge (IW only) _____
Interruptible Parking Charge (IP only) _____
Interruptible Loan Charge (IL only) _____
Interruptible Injection Charge (IP and IL) _____
Interruptible Withdrawal Charge (IP and IL) _____
Fuel Reimbursement _____

(c) Term of Service:

Commencement Date: _____
Termination Date: _____

* For wheeling services: Multiple Points of Receipt and/or Points of Delivery may be specified, which shall determine the transaction wheeling paths. Use separate requests to specify different paths for wheeling services.

33.6 Is Customer affiliated with TRES PALACIOS?

Yes_____ No_____

If yes, type of affiliation and the percentage of ownership between TRES PALACIOS and Customer: _____

33.7 Customer is a(n): (Check one)

_____Local Distribution Company
_____Intrastate Pipeline Company
_____Interstate Pipeline Company
_____Marketer/Broker Producer
_____End User Other (please describe _____)

33.8 Customer's address for statements and invoices:

_____

_____

_____

Attention: _____Telephone: ( )_____

e-mail: _____

For all other matters:

_____

_____

_____

Attention: _____Telephone: ( )_____

e-mail: _____

33.9 Acceptance of a service request is contingent upon TRES PALACIOS' completion of a satisfactory credit appraisal. Prospective Customer must provide evidence of creditworthiness as outlined in Section 3.3 of the General Terms and Conditions of TRES PALACIOS' currently effective FERC Gas Tariff.

By submitting this request, prospective Customer certifies further that it will execute, if tendered by TRES PALACIOS, a Storage Service Agreement for the level of service requested herein.

THIS SERVICE REQUEST IS HEREBY SUBMITTED THIS ____DAY OF _____, ____.

By_____

Title_____

Telephone number ( )_____

e-mail: _____

Customer:_____(Company Name)

6.34 GENERAL TERMS AND CONDITIONS – TRANSACTION CONFIRMATION PROCEDURE

34. TRANSACTION CONFIRMATION PROCEDURE

34.1 TRES PALACIOS and a Customer may use the Transaction Confirmation procedure set forth in this Section 34 to confirm their agreement(s) regarding storage and hub services to be provided by TRES PALACIOS. Should TRES PALACIOS and Customer come to an agreement regarding a storage or hub service transaction, TRES PALACIOS shall, and the Customer may, record that agreement on a Transaction Confirmation, which shall include all of the information required under the applicable form of Service Agreement set forth in this Tariff, and communicate such Transaction Confirmation by facsimile, e-mail or other mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. TRES PALACIOS and Customer acknowledge that their agreement will not be binding until the exchange of non-conflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 34.2.

34.2 If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 34.1, such receiving party shall notify the sending party via facsimile, e-mail or other mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations.

34.3 For purposes of this Section 34, "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

7.0 FORMS OF SERVICE AGREEMENTS

7.1 FIRM STORAGE SERVICE AGREEMENT
(FOR USE UNDER RATE SCHEDULE FSS)

7.2 NO-NOTICE STORAGE SERVICE AGREEMENT
(FOR USE UNDER RATE SCHEDULE NNSS)

7.3 FIRM PARKING SERVICE AGREEMENT
(FOR USE UNDER RATE SCHEDULE FP)

7.4 FIRM LOAN SERVICE AGREEMENT
(FOR USE UNDER RATE SCHEDULE FL)

7.5 INTERRUPTIBLE STORAGE SERVICE AGREEMENT
(FOR USE UNDER RATE SCHEDULE ISS)

7.6 INTERRUPTIBLE HOURLY BALANCING SERVICE AGREEMENT
(FOR USE UNDER RATE SCHEDULE IHBS)

7.7 HUB SERVICES AGREEMENT
(FOR USE UNDER RATE SCHEDULES IP, IW, IL, and EIWS)

7.8 CAPACITY RELEASE UMBRELLA AGREEMENT

7.1 FIRM STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule FSS)

This Agreement is made as of the _____day of_____, ____, by and between TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS," and _____, an _____, herein called "Customer," (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, TRES PALACIOS owns and operates an underground natural gas storage facility known as the Tres Palacios Gas Storage facility, located in Texas, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Tres Palacios Gas Storage facility; and

WHEREAS, Customer has requested that TRES PALACIOS provide certain firm natural gas storage services for Customer; and

WHEREAS, TRES PALACIOS has agreed to provide such firm storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule FSS, and of this Agreement, TRES PALACIOS shall on any Day receive for injection into storage in the Tres Palacios Gas Storage facility for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit "A" hereto, shall store quantities of Gas so injected up to a Maximum Storage Quantity as set forth on Exhibit "A" hereto (on a cumulative basis), and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A" hereto.

ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Agreement shall be the point(s) designated on Exhibit "A" hereto (Customer's Point(s) of Receipt).

The point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Agreement shall be the point(s) designated on Exhibit "A" hereto (Customer's Point(s) of Delivery).

ARTICLE III - PRICE

3.1. Customer agrees to pay TRES PALACIOS the charges set forth on Exhibit "A" hereto for all Gas storage service furnished to Customer hereunder.

3.2. Customer further agrees to pay TRES PALACIOS all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule FSS.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of _____, ____ and shall remain in force and effect until _____, ____ (the "Primary Term"); provided that this Agreement shall remain in effect until the expiration of any transaction(s) executed by the parties pursuant to this Agreement.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

TRES PALACIOS: _____
_____
_____

Attention:_____

CUSTOMER:

NOTICES: _____
_____
_____
_____

Attention:_____

BILLING: _____

Attention: _____

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff. It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Storage Service Agreement, dated _____, ____.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY

INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN TRES PALACIOS' TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

TRES PALACIOS GAS STORAGE LLC

By _____

Title_____

Customer_____

By _____

Title_____

Exhibit A to the Firm Storage Service Agreement
between TRES PALACIOS and
_____(Customer)
dated _____

Transaction Confirmation

Maximum Storage Quantity ("MSQ") _____ Dth
Maximum Daily Injection Quantity ("MDIQ") _____ Dth
Maximum Daily Withdrawal Quantity ("MDWQ") _____ Dth

Primary Receipt Point _____*
Maximum Daily Receipt Quantity ("MDRQ") _____ Dth*

Primary Delivery Point _____*
Maximum Daily Delivery Quantity ("MDDQ") _____ Dth*

____ Customer shall have the right to use secondary Receipt and Delivery Points

Start Date _____
End Date _____

Storage Reservation Charge _____$/Dth-mo
Withdrawal Reservation Charge _____$/Dth-mo
Injection Reservation Charge _____$/Dth-mo
Storage Injection Charge _____$/Dth
Storage Withdrawal Charge _____$/Dth
Fuel Reimbursement _____

* Add additional lines for multiple Receipt and/or Delivery Points.

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

7.2 NO-NOTICE STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule NNSS)

This Agreement is made as of the _____day of_____, ____, by and between TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS," and _____, an _____, herein called "Customer," (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, TRES PALACIOS owns and operates an underground natural gas storage facility known as the Tres Palacios Gas Storage facility, located in Texas, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Tres Palacios Gas Storage facility; and

WHEREAS, Customer has requested that TRES PALACIOS provide certain firm no-notice natural gas storage services for Customer; and

WHEREAS, TRES PALACIOS has agreed to provide such firm no-notice storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule NNSS, and of this Agreement, TRES PALACIOS shall on any Day allow Customer to deviate (plus or minus) by any amount up to Customer's No-Notice Maximum Daily Quantity as set forth on Exhibit "A" hereto, at points specified in Exhibit "A," from its nominations under the Firm Storage Service Agreement between Customer and TRES PALACIOS as designated on Exhibit "A." Any such deviations shall be netted against customer's FSS Storage Inventory, provided that customer's FSS Storage Inventory shall not be permitted to exceed Customer's FSS Maximum Storage Quantity or to fall below zero (0).

ARTICLE II - PRICE

2.1. Customer agrees to pay TRES PALACIOS the charges set forth on Exhibit "A" hereto for all Gas no-notice service furnished to Customer hereunder.

2.2. Customer further agrees to pay TRES PALACIOS all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule NNSS.

2.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes,

property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE III - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms and conditions specified in TRES PALACIOS' Rate Schedule NNSS and the provisions of TRES PALACIOS' FERC Gas Tariff, as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedule, Tariff or General Terms and Conditions as may from time to time be filed and made effective by TRES PALACIOS).

ARTICLE IV - TERM OF AGREEMENT

This Agreement shall be effective as of _____, ____ and shall remain in force and effect until _____, ____ (the "Primary Term"); provided that this Agreement shall remain in effect until the expiration of any transaction(s) executed by the parties pursuant to this Agreement.

ARTICLE V - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

TRES PALACIOS: _____
_____
_____

Attention:_____

CUSTOMER:

NOTICES: _____
_____
_____
_____

Attention: _____

BILLING: _____

Attention: _____

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VI - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VII - LAW OF AGREEMENT

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

ARTICLE VIII - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE IX - PRIOR AGREEMENTS CANCELLED

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

Storage Service Agreement, dated _____, ____.

ARTICLE X - MISCELLANEOUS

10.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

10.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

10.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no

way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

10.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

10.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

10.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

TRES PALACIOS GAS STORAGE LLC

By _____

Title_____

Customer_____

By _____

Title_____

Exhibit A to the NO-NOTICE STORAGE SERVICE AGREEMENT
between TRES PALACIOS and
_____(Customer)
dated _____

Transaction Confirmation

This No-Notice Storage Service Transaction shall permit deviations from quantities nominated under the following Rate Schedule FSS firm storage service agreement between TRES PALACIOS and Customer:

Contract No. _____
dated _____

No-Notice Maximum Quantity _____ Dth

Primary Receipt Point _____*
Maximum Daily Receipt Quantity ("MDRQ") _____ Dth*

Primary Delivery Point _____*
Maximum Daily Delivery Quantity ("MDDQ") _____ Dth*

____ Customer shall have the right to use secondary Receipt and Delivery Points

Start Date _____
End Date _____

No-Notice reservation charge _____$/Dth-mo

* Add additional lines for multiple Receipt and/or Delivery Points.

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

7.3 FIRM PARKING SERVICE AGREEMENT

(For Use Under Rate Schedule FP)

This Agreement is made as of the _____day of_____ ____, by and between TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS," and _____ an _____, herein called "Customer," (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, TRES PALACIOS owns and operates an underground natural gas storage facility known as the Tres Palacios Gas Storage facility, located in Texas, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Tres Palacios Gas Storage facility; and

WHEREAS, Customer has requested that TRES PALACIOS provide certain firm parking natural gas storage services for Customer; and

WHEREAS, TRES PALACIOS has agreed to provide such firm parking storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule FP, and of this Agreement, TRES PALACIOS shall on any Day of the Injection Period receive for injection into storage for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit "A" hereto, shall store quantities of Gas so injected in the Tres Palacios Gas Storage LLC underground gas storage facility located in Texas, up to a Maximum Park Quantity as set forth on Exhibit "A" (on a cumulative basis), and on demand on any Day during the Withdrawal Period shall allow Customer to withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A." Injections shall occur pursuant to any transaction under this Agreement during the Injection Period as set forth on Exhibit "A," such that Customer's Storage Inventory at the end of the Injection Period is equal to Customer's Maximum Park Quantity. Withdrawals shall occur pursuant to any transaction under this Agreement during the Withdrawal Period as set forth on Exhibit "A." There shall be no injections or withdrawals under this Agreement from the end of the Injection Period until the beginning of the Withdrawal Period.

ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Agreement shall be the point(s) designated on Exhibit "A" hereto (Customer's Point(s) of Receipt).

The point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Agreement shall be the point(s) designated on Exhibit "A" hereto (Customer's Point(s) of Delivery).

ARTICLE III - PRICE

3.1. Customer agrees to pay TRES PALACIOS the charges set forth on Exhibit "A" hereto for all Gas storage service furnished to Customer hereunder.

3.2. Customer further agrees to pay TRES PALACIOS all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule FP.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms and conditions specified in TRES PALACIOS' Rate Schedule FP and the provisions of TRES PALACIOS' FERC Gas Tariff, as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedule, Tariff or General Terms and Conditions as may from time to time be filed and made effective by TRES PALACIOS).

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of _____, ____, 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; provided that this Agreement shall remain in effect until the expiration of any transaction(s) executed by the parties pursuant to this Agreement.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

TRES PALACIOS: _____
_____
_____

Attention:_____

CUSTOMER:

NOTICES: _____

_____
_____
_____

Attention: _____

BILLING: _____
Attention: _____

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Storage Service Agreement, dated _____, ____.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS

FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN TRES PALACIOS' TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

TRES PALACIOS GAS STORAGE LLC

By _____

Title_____

Customer_____

By _____

Title_____

Exhibit A to the Firm Parking Service Agreement
between TRES PALACIOS and
_____(Customer)

Transaction Confirmation

Maximum Parking Quantity ("MPQ")	_____	Dth
Maximum Daily Injection Quantity ("MDIQ")	_____	Dth
Maximum Daily Withdrawal Quantity ("MDWQ")	_____	Dth
Primary Receipt Point	_____*	
Maximum Daily Receipt Quantity ("MDRQ")	_____	Dth*
Primary Delivery Point	_____*	
Maximum Daily Delivery Quantity ("MDDQ")	_____	Dth*
Injection Period Start Date	_____	
Injection Period End Date	_____	
Withdrawal Period Start Date	_____	
Withdrawal Period End Date	_____	
Firm Parking Reservation Charge	_____	$/Dth-mo
Firm Parking Injection Charge	_____	$/Dth
Firm Parking Withdrawal Charge	_____	$/Dth
Fuel Reimbursement	_____	

* Add additional lines for multiple Receipt and/or Delivery Points. Secondary Point rights shall not apply to Firm Parking service.

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

7.4 FIRM LOAN SERVICE AGREEMENT

(For Use Under Rate Schedule FL)

This Agreement is made as of the _____day of_____, ____, by and between TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS," and _____, an _____, herein called "Customer," (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, TRES PALACIOS owns and operates an underground natural gas storage facility known as the Tres Palacios Gas Storage facility, located in Texas, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Tres Palacios Gas Storage facility; and

WHEREAS, Customer has requested that TRES PALACIOS provide certain firm loan natural gas storage services for Customer; and

WHEREAS, TRES PALACIOS has agreed to provide such firm loan storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule FL, and of this Agreement, TRES PALACIOS shall on demand on any Day of the Withdrawal Period allow Customer to nominate for withdrawal and delivery a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A" hereto, and shall on any Day of the Injection Period receive for injection into storage for repayment of Customer's Loan Balance a quantity of Gas up to Customer's Maximum Daily Injection Quantity set forth on Exhibit "A." Withdrawals shall occur pursuant to any transaction under this Agreement during Withdrawal Period as set forth on Exhibit "A," such that Customer's Loan Balance at the end of the Withdrawal Period is equal to Customer's Maximum Loan Quantity as set forth on Exhibit "A." Injections shall occur pursuant to any transaction under this Agreement during the Injection Period as set forth on Exhibit "A," such that Customer's Loan Balance shall equal zero (0) at the end of the Injection Period. There shall be no injections or withdrawals under this Agreement from the end of the Withdrawal Period until the beginning of the Injection Period.

ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Agreement shall be the point(s) designated on Exhibit "A" hereto (Customer's Point(s) of Receipt).

The point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Agreement shall be the point(s) designated on Exhibit "A" hereto (Customer's Point(s) of Delivery).

ARTICLE III - PRICE

3.1. Customer agrees to pay TRES PALACIOS the charges set forth on Exhibit "A" hereto for all Gas storage service furnished to Customer hereunder.

3.2. Customer further agrees to pay TRES PALACIOS all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule FL.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms and conditions specified in TRES PALACIOS' Rate Schedule FL and the provisions of TRES PALACIOS' FERC Gas Tariff, as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedule, Tariff or General Terms and Conditions as may from time to time be filed and made effective by TRES PALACIOS).

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of _____, ____, and shall remain in force and effect on a Month to Month basis unless terminated either Party upon at least thirty (30) days prior written notice to the other Party; provided that this Agreement shall remain in effect until the expiration of any transaction(s) executed by the parties pursuant to this Agreement.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

TRES PALACIOS: _____
_____
_____

Attention:_____

CUSTOMER:

NOTICES: _____
_____
_____

_____

Attention: _____

BILLING: _____

Attention: _____

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Storage Service Agreement, dated _____, ____.

ARTICLE XI - MISCELLANEOUS

11.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the

subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

11.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

11.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

11.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

11.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

11.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

TRES PALACIOS GAS STORAGE LLC

By _____

Title_____

Customer_____

By _____

Title_____

Exhibit A to the Firm Loan Service Agreement
between TRES PALACIOS and
_____(Customer)

Transaction Confirmation

Maximum Loan Quantity ("MLQ")	_____	Dth
Maximum Daily Injection Quantity ("MDIQ")	_____	Dth
Maximum Daily Withdrawal Quantity ("MDWQ")	_____	Dth
Primary Receipt Point	_____*	
Maximum Daily Receipt Quantity ("MDRQ")	_____	Dth*
Primary Delivery Point	_____*	
Maximum Daily Delivery Quantity ("MDDQ")	_____	Dth*
Withdrawal Period Start Date	_____	
Withdrawal Period End Date	_____	
Injection Period Start Date	_____	
Injection Period End Date	_____	
Firm Loan Reservation Charge	_____	$/Dth-mo
Firm Loan Injection Charge	_____	$/Dth
Firm Loan Withdrawal Charge	_____	$/Dth
Fuel Reimbursement	_____	

* Add additional lines for multiple Receipt and/or Delivery Points. Secondary Point rights shall not apply to Firm Loan service.

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

7.5 INTERRUPTIBLE STORAGE SERVICE AGREEMENT

(For Use Under Rate Schedule ISS)

This Agreement is made as of the _____day of _____, ____, by and between TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS," and _____, an _____, herein called "Customer," (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, TRES PALACIOS owns and operates an underground natural gas storage facility known as the Tres Palacios Gas Storage facility, located in Texas, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Tres Palacios Gas Storage facility; and

WHEREAS, Customer has requested that TRES PALACIOS provide certain interruptible natural gas storage services for Customer; and

WHEREAS, TRES PALACIOS has agreed to provide such interruptible storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service pursuant to any transaction hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule ISS, and of this Agreement, TRES PALACIOS shall receive on any Day for injection into storage for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit "A" hereto, shall store quantities of Gas so injected in the Tres Palacios Gas Storage LLC underground gas storage facility located in Texas, up to a Maximum Storage Quantity as set forth on Exhibit "A" (on a cumulative basis) and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A."

ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Agreement shall be any of the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site.

The point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Agreement shall be any of the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site.

ARTICLE III - PRICE

3.1. Customer agrees to pay TRES PALACIOS the charges set forth on Exhibit "A" hereto for all Gas storage service furnished to Customer hereunder.

3.2. Customer further agrees to pay TRES PALACIOS all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule ISS.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

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

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of_____, ____, and shall remain in force and effect until _____, ____ (the "Primary Term"); provided that this Agreement shall remain in effect until the expiration of any transaction(s) executed by the parties pursuant to this Agreement.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

TRES PALACIOS: _____
_____
_____

Attention:_____

CUSTOMER:

NOTICES: _____
_____
_____
_____

Attention: _____

BILLING: _____

Attention: _____

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Storage Service Agreement dated _____, ____.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR

EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN TRES PALACIOS' TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, ARTICLE II OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

TRES PALACIOS GAS STORAGE LLC

By_____

Title_____

Customer_____

By_____

Title_____

Exhibit A to the Interruptible Storage Service Agreement
between TRES PALACIOS and
_____(Customer)

Transaction Confirmation

Maximum Storage Quantity ("MSQ")	_____	Dth
Maximum Daily Injection Quantity ("MDIQ")	_____	Dth
Maximum Daily Withdrawal Quantity ("MDWQ")	_____	Dth
Start Date	_____	
End Date	_____	
Storage Inventory Charge	_____	$/Dth
Injection Charge	_____	$/Dth
Withdrawal Charge	_____	$/Dth
Fuel Reimbursement	_____	

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

7.6 INTERRUPTIBLE HOURLY BALANCING SERVICE AGREEMENT

(For Use Under Rate Schedule IHBS)

This Agreement is made as of the _____day of _____, ____, by and between TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS," and _____, an _____, herein called "Customer," (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, TRES PALACIOS owns and operates an underground natural gas storage facility known as the Tres Palacios Gas Storage facility, located in Texas, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Tres Palacios Gas Storage facility; and

WHEREAS, Customer has requested that TRES PALACIOS provide certain interruptible hourly balancing natural gas storage services for Customer; and

WHEREAS, TRES PALACIOS has agreed to provide such interruptible hourly balancing storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedule IHBS, and of this Agreement,

TRES PALACIOS shall receive on any Day for injection into storage for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit "A" hereto, shall store quantities of Gas so injected in the Tres Palacios Gas Storage LLC underground gas storage facility located in Texas, up to a Maximum Storage Quantity as set forth on Exhibit "A" (on a cumulative basis) and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A;" and

TRES PALACIOS shall, for each hour during a Day, subject to maximum hourly limit as set forth on Exhibit "A," receive or deliver at the Point(s) of Receipt/Delivery designated by Customer hourly balancing quantities of Gas which shall be the difference, on an hourly basis, between (i) the injections to or withdrawals from TRES PALACIOS' storage of Gas as nominated by Customer to meet Customer's desired hourly pattern of deliveries at its delivery point(s) on the Transporter's (s') pipeline system(s) and (ii) Customer's ratable flow quantities on TRES PALACIOS (1/24 of Daily nominated quantities).

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Agreement on any Day for injection to storage shall be any of the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site.

The point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Agreement an any Day for withdrawal from storage shall be any of the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site.

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

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

ARTICLE III - PRICE

3.1. Customer agrees to pay TRES PALACIOS the charges set forth on Exhibit "A" hereto for all Gas storage service furnished to Customer hereunder.

3.2. Customer further agrees to pay TRES PALACIOS all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule IHBS.

3.3. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms and conditions specified in TRES PALACIOS' Rate Schedule IHBS and the provisions of TRES PALACIOS' FERC Gas Tariff, as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedule, Tariff or General Terms and Conditions as may from time to time be filed and made effective by TRES PALACIOS).

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of_____, ____, and shall remain in force and effect until _____, ____ (the "Primary Term"); provided that this Agreement shall remain in effect until the expiration of any transaction(s) executed by the parties pursuant to this Agreement.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

TRES PALACIOS: _____
_____
_____

Attention:_____

CUSTOMER:

NOTICES: _____
_____
_____
_____

Attention: _____

BILLING: _____

Attention: _____

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Storage Service Agreement dated _____, ____.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN TRES PALACIOS' TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, ARTICLE II OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

TRES PALACIOS GAS STORAGE LLC

By_____

Title_____

Customer_____

By_____

Title_____

Exhibit A to the Interruptible Hourly Balancing Storage Service Agreement
between TRES PALACIOS and
_____(Customer)

Transaction Confirmation

Maximum Storage Quantity ("MSQ")	_____	Dth
Maximum Daily Injection Quantity ("MDIQ")	_____	Dth
Maximum Daily Withdrawal Quantity ("MDWQ")	_____	Dth
Maximum Hourly IHBS Quantity	_____	Dth

Start Date	_____
End Date	_____

Hourly Balancing Charge	_____	$/Dth
Storage Inventory Charge	_____	$/Dth
Injection Charge	_____	$/Dth
Withdrawal Charge	_____	$/Dth
Fuel Reimbursement	_____	

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

7.7 HUB SERVICES AGREEMENT

(For Use Under Rate Schedules IP, IW, IL, and EIWS)

This Agreement is made as of the ___day of _____, ____, by and between TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS," and _____, a _____, herein called "Customer," (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, TRES PALACIOS owns and operates an underground natural gas storage facility known as the Tres Palacios Gas Storage facility, located in Texas, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Tres Palacios Gas Storage facility; and

WHEREAS, Customer has requested that TRES PALACIOS provide certain interruptible hub natural gas storage services for Customer; and

WHEREAS, TRES PALACIOS has agreed to provide such interruptible hub storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, TRES PALACIOS and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of TRES PALACIOS' Rate Schedules IP, IW, IL, and/or EIWS, as applicable, and of this Agreement, TRES PALACIOS shall provide Interruptible service for Customer and shall receive, inject, park, store, wheel, loan, withdraw and redeliver, as the case may be, quantities of Gas up to the Customer's MDIQ, MDWQ, MSQ, Maximum Park Quantity, Maximum Loan Quantity, and/or MDTQ, as applicable, as set forth on Exhibits A, B, C and/or D hereto. Customer and TRES PALACIOS may execute more than one of each of Exhibits A, B, C and/or D during the term of this Agreement, covering multiple transactions for Hub Services.

ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to TRES PALACIOS under this Agreement shall be any of the Point(s) of Receipt as posted on TRES PALACIOS' Internet Web Site, unless Point(s) of Receipt are otherwise designated on Exhibits A, B, C and/or D hereto.

The point(s) at which the Gas is to be tendered by TRES PALACIOS to Customer under this Agreement shall be any of the Point(s) of Delivery as posted on TRES PALACIOS' Internet Web Site, unless Point(s) of Delivery are otherwise designated on Exhibits A, B, C and/or D hereto.

ARTICLE III - PRICE

3.1. Customer agrees to pay TRES PALACIOS the charges for all Gas service furnished to Customer hereunder as set forth on Exhibits A, B, C and/or D hereto.

3.2. Where applicable, Customer agrees to pay in kind the Fuel Reimbursement amount as set forth on Exhibit A, B, C and/or D hereto.

3.3. Customer further agrees to pay TRES PALACIOS all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedules IP, IW, IL, and EIWS as applicable.

3.4. Customer shall reimburse TRES PALACIOS for all applicable taxes as may be assessed against TRES PALACIOS for the receipt, injection, storage, withdrawal and/or delivery of Customer's Gas. In addition, Customer shall reimburse TRES PALACIOS for Customer's pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer's gas in storage assessed against and paid by TRES PALACIOS.

ARTICLE IV - INCORPORATION OF RATE SCHEDULES AND TARIFF PROVISIONS

The terms and conditions specified in of TRES PALACIOS' Rate Schedules IP, IW, IL, and EIWS and the provisions of TRES PALACIOS' FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedules, Tariff or General Terms and Conditions as may from time to time be filed and made effective by TRES PALACIOS) are hereby incorporated into this Agreement and made applicable to each term, condition, and obligation hereof.

ARTICLE V - TERM OF AGREEMENT

This Agreement shall become effective on _____, _____, and shall remain in force and effect on a Month to Month basis unless terminated by either Party upon a least thirty (30) days prior written notice to the other Party; provided that this Agreement shall remain in effect until the expiration of any transaction(s) executed by the parties pursuant to this Agreement.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

TRES PALACIOS: _____
_____
_____

Attention:_____

CUSTOMER: _____

NOTICES: _____
_____
_____
_____

Attention: _____

BILLING: _____
_____
_____
_____

Attention: _____

or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of TRES PALACIOS or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of the Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - LAW OF AGREEMENT

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

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

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

Hub Services Agreement dated_____, _____.

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY TRES PALACIOS FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY TRES PALACIOS, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT TRES PALACIOS SHALL BE ENTITLED TO, AND TRES PALACIOS HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

11.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY TRES PALACIOS TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN TRES PALACIOS' TARIFF, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, ARTICLE II OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 14.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 2.16 OF THE GENERAL TERMS AND CONDITIONS;

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF TRES PALACIOS ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

ARTICLE XII - MISCELLANEOUS

12.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

12.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

12.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

12.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

12.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

12.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

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

TRES PALACIOS GAS STORAGE LLC

By_____

Title_____

Customer_____

By_____

Title_____

Exhibit A
to the Hub Services Agreement
between TRES PALACIOS and _____ (Customer)

Interruptible Wheeling Service Transaction Confirmation

Interruptible Wheeling Service (Rate Schedule IW):

Maximum Daily Wheeling Quantity (MDTQ) _____ Dth
From: Point(s) of Receipt _____
To: Point(s) of Delivery _____

Begin Date _____
End Date _____

Interruptible Wheeling Charge _____ $/Dth
Fuel Reimbursement _____

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

Exhibit B
to the Hub Services Agreement
between TRES PALACIOS and _____ (Customer)

Interruptible Parking Service Transaction Confirmation

Interruptible Parking Service (Rate Schedule IP):

Maximum Park Quantity	_____	Dth
Maximum Daily Injection Quantity	_____	Dth
Maximum Daily Withdrawal Quantity	_____	Dth
Begin Date	_____	
End Date	_____	
Interruptible Parking Charge	_____	$/Dth
Injection Charge	_____	$/Dth
Withdrawal Charge	_____	$/Dth
Fuel Reimbursement	_____	

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

Exhibit C
to the Hub Services Agreement
between TRES PALACIOS and _____ (Customer)

Interruptible Loan Service Transaction Confirmation

Interruptible Loan Service (Rate Schedule IL):

Maximum Loan Quantity	_____	Dth
Maximum Daily Injection Quantity	_____	Dth
Maximum Daily Withdrawal Quantity	_____	Dth
Begin Date	_____	
End Date	_____	
Interruptible Loan Charge	_____	$/Dth
Injection Charge	_____	$/Dth
Withdrawal Charge	_____	$/Dth
Fuel Reimbursement	_____	

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

Exhibit D
to the Hub Services Agreement
between Tres Palacios and _____ (Customer)

Enhanced Interruptible Wheeling Service Transaction Confirmation

Enhanced Interruptible Wheeling Service (Rate Schedule EIWS):

Maximum Daily Wheeling Quantity (MDTQ) _____ Dth

From: Point(s) of Receipt _____
To: Point(s) of Delivery _____

Begin Date _____
End Date _____

Enhanced Interruptible Wheeling Capacity Charge _____ $/Dth-mo or
_____ $/Dth-day
Enhanced Interruptible Wheeling Commodity Charge _____ $/Dth
Fuel Reimbursement _____

Customer:

Signature:_____ Date:_____

TRES PALACIOS' Approval:

Signature:_____ Date:_____

Note: TRES PALACIOS and Customer may enter into a transaction for storage or hub services pursuant to the Transaction Confirmation Procedure set forth at Section 34 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

7.8 FORM OF SERVICE AGREEMENT FOR - CAPACITY RELEASE UMBRELLA AGREEMENT UNDER RATE SCHEDULES FSS, NNSS, FP AND FL

This Capacity Release Umbrella Agreement, made and entered into this ___ day of _____, _____by and between_____ , a _____ (herein called "Replacement Customer"), and TRES PALACIOS GAS STORAGE LLC, a Delaware limited liability company herein called "TRES PALACIOS", (each of TRES PALACIOS and Customer, a "Party," and collectively, the "Parties").

W I T N E S S E T H:

WHEREAS,

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Customer and TRES PALACIOS hereby agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements are met in order for Replacement Customer to be on TRES PALACIOS' approved bidder list for capacity releases and to execute this Capacity Release Umbrella Agreement pursuant to Section 4 of the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff, and this Capacity Release Umbrella Agreement is effective, Replacement Customer may bid from time to time on proposed capacity releases under Rate Schedules FSS, NNSS, FP and FL pursuant to the procedure set forth in Section 4 of TRES PALACIOS' General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by TRES PALACIOS with respect to a given capacity release, TRES PALACIOS will promptly finalize the appropriate Addendum to this Capacity Release Umbrella Agreement, in the format attached hereto. The parties agree that each Addendum is an integral part of this Capacity Release Umbrella Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Replacement Customer and TRES PALACIOS agree that Replacement Customer shall be considered for all purposes as a Customer with respect to the released service.

Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of TRES PALACIOS' Rate Schedules FSS, NNSS, FP and FL, TRES PALACIOS agrees to provide the released service for Replacement Customer under the applicable Rate Schedule, provided however, the Replacement Customer shall have qualified under the financial evaluation and credit appraisal requirements set forth in Section 3 of TRES PALACIOS' General Terms and Conditions at the time it submitted the bid TRES PALACIOS accepted with respect to such release.

Replacement Customer hereby agrees promptly to provide any information necessary for TRES PALACIOS to reevaluate TRES PALACIOS' credit appraisal as contemplated by Section 3 of TRES PALACIOS' General Terms and Conditions and to advise TRES PALACIOS of any material change in the information previously provided by the Replacement Customer to TRES PALACIOS.

ARTICLE II
TERM OF AGREEMENT

The term of _____ this Capacity Release Umbrella Agreement shall commence on _____ and shall continue in force and effect until_____ and _____to _____thereafter unless this Capacity Release Umbrella Agreement is terminated as hereinafter provided. If TRES PALACIOS determines at any time that Replacement Customer fails to meet the financial standards or credit criteria of Section 3 of the General Terms and Conditions, TRES PALACIOS may terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto prospectively in accordance with Section 3 the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff.

ARTICLE III
RATE SCHEDULES

This Capacity Release Umbrella Agreement does not have separate terms and conditions for particular services, but only provides a means by which a Replacement Customer may utilize a service subject to the applicable provisions of the relevant Storage Service Agreement and the terms and conditions for Rate Schedules FSS, NNSS, FP and FL, by finalization of a copy of an Addendum attached hereto and fully incorporated herein as a part of this Capacity Release Umbrella Agreement.

Replacement Customer agrees that TRES PALACIOS shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to this Capacity Release Umbrella Agreement (b) the terms and conditions of this Capacity Release Umbrella Agreement, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to this Capacity Release Umbrella Agreement. TRES PALACIOS agrees that the Replacement Customer may protest or contest the aforementioned filings, and the Replacement Customer does not waive any rights it may have with respect to such filings.

ARTICLE IV
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of TRES PALACIOS' FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Capacity Release Umbrella Agreement, or any notice which any Party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) TRES PALACIOS: _____
_____
_____

(b) Replacement Customer: _____
_____
_____

or such other address as either Party shall designate by formal written notice. In all instances, the Parties shall use their best efforts to

provide notice by facsimile prior to 5 p.m. Eastern Time. Notice received before 5 p.m. Eastern Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Eastern Time shall be deemed effective the day following receipt.

ARTICLE V
INTERPRETATION

The interpretation and performance of this Capacity Release Umbrella Agreement shall be in accordance with the laws of the State of TEXAS, without recourse to the law governing conflict of laws.

This Capacity Release Umbrella Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE VI
RELATIONSHIP BETWEEN REPLACEMENT CUSTOMER
AND RELEASING CUSTOMER

The parties recognize that, pursuant to Commission orders, Releasing Customer may require that the Replacement Customer agree that a breach of this Capacity Release Umbrella Agreement, including a failure to pay, or to pay timely, by Replacement Customer under this Capacity Release Umbrella Agreement, constitutes a breach of contract as between Replacement Customer and Releasing Customer. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Customer fails to pay TRES PALACIOS, fails to timely pay TRES PALACIOS, or otherwise breaches this Capacity Release Umbrella Agreement with TRES PALACIOS: (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 4 of the General Terms and Conditions and except with respect to penalties attributable to Replacement Customer’s conduct) shall be liable to TRES PALACIOS for such failure to pay or breach (it being understood that nothing in this Article VI relieves Releasing Customer from responsibility to pay TRES PALACIOS in accordance with its Storage Service Agreements with TRES PALACIOS) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay TRES PALACIOS or otherwise perform, Releasing Customer may have a cause of action for breach against Replacement Customer.

ARTICLE VII
LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE VIII - MISCELLANEOUS

8.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of

the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

8.2. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

8.3. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

8.4. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

8.5. This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than TRES PALACIOS or Customer.

8.6. This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Capacity Release Umbrella Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, as of the Day and year first above written.

TRES PALACIOS GAS STORAGE LLC

By_____

Title_____

CUSTOMER_____

By_____

Title_____

Deal No.: _____
Addendum Contract No.: _____
Capacity Release Umbrella Agreement No.: _____

Addendum No._____
Capacity Release
Rate Schedule_____

Replacement Customer:_____

Releasing Customer: _____

Releasing Customer's Contract No.:_____

Begin Date of Release: _____

End Date of Release: _____

Rates: [Volumetric or Reservation]

Reservation Charge $_____

Surcharges:

Description	Rate
_____	$_____
_____	$_____
_____	$_____

Volume Commitment (Dth/Billing Period)

Maximum Storage Quantity (MSQ) (FSS only): _____(Dth)

No-Notice Maximum Daily Quantity (NNSS only): _____(Dth)

Maximum Park Quantity (FP only): _____(Dth)

Maximum Loan Quantity (FL only): _____(Dth)

Maximum Daily Injection Quantity (MDIQ): _____(Dth)

Maximum Daily Withdrawal Quantity (MDWQ): _____(Dth)

Specific Firm Point(s) of Receipt:

M&R#	MDRQ	Effective From	Effective To

Specific Firm Point(s) of Delivery:

M&R#	MDDQ	Effective From	Effective To

Is this capacity subject to right of recall? Yes _____ No_____

Recall Conditions (if applicable):
_____
_____
_____

Are there any restrictions on released capacity? Yes_____ No_____

Restrictions (if applicable):
_____
_____
_____

Were TRES PALACIOS' default bid evaluation criteria used? Yes _____ No_____

Evaluation Criteria (if applicable):

_____
_____
_____

Were contingent bids accepted? Yes _____ No_____

Contingency comments (if applicable):
_____
_____
_____

Other Terms and Conditions of Release: [*e.g.*, restrictions on release, third-party agent and terms of third-party agency relationship, and agreements between Replacement Customer and Releasing Customer]
_____
_____
_____

This Addendum, entered into, pursuant to TRES PALACIOS' capacity release program and to the executed Capacity Release Umbrella Agreement between TRES PALACIOS and the Replacement Customer, is hereby made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.