

FERC GAS TARIFF

SECOND REVISED VOLUME NO. 1

(SUPERSEDES FIRST REVISED VOLUME NO. 1)

OF

CALEDONIA ENERGY PARTNERS, L.L.C.

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

Any communications regarding this Tariff should be addressed to:

Todd Cash
Vice President, Compliance
Enstor Gas, LLC
10375 Richmond Ave, Suite 1900,
Houston, Texas 77042
Phone: (281) 374-3085

FERC GAS TARIFF
SECOND REVISED VOLUME NO. 1
OF
CALEDONIA ENERGY PARTNERS, L.L.C.
TABLE OF CONTENTS

Section No./Item

1. TABLE OF CONTENTS
2. PRELIMINARY STATEMENT
3. MAP OF STORAGE FACILITY
4. RATE STATEMENTS FOR STORAGE SERVICE
 - 4.1 FSS RATE STATEMENT - FIRM STORAGE SERVICE
 - 4.2 AISS RATE STATEMENT - ADVANCED INTERRUPTIBLE STORAGE SERVICE
 - 4.3 ISS RATE STATEMENT - INTERRUPTIBLE STORAGE SERVICE
 - 4.4 IPS RATE STATEMENT - INTERRUPTIBLE PARKING SERVICE
 - 4.5 AILS RATE STATEMENT - ADVANCED INTERRUPTIBLE LOAN
 - 4.6 SERVICE ILS RATE STATEMENT - INTERRUPTIBLE LOAN SERVICE
5. RATE SCHEDULES FOR STORAGE SERVICE
 - 5.1 FSS RATE SCHEDULE
 - 5.2 AISS RATE
 - 5.3 SCHEDULE ISS RATE
 - 5.4 SCHEDULE IPS RATE
 - 5.5 SCHEDULE AILS
 - 5.6 RATE SCHEDULE ILS
6. GENERAL TERMS AND CONDITIONS
7. FORM OF REQUEST FOR SERVICE
 - 7.1 Form of Request for Service
 - 7.2 FSS Service Agreement
 - 7.3 AISS Service Agreement
 - 7.4 ISS Service Agreement
 - 7.5 IPS Service Agreement
 - 7.6 AILS Service Agreement
 - 7.7 ILS Service Agreement
 - 7.8 Capacity Release Umbrella Service Agreement
8. INDEX OF CUSTOMERS

PRELIMINARY STATEMENT

CALEDONIA ENERGY PARTNERS, L.L.C. ("Caledonia") is a Delaware limited liability company subject to the jurisdiction of the Federal Energy Regulatory Commission ("Commission" or "FERC"). Caledonia is engaged in the business of storing natural gas in interstate commerce.

This Second Revised Volume No. 1 of Caledonia's FERC Gas Tariff contains the Rate Statements, Rate Schedules, and General Terms and Conditions applicable to open access storage, parking and loan Services, and related wheeling and title transfer Services performed by Caledonia through use of its high-deliverability natural Gas Storage Facility located in Lowndes and Monroe Counties, Mississippi.

Caledonia provides these Services, subject to the availability of capacity, to all Customers eligible for Service under this FERC Gas Tariff, on an open access basis at market-based rates.

MAP OF STORAGE FACILITY

The system map is available on Caledonia's Internet Web Site. It may be accessed using the following link:

<http://www.gasnom.com/ip/caledonia/map>

STORAGE SERVICE RATE STATEMENTS

SECTION 4.0

FIRM STORAGE SERVICE "FSS" RATE STATEMENT*

RATE UNITS

Storage Reservation Market Based/ \$/Dth/Month

Charge Negotiable

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

Storage Injection Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Storage Injection Charge specified in Customer's FSS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Customer tenders to Caledonia for injection into storage.

Storage Withdrawal Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's FSS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia withdraws from storage for Customer's account.

Overrun Injection Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Overrun Injection Charge specified in Customer's FSS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have injected into storage for Customer's account in excess of Customer's Maximum Daily Injection Quantity for such Gas Day during a given Month.

Overrun Withdrawal Market Based/ \$/Dth/Month

Charge Negotiable

Payment shall be equal to the Overrun Withdrawal Charge specified in Customer's FSS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have withdrawn from storage for Customer's account in excess of Customer's Maximum Daily Withdrawal Quantity for such Gas Day during a given Month.

Fuel Reimbursement Market Based/ \$/Dth or in kind

This amount of Gas shall be reimbursed by Customer in kind or paid in dollars per Dth, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed FSS Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff and all other applicable surcharges, including, but not limited to, ACA charges.

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

ADVANCED INTERRUPTIBLE STORAGE SERVICE "AISS" RATE STATEMENT*

RATE UNITS

Interruptible Storage Market Based/ \$/Dth/time period

Charge Negotiable

Payment shall be equal to the Advanced Interruptible Storage Charge specified in Customer's AISS Service Agreement multiplied by Customer's Advanced Interruptible Maximum Storage Quantity or Customer's Advanced Interruptible Storage Inventory, as specified in Customer's AISS Service Agreement.

Storage Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Injection Charge specified in Customer's AISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Customer tenders to Caledonia for injection into storage.

Storage Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's AISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia withdraws from storage for Customer's account.

Overrun Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Injection Charge specified in Customer's AISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have injected into storage for Customer's account in excess of Customer's Maximum Daily Injection Quantity for such Gas Day during a given Month.

Overrun Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Withdrawal Charge specified in Customer's AISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have withdrawn from storage for Customer's account in excess of Customer's Maximum Daily Withdrawal Quantity for such Gas Day during a given Month.

Fuel Reimbursement Market Based/ \$/Dth or in kind

This amount of Gas shall be reimbursed by Customer in kind or paid in dollars per Dth, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed AISS Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff and all other applicable surcharges, including, but not limited to, ACA charges.

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

INTERRUPTIBLE STORAGE SERVICE "ISS" RATE STATEMENT*

RATE UNITS

Interruptible Storage Market Based/ \$/Dth/time period

Charge Negotiable

Payment shall be equal to the Interruptible Storage Charge specified in Customer's ISS Service Agreement multiplied by Customer's Interruptible Maximum Storage Quantity or Customer's Interruptible Storage Inventory, as specified in Customer's ISS Service Agreement.

Storage Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Injection Charge specified in Customer's ISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Customer tenders to Caledonia for injection into storage.

Storage Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Storage Withdrawal Charge specified in Customer's ISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia withdraws from storage for Customer's account.

Overrun Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Injection Charge specified in Customer's ISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have injected into storage for Customer's account in excess of Customer's Maximum Daily Injection Quantity for such Gas Day during a given Month.

Overrun Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Withdrawal Charge specified in Customer's ISS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have withdrawn from storage for Customer's account in excess of Customer's Maximum Daily Withdrawal Quantity for such Gas Day during a given Month.

Fuel Reimbursement Market Based/ \$/Dth

This amount of Gas shall be reimbursed by Customer in kind or paid in dollars per Dth, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed ISS Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff and all other applicable surcharges, including, but not limited to, ACA charges.

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

INTERRUPTIBLE PARKING SERVICE "IPS" RATE STATEMENT*

RATE UNITS

Interruptible Parking Market Based/ \$/Dth/time period

Charge Negotiable

Interruptible Parking Injection Market Based/ \$/Dth

Charge Negotiable

Interruptible Parking Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Interruptible Parking Charge specified in Customer's IPS Service Agreement multiplied by Customer's Maximum Park Quantity or Park Balance, as specified in Customer's IPS Service Agreement, plus the Interruptible Parking Injection Charge multiplied by the quantity injected (including fuel, if applicable), plus the Interruptible Parking Withdrawal Charge multiplied by the quantity withdrawn (including fuel, if applicable), as specified in Customer's IPS Service Agreement.

Overrun Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Injection Charge specified in Customer's IPS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have injected into storage for Customer's account in excess of Customer's Maximum Daily Injection Quantity for such Gas Day during a given Month.

Overrun Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Withdrawal Charge specified in Customer's IPS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have withdrawn from storage for Customer's account in excess of Customer's Maximum Daily Withdrawal Quantity for such Gas Day during a given Month.

Fuel Reimbursement Market Based/ \$/Dth or in kind

This amount of Gas shall be reimbursed by Customer in kind or paid in dollars per Dth, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed IPS Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff and all other applicable surcharges, including, but not limited to, ACA charges.

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

ADVANCED INTERRUPTIBLE LOAN SERVICE "AILS" RATE STATEMENT*

RATE UNITS

Interruptible Loan Market Based/ \$/Dth/time period

Charge Negotiable

Interruptible Loan Injection Market Based/ \$/Dth

Charge Negotiable

Interruptible Loan Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Interruptible Loan Charge specified in Customer's AILS Service Agreement multiplied by Customer's Maximum Advanced Loan Quantity or Loan Balance, as specified in Customer's Advanced Interruptible Loan Service Agreement, plus the Interruptible Loan Injection Charge multiplied by the quantity Caledonia shall have injected for Customer's account (including fuel, if applicable), plus the Interruptible Loan Withdrawal Charge multiplied by the quantity Caledonia shall have withdrawn for Customer's account (including fuel, if applicable), as specified in Customer's AILS Service Agreement.

Overrun Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Injection Charge specified in Customer's AILS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have injected into storage for Customer's account in excess of Customer's Maximum Daily Injection Quantity for such Gas Day during a given Month.

Overrun Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Withdrawal Charge specified in Customer's AILS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have withdrawn from storage for Customer's account in excess of Customer's Maximum Daily Withdrawal Quantity for such Gas Day during a given Month.

Fuel Reimbursement Market Based/ \$/Dth or in kind

This amount of Gas shall be reimbursed by Customer in kind or paid in dollars per Dth, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed AILS Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes and similar assessments described in Section 6.15, "Taxes,"

of the General Terms and Conditions of this Gas Tariff and all other applicable surcharges, including, but not limited to, ACA charges.

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

INTERRUPTIBLE LOAN SERVICE "ILS" RATE STATEMENT*

RATE UNITS

Advanced Interruptible Loan Service Market Based/ \$/Dth/time period

Charge Negotiable

Interruptible Loan Injection Market Based/ \$/Dth

Charge Negotiable

Interruptible Loan Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Interruptible Loan Charge specified in Customer's ILS Service Agreement multiplied by Customer's Maximum Loan Quantity or Loan Balance, as specified in Customer's ILS Service Agreement, plus the Interruptible Loan Injection Charge multiplied by the quantity Caledonia shall have injected for Customer's account (including fuel, if applicable), plus the Interruptible Loan Withdrawal Charge multiplied by the quantity Caledonia shall have withdrawn for Customer's account (including fuel, if applicable), as specified in Customer's ILS Service Agreement.

Overrun Injection Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Injection Charge specified in Customer's ILS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have injected into storage for Customer's account in excess of Customer's Maximum Daily Injection Quantity for such Gas Day during a given Month.

Overrun Withdrawal Market Based/ \$/Dth

Charge Negotiable

Payment shall be equal to the Overrun Withdrawal Charge specified in Customer's ILS Service Agreement multiplied by the Dth quantity (including fuel, if applicable) Caledonia shall have withdrawn from storage for Customer's account in excess of Customer's Maximum Daily Withdrawal Quantity for such Gas Day during a given Month.

Fuel Reimbursement Market Based/ \$/Dth or in kind

This amount of Gas shall be reimbursed by Customer in kind or paid in dollars per Dth, on a daily basis as determined pursuant to the General Terms and Conditions of this FERC Gas Tariff or Customer's executed ILS Service Agreement.

In addition to the charges specified above, Customer shall pay all applicable taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff and all other applicable surcharges, including, but not limited to, ACA charges.

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

**RATE SCHEDULES
FOR STORAGE SERVICE**

SECTION 5.0

**FSS RATE SCHEDULE
FIRM STORAGE SERVICE**

1. AVAILABILITY

- 1.1 This Rate Schedule FSS is available to any Customer for the purchase of Firm Storage Service from Caledonia, provided that:
- (a) Caledonia has determined that it has available and uncommitted Firm Storage Service capacity and injection and withdrawal capacity to perform the Service Customer has requested;
 - (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule FSS will not interfere with efficient operation of its System or with Service to Customers taking other Firm Storage Service;
 - (c) Customer and Caledonia have executed a Firm Storage Service Agreement under this Rate Schedule FSS;
 - (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
 - (e) Customer accepts responsibility for arranging any upstream or downstream transportation service required for utilization of the Firm Storage Service provided under this Rate Schedule FSS; and
 - (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule FSS.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Applicability. This Rate Schedule FSS shall apply to all Firm Storage Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to a Customer's FSS Service Agreement.
- 2.2 Service. Firm Storage Service rendered by Caledonia to Customer under this Rate Schedule FSS shall consist of:
- (a) the injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the executed FSS Service Agreement with Customer, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, provided the Customer's Storage Inventory has not exceeded (or will not exceed as a result of such injection) its MSQ;
 - (b) the storage of Gas in amounts up to Customer's Firm MSQ; and
 - (c) the withdrawal from storage on any Gas Day of Customer's Gas per Customer's nomination up to Customer's MDWQ as

stated in the executed FSS Service Agreement with Customer and the Delivery of such Gas to the Point of Injection/Withdrawal available on Caledonia's System, 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 Gas Day.

3. OVERRUN SERVICE

- 3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and/or Caledonia's ability to meet its Firm Storage Service obligations to other Customers, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDIQ, provided that Customer's Firm Storage Inventory has not exceeded Customer's MSQ. Such Authorized Overrun Quantities shall be subject to the negotiable market-based charge set forth in Section 4.1(d) of this Rate Schedule FSS.
- 3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and/or Caledonia's ability to meet its Firm Storage Service obligations to other Customers, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Firm Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the negotiable market-based charge set forth in Section 4.1(e) of this Rate Schedule FSS.
- 3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

- 4.1 Rates & Charges. The rates and charges paid by Customer for Firm Storage Service under this Rate Schedule FSS shall include 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 MSQ.
 - (b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule FSS during a given Month (including fuel, if applicable).
 - (c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from Caledonia's Storage Facility

pursuant to Section 2.1(c) of this Rate Schedule FSS during a given Month (including fuel, if applicable).

- (d) **Overrun Injection Charge.** A usage charge for each Dth of Gas injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule FSS during a given Month (including fuel, if applicable).
- (e) **Overrun Withdrawal Charge.** A usage charge for each Dth of Gas withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule FSS during a given Month (including fuel, if applicable).
- (f) **Fuel Reimbursement.** The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's FSS Service Agreement.
- (g) **Regulatory Fees and Charges.** Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule FSS, as set forth in Customer's FSS Service Agreement.
- (h) **Taxes.** Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 **Term.** The term for Service under this Rate Schedule FSS shall be as set forth in the executed FSS Service Agreement. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 **Compliance.** The FSS 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 the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia 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 Storage Facility necessary to effect the Service provided for herein.
- 6.2 **Changes.** Caledonia shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the FSS 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.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its FSS Service Agreement with Customers, then capacity, withdrawals and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. 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 Rate Schedule FSS, 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 Rate Schedule FSS shall control.

**AISS RATE SCHEDULE
ADVANCED INTERRUPTIBLE STORAGE SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule AISS is available to any Customer for the purchase of Advanced Interruptible Storage Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform the Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule AISS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed an AISS Service Agreement under this Rate Schedule AISS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Service provided under this Rate Schedule; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule AISS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule AISS shall apply to all Advanced Interruptible Storage Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed AISS Service Agreement. Advanced Interruptible Storage Service rendered by Caledonia to Customer under this Rate Schedule AISS shall consist of:

- (a) The injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the executed AISS Service Agreement with Customer, provided that all Firm Storage Service nominations for injection have been satisfied, Customer Delivers the nominated quantity, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, and Customer's Advanced Interruptible Storage Inventory has not exceeded its MSQ;

- (b) The storage of Gas in amounts up to Customer's Interruptible MSQ, provided that all Firm Storage Service obligations have been satisfied; and
- (c) The withdrawal from storage on any Gas Day of Customer's Gas per Customer's nomination up to Customer's MDWQ as stated in the executed Advanced Interruptible Storage Service Agreement with Customer and the Delivery of such Gas to the Point of Injection/Withdrawal available on Caledonia's System, provided that all Firm Storage Service nominations for withdrawal have been satisfied, and Customer has a quantity of Gas in Customer's Advanced Interruptible Storage Inventory not less than the quantity the Customer shall have nominated for withdrawal on such Gas Day.

2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule AISS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.4 of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule AISS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Withdrawal. To the extent storage capacity or Gas which is being utilized by a Customer under this Rate Schedule AISS is needed by Caledonia in order to satisfy Caledonia's Firm Storage Service Agreement or is otherwise necessary to avoid adverse impact on the operation of Caledonia's System, Caledonia may require Customer to withdraw all, or any portion of, the Storage Inventory held in storage by Caledonia under this Rate Schedule AISS for the account of the Customer. Caledonia will notify the Customer of the need to withdraw Gas and the quantity to be withdrawn, and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via e-mail to the Customer. Unless Caledonia otherwise agrees, Customer shall be required to make nominations ratably over the specified time period. During the period specified by Caledonia for withdrawal, Customer may negotiate a sale in place of its Gas in storage to another Customer with storage capacity under this Rate Schedule AISS. If Customer fails to withdraw or sell in place such Storage Inventory within the time period specified by Caledonia, Caledonia may take, free, and clear of any adverse title, claims or liens, title to such AISS Storage Inventory as Customer was instructed to withdraw, at a price per Dth equal to the Current Market Price, less Caledonia's costs related to the Customer's failure to timely remove its Gas, and Caledonia shall credit such proceeds to any amount owed by Customer to Caledonia; provided however, that for each Gas Day Caledonia is unable to schedule the withdrawal of Customer's Gas, the period specified for withdrawal shall be extended by a corresponding number of Gas Days. The sale of Gas to Customer under this Section will not

relieve Customer of its obligation to pay Caledonia all applicable chargers that accrued before such sale.

2.4 No Capacity Release. Service rights under an AISS Service Agreement may not be released.

3. **OVERRUN SERVICE**

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDIQ, provided that Customer's Advanced Interruptible Storage Inventory has not exceeded Customer's MSQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule AISS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Advanced Interruptible Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule AISS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. **RATES AND CHARGES**

4.1 Rates & Charges. The rates and charges paid by Customer for Advanced Interruptible Storage Service under this Rate Schedule AISS shall include the applicable storage rate components set forth in the AISS Rate Statement and as described below:

(a) Interruptible Storage Charge. A charge for each Dth of Advanced Interruptible Storage Service available to Customer (Customer's MSQ). The charge may be on a daily, monthly or other basis per agreement between Caledonia and Customer.

(b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule AISS during a given Month.

- (c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1(c) of this Rate Schedule AISS during a given Month.
- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule AISS during a given Month.
- (e) Overrun Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule AISS during a given Month.
- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's AISS Service Agreement.
- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule AISS, as set forth in Customer's AISS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 Term. The term for Service under this Rate Schedule AISS shall be as set forth in the executed AISS Service Agreement. Any Storage Inventory remaining in the Caledonia System on any Gas Day after the end of the Service period shall be considered to be "Holdover Gas" as specified in Section 6.9.11 of the General Terms and Conditions of this Gas Tariff. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 Compliance. The AISS 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 the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Firm Storage Service contemplated hereby and to construct and operate the facilities necessary to provide such Service and for any connected pipeline to transport natural Gas

to/from the Storage Facility necessary to effect the Service provided for herein.

- 6.2 Changes. Caledonia shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the AISS 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.

7. INTERRUPTION OR CURTAILMENT

- 7.1 Priority of Service. If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its AISS Service Agreement with Customers, then capacity, withdrawals and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

- 8.1 Incorporation. 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 Rate Schedule AISS, 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 Rate Schedule AISS shall control.

**ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule ISS is available to any Customer for the purchase of Interruptible Storage Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform the Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule ISS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed an ISS Service Agreement under this Rate Schedule ISS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Interruptible Storage Service provided under this Rate Schedule ISS; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule ISS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule ISS shall apply to all Interruptible Storage Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed ISS Service Agreement. Interruptible Storage Service rendered by Caledonia to Customer under this Rate Schedule ISS shall consist of:

- (a) The injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the executed ISS Service Agreement with Customer, provided that all Firm Storage Service nominations for injection have been satisfied, Customer Delivers the nominated quantity, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, and Customer's Interruptible Storage Inventory has not exceeded its MSQ;

- (b) The storage of Gas in amounts up to Customer's Interruptible MSQ, provided that all Firm Storage Service obligations have been satisfied; and
- (c) The withdrawal from storage on any Gas Day of Customer's Gas per Customer's nomination up to Customer's MDWQ as stated in the executed ISS Service Agreement with Customer and the Delivery of such Gas to the Point of Injection/Withdrawal available on Caledonia's System, 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 the Customer shall have nominated for withdrawal on such Gas Day.

2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule ISS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6.5(e) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule ISS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Withdrawal. To the extent storage capacity or Gas which is being utilized by a Customer under this Rate Schedule ISS is need by Caledonia in order to satisfy Caledonia's Firm Storage Service Agreement or is otherwise necessary to avoid adverse impact on the operation of Caledonia's System, Caledonia may require Customer to withdraw all, or any portion of, the Storage Inventory held in storage by Caledonia under this Rate Schedule ISS for the account of Customer. Caledonia will notify the Customer of the need to withdraw Gas and the quantity to be withdrawn, and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via e-mail to the Customer. Unless Caledonia otherwise agrees, Customer shall be required to make nominations ratably over the specified time period. During the period specified by Caledonia for withdrawal, Customer may negotiate a sale in place of its Gas in storage to another Customer with storage capacity available under this Rate Schedule ISS. If Customer fails to withdraw or sell in place such Storage Inventory within the time period specified by Caledonia, Caledonia may take, free, and clear of any adverse title, claims, or liens, title to such ISS Storage Inventory as Customer was instructed to withdraw, at a price per Dth equal to the Current Market Price, less Caledonia's costs related to the Customer's failure to timely remove its Gas, and Caledonia shall credit such proceeds to any amount owed by Customer to Caledonia; *provided however*, that for each Gas Day Caledonia is unable to schedule the withdrawal of Customer's Gas, the period specified for withdrawal shall be extended by a corresponding number of Gas Days. The sale of Gas to Customer under this Section 2.3 will not relieve Customer of its

obligation to pay Caledonia all applicable charges that accrued before such sale.

2.4 No Capacity Release. Service rights under an ISS Service Agreement may not be released.

3. **OVERRUN SERVICE**

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDIQ, provided that Customer's Interruptible Storage Inventory has not exceeded Customer's MSQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule ISS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Interruptible Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule ISS.

3.3 Priority of Service. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. **RATES AND CHARGES**

4.1 Rates & Charges. The rates and charges paid by Customer for Interruptible Storage Service under this Rate Schedule ISS shall include the applicable storage rate components set forth in the ISS Rate Statement and as described below:

(a) Interruptible Storage Charge. A charge for each Dth of ISS available to Customer (Customer's MSQ). The charge may be on a daily, monthly or other basis per agreement between Caledonia and Customer.

(b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule ISS during a given Month.

(c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) withdrawn

from Caledonia's Storage Facility pursuant to Section 2.1(c) of this Rate Schedule ISS during a given Month.

- (d) **Overrun Injection Charge.** A charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule ISS during a given Month.
- (e) **Overrun Withdrawal Charge.** A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule ISS during a given Month.
- (f) **Fuel Reimbursement.** The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's ISS Service Agreement.
- (g) **Regulatory Fees and Charges.** Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule ISS, as set forth in Customer's ISS Service Agreement.
- (h) **Taxes.** Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 **Term.** The term for Service under this Rate Schedule ISS shall be as set forth in the executed ISS Service Agreement. Any Storage Inventory remaining in the Caledonia System on any Gas Day after the end of the Service period shall be considered to be "Holdover Gas" as specified in Section 6.9.11 of the General Terms and Conditions of this Gas Tariff. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 **Compliance.** The ISS 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 the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Service contemplated hereby and to construct and operate the facilities necessary to provide such Service and for any connected pipeline to transport natural Gas to/from the Storage Facility necessary to effect the Service provided for herein.

6.2 Changes. Caledonia shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the ISS 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.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its ISS Service Agreement with Customers, then capacity, withdrawals and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. 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 Rate Schedule ISS, 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 Rate Schedule ISS shall control.

**IPS RATE SCHEDULE
INTERRUPTIBLE PARKING SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule IPS is available to any Customer for the purchase of Interruptible Parking Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted storage capacity and injection and withdrawal capacity to perform the Interruptible Parking Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule IPS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed a Service Agreement under this Rate Schedule IPS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Interruptible Parking Service provided under this Rate Schedule IPS; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule IPS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule IPS shall apply to all Interruptible Parking Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed IPS Service Agreement. Interruptible Parking Service rendered by Caledonia to Customer under this Rate Schedule IPS shall consist of the Receipt, injection, storage, and withdrawal and Delivery of Customer's Gas, on an Interruptible basis, by Caledonia. Service under this Rate Schedule IPS includes:

- (a) The injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the IPS Service Agreement with Customer, provided that all Firm Storage Service nominations for injection have been satisfied, Customer Delivers the nominated quantity, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, and Customer's Park Balance has not exceeded its MPQ;

- (b) The storage of Gas in amounts up to Customer's MPQ, provided that all Firm Storage Service obligations have been satisfied; and
- (c) The withdrawal from storage on any Gas Day and Delivery of Customer's Gas per Customer's nomination to the Point of Injection/Withdrawal available on Caledonia's System up to Customer's MDWQ as stated in the IPS Service Agreement with Customer, 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 Gas Day.

2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule IPS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule IPS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Withdrawal. To the extent storage capacity or Gas which is being utilized by a Customer under this Rate Schedule IPS is needed by Caledonia in order to satisfy Caledonia's Firm Storage Service Agreement(s) or is otherwise necessary to avoid adverse impact on the operation of Caledonia's System, Caledonia may require Customer to withdraw all or any portion of, the Park Balance held in storage by Caledonia under this Rate Schedule IPS for the account of the Customer. Caledonia will notify the Customer of the need to withdraw Gas and the quantity to be withdrawn, and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or instant messaging to the Customer. Unless Caledonia otherwise agrees, Customer shall be required to make nominations ratably over the specified time period. During the period specified by Caledonia for withdrawal, Customer may negotiate a sale in place of its Gas in storage to another Customer with storage capacity available under this Rate Schedule IPS. If Customer fails to withdraw or sell in place such Park Balance within the time period specified by Caledonia, then Caledonia may take, free and clear of any adverse title, claims, or liens, title to such Park Balance as Customer was instructed to withdraw, at a price per Dth equal to the Current Market Price less Caledonia's costs related to Customer's failure to timely remove its Gas, and Caledonia shall credit such proceeds to any amount owed by Customer to Caledonia; *provided however*, that for each Gas Day Caledonia is unable to schedule the withdrawal of Customer's Gas, the period specified for withdrawal shall be extended by a corresponding number of Gas Days. The sale of Gas to Customer under this Section 2.3 will not relieve Customer of its obligation to pay Caledonia all applicable charges that accrued before such sale.

2.4 No Capacity Release. Service rights under an IPS Service Agreement may not be released.

3. OVERRUN SERVICE

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis, quantities of Gas in excess of Customer's MDIQ, provided that Customer's Interruptible Park Balance has not exceeded Customer's MPQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule IPS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Interruptible Park Balance not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule IPS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. Customer shall pay rates and charges for Interruptible Parking Service under this Rate Schedule IPS including the applicable parking rate components set forth in the IPS Rate Statement and as described below:

(a) Interruptible Parking Charge. A charge for each Dth of Interruptible Parking Service available to Customer (Customer's MPQ). The charge may be on a daily, monthly or other basis per agreement between Caledonia and Customer.

(b) Interruptible Parking Injection Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule IPS during a given invoice period.

(c) Interruptible Parking Withdrawal Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1(c) of this Rate Schedule IPS during a given invoice period.

- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule IPS during a given Month.
- (e) Overrun Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule IPS during a given Month.
- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's IPS Service Agreement.
- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule IPS, as set forth in Customer's IPS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 Term. The term for Service under this Rate Schedule IPS shall be as set forth in Customer's IPS Service Agreement. Any Park Balance remaining in the Caledonia System on any Gas Day after the end of the Service period shall be considered to be "Holdover Gas" as specified in Section 6.9.11 of the General Terms and Conditions of this Gas Tariff. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 Compliance. The IPS 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 the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Service contemplated hereby and to construct and operate the Gas Storage Facilities necessary to provide such Service and for any connected pipeline to transport Gas to/from the Storage Facility necessary to effect the Service provided for herein.
- 6.2 Changes. Caledonia shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and

terms and conditions of Service as it deems necessary, and the IPS 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.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If due to any cause whatsoever, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its IPS Service Agreement with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. 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 Rate Schedule IPS, 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 Rate Schedule IPS shall control.

**AILS RATE SCHEDULE
ADVANCED INTERRUPTIBLE LOAN SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule is available to any Customer for the purchase of Advanced Interruptible Loan Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted storage capacity, injection or withdrawal capacity to perform the Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule AILS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed an AILS Services Agreement under this Rate Schedule AILS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Advanced Interruptible Loan Service provided under this Rate Schedule AILS; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule AILS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule shall apply to all Advanced Interruptible Loan Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed AILS Service Agreement. Advanced Interruptible Loan Service rendered by Caledonia to Customer under this Rate Schedule AILS shall consist of the advancement to Customer, upon nomination and subsequent confirmation, of daily quantities of Gas in storage not to exceed Customer's MDWQ up to Customer's MLQ, as stated in the AILS Service Agreement with Customer, 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 Caledonia at a time to be agreed upon as set forth in the AILS Service Agreement. If Customer fails to return Gas advanced by Caledonia to Customer on or before the agreed date and time, the terms of Section 6.9.9 in the General Terms and Conditions shall apply.

- 2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule ILS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6.5(e) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule ILS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.
- 2.3 Withdrawal. To the extent Caledonia advances Gas to an Advanced Interruptible Customer which is needed by Caledonia in order to satisfy Caledonia's obligations to Firm Storage Service Customers or the Gas is otherwise necessary to meet System needs, Caledonia may with reasonable and nondiscriminatory discretion 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 Loan Balance borrowed by Customer. Caledonia will notify the Customer of the need to replace or replenish Gas and the quantity to be replaced or replenished and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via U.S. mail, electronic-mail, instant messaging or other method to Customer. Unless Caledonia otherwise agrees, Customer shall be required to make injections ratably over the specified time period. If Customer fails to replace or replenish borrowed Gas to Caledonia as directed within the period specified by Caledonia, Caledonia will have the right to treat the loaned quantities that have not been returned as a sale of such loaned quantities to Customer, at a price per Dth equal to the Current Market Price, plus Caledonia's costs related to Customer's failure to timely return the loaned Gas. Caledonia will invoice Customer for such amount, and Customer's loaned quantities with respect to the relevant Service Agreement will be decreased accordingly upon Customer's payment of that amount. The sale of Gas to Customer under this section will not relieve Customer of its obligation to pay Caledonia all applicable charges that accrued before such sale. Notwithstanding anything else herein to the contrary, to the extent Customer is unable to return all or any portion of loaned quantities because of an interruption of Customer's injection service, Customer shall be allowed to return such loaned quantities within a reasonable time period following the expiry of such interruption.
- 2.4 No Capacity Release. Service rights under an AILS Service Agreement may not be released.

3. OVERRUN SERVICE

- 3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter,

schedule and inject on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDIQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule AILS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that the quantities Customer shall have nominated for withdrawal on such Gas Day will not cause Customer's Loan Balance to exceed Customer's MLQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule AILS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. Customer shall pay rates and charges for Advanced Interruptible Loan Service under this Rate Schedule AILS including the applicable loan rate components set forth in the AILS Rate Statement and as described below:

- (a) Advanced Interruptible Loan Charge. A charge for each Dth of AILS available to Customer (Customer's MLQ). The charge may be on a daily, monthly, or other basis per agreement between Caledonia and Customer.
- (b) Advanced Interruptible Loan Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule AILS.
- (c) Advanced Interruptible Loan Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule AILS.
- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule AILS during a given Month.
- (e) Overrun Withdrawal Gas. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule AILS during a given Month.

- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's AILS Service Agreement.
- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule AILS, as set forth in Customer's AILS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. **TERM**

- 5.1 Term. The term for Service under this Rate Schedule AILS shall be as set forth in Customer's AILS Service Agreement. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. **AUTHORIZATION, RATES, TERMS AND CHANGES**

- 6.1 Compliance. The AILS 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 the FERC and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Service contemplated hereby and to construct and operate the Gas Storage Facilities necessary to provide such Service and for any connected pipeline to transport Gas to/from the Storage Facility necessary to effect the Service provided for herein.
- 6.2 Changes. Caledonia shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms and conditions of service as it deems necessary, and the AILS 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.

7. **INTERRUPTION OR CURTAILMENT**

- 7.1 Priority of Service. If, due to any cause whatsoever, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its AILS Service Agreement with Customers, then capacity, withdrawals, and/or injections will be allocated according to the

priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. 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 Rate Schedule AILS, 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 Rate Schedule AILS shall control.

**ILS RATE SCHEDULE
INTERRUPTIBLE LOAN SERVICE**

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any Customer for the purchase of Interruptible Loan Service from Caledonia, provided that:
- (a) Caledonia has determined that it has operationally available and uncommitted storage capacity, injection or withdrawal capacity to perform the Service Customer has requested;
 - (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule ILS will not interfere with efficient operation of its System or with Firm Storage Service;
 - (c) Customer and Caledonia have executed an ILS Service Agreement under this Rate Schedule ILS;
 - (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
 - (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Interruptible Loan Service provided under this Rate Schedule ILS; and
 - (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule ILS.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Applicability. This Rate Schedule ILS shall apply to all Interruptible Loan Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed ILS Service Agreement. Interruptible Loan Service rendered by Caledonia to Customer under this Rate Schedule ILS shall consist of the advancement to Customer, upon nomination and subsequent confirmation, of daily quantities of Gas in storage not to exceed Customer's MDWQ up to Customer's MLQ, as stated in the Interruptible Storage Service Agreement with Customer, 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 Caledonia at a time to be agreed upon as set forth in the ILS Service Agreement. If Customer fails to return Gas advanced by Caledonia to Customer on or before the agreed date and time, the terms of Section 6.9.9 in the General Terms and Conditions shall apply.
- 2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule ILS is subject to interruption based upon changes in Firm Storage Service

nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6.5(e) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule ILS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Interruptible. To the extent Caledonia advances Gas to an Interruptible Customer which is needed by Caledonia in order to satisfy Caledonia's obligations to Firm Storage Service Customers or the Gas is otherwise necessary to meet System needs, Caledonia may with reasonable and nondiscriminatory discretion 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 Loan Balance borrowed by Customer. Caledonia will notify the Customer of the need to replace or replenish Gas and the quantity to be replaced or replenished and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via U.S. mail, e-mail, instant messaging or other method to Customer. Unless Caledonia otherwise agrees, Customer shall be required to make injections ratably over the specified time period. If Customer fails to replace or replenish borrowed Gas to Caledonia as directed within the period specified by Caledonia, Caledonia will have the right to treat the loaned quantities that have not been returned as a sale of such loaned quantities to Customer, at a price per Dth equal to the Current Market Price, plus Caledonia's costs related to Customer's failure to timely return the loaned quantities. Caledonia will invoice Customer for such amount, and Customer's loaned quantities with respect to the relevant Service Agreement will be decreased accordingly upon Customer's payment of that amount. The sale of Gas to Customer under this Section 2.3 will not relieve Customer of its obligation to pay Caledonia all applicable charges that accrued before such sale. Notwithstanding anything else herein to the contrary, to the extent Customer is unable to return all or any portion of loaned quantities because of an interruption of Customer's injection service, Customer shall be allowed to return such loaned quantities within a reasonable time period following the expiry of such interruption.

2.4 No Capacity Release. Service rights under an ILS Service Agreement may not be released.

3. OVERRUN SERVICE

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDIQ. Such Authorized Overrun Quantities

shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule ILS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that the quantities Customer shall have nominated for withdrawal on such Gas Day will not cause Customer's Loan Balance to exceed Customer's MLQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule ILS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. Customer shall pay rates and charges for Interruptible Loan Service under this Rate Schedule ILS including the applicable loan rate components set forth in the ILS Rate Statement and as described below:

- (a) Interruptible Loan Charge. A charge for each Dth of ILS available to Customer (Customer's MLQ). The charge may be on a daily, monthly, or other basis per agreement between Caledonia and Customer.
- (b) Interruptible Loan Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule ILS.
- (c) Interruptible Loan Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule ILS.
- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule ILS during a given Month.
- (e) Overrun Withdrawal Gas. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule ILS during a given Month.
- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's ILS Service Agreement.

- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule ILS, as set forth in Customer's ILS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

5.1 Term. The term for Service under this Rate Schedule ILS shall be as set forth in Customer's ILS Service Agreement. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

6.1 Compliance. The ILS 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 the FERC and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Interruptible Loan Service contemplated hereby and to construct and operate the Gas Storage Facilities necessary to provide such Service and for any connected pipeline to transport Gas to/from the Storage Facility necessary to effect the Service provided for herein.

6.2 Changes. Caledonia shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the ILS 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.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If, due to any cause whatsoever, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its ILS Service Agreement(s) with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. 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 Rate Schedule ILS, 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 Rate Schedule ILS shall control.

TABLE OF CONTENTS
GENERAL TERMS AND CONDITIONS
SECTION 6.0

TARIFF PROVISION	SECTION NO.
APPLICABILITY	1
DEFINITIONS	2
REQUEST FOR SERVICE	3
EVIDENCE OF CREDITWORTHINESS AND SECURITY	4
CAPACITY RELEASE	5
PRIORITY, SERVICE INTERRUPTION AND OPERATIONAL FLOW ORDERS	6
INJECTION/WITHDRAWAL AND TRANSPORTATION	7
STORAGE OPERATIONS	8
NOMINATIONS AND SCHEDULING	9
QUALITY	10
PRESSURE AND INJECTION/WITHDRAWAL RATES	11
TITLE AND RISK OF LOSS	12
MEASUREMENT	13
BILLING AND PAYMENT	14
TAXES	15
FORCE MAJEURE	16
NOTICES	17
FUEL REIMBURSEMENT	18
GAS TITLE TRANSFERS	19
PENALTIES	20
NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB") STANDARDS	21
GENERAL PROVISIONS	22
TERMINATION FOR DEFAULT	23
CUSTOMER TERMINATION OPTION	24
POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF NEW FACILITIES	25
OFF-SYSTEM PIPELINE CAPACITY	26
REGULATION	27
CHOICE OF LAW	28
DISPUTE RESOLUTION PROCEDURES	29
LIMITATION OF LIABILITY	30
OPERATIONAL SALES AND PURCHASES OF GAS	31

GENERAL TERMS AND CONDITIONS

1. APPLICABILITY

- 1.1 These General Terms and Conditions shall apply to all Gas Services rendered by Caledonia under any Service Agreement, including, but not limited to, Service under Rate Schedules FSS, AISS, ISS, IPS, AILS, and ILS, provided that in the event of any inconsistency the terms of the Rate Schedules shall control.

2. DEFINITIONS

- 2.1 "Acceptable Credit Rating" means a Credit Rating of at least BBB- by S&P and Baa3 by Moody's. If a Customer is only rated by S&P or Moody's, then Caledonia may, in its reasonable discretion, waive its requirement for a rating from both S&P and Moody's. If a Customer's rating is BBB- or Baa3 and the outlook is Negative, Caledonia may require further analysis.
- 2.2 "Authorized Overrun Quantities" means quantities of Gas which Caledonia agrees, in its reasonable judgment, to inject or withdraw for Customer, in excess of Customer's Available Daily Injection Quantity/Available Daily Withdrawal Quantity.
- 2.3 "Available Daily Injection Quantity" means the percentage of MDIQ available for injection by Customer on any Gas Day and that Caledonia may be required to inject into storage.
- 2.4 "Available Daily Withdrawal Quantity" means the percentage of MDWQ available for withdrawal by Customer on any Gas Day and that Caledonia may be required to withdraw from storage.
- 2.5 "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 Psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry).
- 2.6 "Business Day" means Monday through Friday, excluding Federal Banking Holidays (as determined by the Federal Reserve Board) in the United States.
- 2.7 "Caledonia" means Caledonia Energy Partners, L.L.C.
- 2.8 "Central Clock Time" or "CCT" means central daylight time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.
- 2.9 "Commission" means the Federal Energy Regulatory Commission or any successor agency.
- 2.10 "Contract Year" means the twelve (12) month period beginning on the date storage service under a Service Agreement commences and each subsequent twelve (12) month period thereafter during the term of the Service Agreement, unless agreed otherwise in the Service Agreement.
- 2.11 "Credit Rating" means the Customer's long term senior unsecured debt rating or issuer rating (in case of no unsecured long term debt) by S&P and Moody's.
- 2.12 "Credit Support Provider" means a Party providing a guarantee in favor of Caledonia as the beneficiary thereof, in a form acceptable to Caledonia in its sole but reasonable judgment,

securing the obligations of Customer under one or more Service Agreement(s).

- 2.13 "Critical Notices" mean information pertaining to Caledonia conditions that affect scheduling or adversely affect scheduled Gas flow.
- 2.14 "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.
- 2.15 "Current Market Price" means an amount determined on which is the greater of (i) the NYMEX Prompt Settlement price, as adjusted for the applicable basis differential, and (ii) the "balance of month" market price as reflected by Intercontinental Exchange ("ICE") (or the open market price if ICES had no relevant balance of month price information available on a timely basis.
- 2.16 "Current Value" means an amount determined on which is the lesser of (i) the NYMEX Prompt month settlement price, as adjusted for the applicable basis differential plus applicable transportation, and (ii) the "balance of month" market price reflected by Intercontinental Exchanges ("ICE") (or the open market price if ICE has no relevant balance of month price information available on a timely basis.
- 2.17 "Custodian" means a Qualified Institution selected by the Customer.
- 2.18 "Customer" means any individual or entity executing a valid Service Agreement with Caledonia for Service(s) hereunder.
- 2.19 "Daily Reference Price" means the midpoint price for "Tennessee, La., 500 Leg" reported in Platts Gas Daily (or any successor publication), provided if the relevant Point of Injection/Withdrawal is not that point where Caledonia interconnects with the pipeline facilities of Tennessee Gas Pipeline Company (the "Tennessee Point"), such Daily Reference Price will be adjusted by the transportation costs between the relevant Point of Injection/Withdrawal and the Tennessee Point. If at any time the Daily midpoint prices for the applicable reference points are not published in the manner previously described, then Caledonia shall provide notice ("Substitute Reference Price Notice") thereof to Customer, in which event the Parties shall attempt to agree upon a Substitute Reference Price ("Substitute Reference Price"). The Substitute Reference Price shall then become the "Daily Reference Price".
- 2.20 "Defaulting Party" shall have the meaning as set forth in Section 6.23.
- 2.21 "Dekatherm" or "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.

- 2.22 "Deliver" or "Delivery" means the physical Delivery, or its equivalent, of Gas by Caledonia at a Point of Injection/Withdrawal to or for the account of Customer. Unless otherwise specified in an executed Service Agreement, Gas shall be Delivered at a uniform flow rate equal to 1/24th of the scheduled quantity.
- 2.23 "Delivery Default" means the default of the physical Delivery of Gas as specified in Section 6.9.8.
- 2.24 "Elapsed Pro-rata Capacity" or "EPC" 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.
- 2.25 "Elapsed Pro-rated Scheduled Quantity" means 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.
- 2.26 "Event of Default" means the occurrence at any time with respect to a Party of any of the events detailed in Section 6.23.2, below.
- 2.27 "FERC" means the Federal Energy Regulatory Commission or any successor agency.
- 2.28 "Financial Assurances" means either (a) cash that will, at the option of the Party ("Posting Party") being requested to provide Financial Assurances option (i) be delivered to a Custodian to be held pursuant to a cash escrow agreement, at Posting Party's sole cost and expense or (ii) be held on deposit with requesting Party; (b) a standby irrevocable letter of credit issued by Qualified Institution; (c) a guarantee by Credit Support Provider that satisfies the credit requirements of Caledonia and in a form acceptable to Caledonia in its reasonable discretion; (d) grant of a first priority security interest in collateral satisfactory to Caledonia; or (e) another form of assurance satisfactory to Caledonia in its reasonable discretion.
- 2.29 "Firm" or "Firm Storage Service" or "FSS" means the storage Service provided under Rate Schedule FSS pursuant to which Customer's storage injection or storage withdrawal nominations shall be the first scheduled and the last subject to interruption.
- 2.30 "Force Majeure" means an event of Force Majeure as specified in Section 6.16.
- 2.31 "Fuel Reimbursement" means the amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of these General Terms and Conditions and set forth in Customer's applicable Service Agreement.

- 2.32 "Gas" means natural gas of a quality at least equal to the quality specified in Section 6.10 of the General Terms and Conditions of this Gas Tariff.
- 2.33 "Gas Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 A.M. CCT including Saturdays, Sundays, and Federal Banking Holidays.
- 2.34 "Gas Tariff" means the tariff currently on file and approved by FERC for the Caledonia Storage Facility.
- 2.35 "Internet Web Site" means Caledonia's HTML site accessible via the Internet's World Wide Web, <http://www.gasnom.com/ip/caledonia/>, including the password-accessible section of the site.
- 2.36 "Interruptible" means that the injection, withdrawal, parking, loaning, and storage of Customer's Gas, which is subject to interruption at any time by Caledonia.
- 2.37 "Intraday Nomination" means a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.
- 2.38 "Loan Balance" means the quantity of Gas, expressed in Dth, that Caledonia has loaned to Customer under Rate Schedule ILS or Rate Schedule AILS, provided that the Loan Balance shall never exceed Customer's Maximum Loan Quantity specified in Customer's Service Agreement.
- 2.39 "Long Term Firm Storage Service Agreement" means a FSS Service Agreement with a primary term of one year or more.
- 2.40 "Loss" means, with respect to any one or more Service Agreement(s) that have been terminated for default, the amount that the Non-Defaulting Party reasonably determines in good faith to be its total losses and costs (or gain, which is expressed as a negative number) in connection with the terminated Service Agreement(s) (but not including any loss related to any hedge or related trading position).
- 2.41 "Mcf" means a unit of Gas equal to one thousand cubic feet.
- 2.42 "Material Adverse Change" means the occurrence of any change in business conditions described in Section 6.4.3, or the failure of Customer at any time to: satisfy the requirements pertaining to creditworthiness set forth in Section 6.4; to maintain an Acceptable Credit Rating; or to maintain or reinstate Financial Assurances.
- 2.43 "Maximum Advanced Interruptible Loan Quantity" or "MAILQ" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in Caledonia's System at any given time, as specified in Customer's ILS and/or AILS Service Agreement.

- 2.44 "Maximum Advanced Interruptible Storage Quantity" or "MAISQ" means the maximum quantity of Gas which Customer is entitled to store at the Facility at any given time under Customer's AISS Service Agreement.
- 2.45 "Maximum Daily Injection Quantity" or "MDIQ" means the maximum quantity of Gas, expressed in Dth, specified in Customer's Service Agreement, that Customer may nominate and that Caledonia shall Receive at the Point of Injection/Withdrawal for injection into storage each Gas Day, plus Fuel Reimbursement.
- 2.46 "Maximum Daily Withdrawal Quantity" or "MDWQ" means the maximum quantity of Gas, expressed in Dth, specified in Customer's Service Agreement, that Customer may nominate and that Caledonia shall withdraw from storage and tender to Customer at the Point of Injection/Withdrawal each Gas Day.
- 2.47 "Maximum Loan Quantity" or "MLQ" means the maximum quantity of Gas, expressed in Dth, that Customer may borrow from Caledonia's System under Rate Schedule ILS, as specified in Customer's ILS Service Agreement.
- 2.48 "Maximum Park Quantity" or "MPQ" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in Caledonia's System under Rate Schedule IPS at any given time, as specified in the applicable Customer's IPS Service Agreement.
- 2.49 "Maximum Storage Quantity" or "MSQ" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in Caledonia's System at any given time, as specified in Customer's ISS and AISS Service Agreement.
- 2.50 "Moody's" means Moody's Investor Services, Inc and any successor entity.
- 2.51 "Month" means the period beginning at 9:00 A.M. Central Clock Time on the first Gas Day of a calendar month and ending at 9:00 A.M. Central Clock Time on the first Gas Day of the next succeeding month.
- 2.52 "Monthly Reference Price" means the arithmetic average of the applicable Daily Reference Prices or substitute thereof, for each Gas Day of the relevant Month, including weekend deals.
- 2.53 "Non-Defaulting Party" shall have the meaning set forth in Section 6.23.
- 2.54 "Operational Flow Order" or "OFO" means an order issued by Caledonia under Section 6.6 to alleviate conditions, inter alia, which could threaten or could threaten the safe operations or system integrity of Caledonia's Storage Facility, or to maintain operations required to Deliver Firm Storage Service. Whenever Caledonia experiences these conditions, any pertinent order will be referred to as an Operational Flow Order.

- 2.55 "Park Balance" means the quantity of Gas, expressed in Dth, that Customer has in Caledonia's System for Customer's account under a Service Agreement for parking Service, provided that the Park Balance shall never exceed Customer's Maximum Park Quantity specified in Customer's IPS Service Agreement.
- 2.56 "Party" means either Caledonia or Customer; "Parties" means Caledonia and Customer, collectively.
- 2.57 "Point of Injection/Withdrawal" means the point, as designated by Customer and Caledonia in the relevant Service Agreement, where Caledonia Receives Gas from Customer for Customer's account or Delivers Gas to Customer for Customer's account.
- 2.58 "Potential Replacement Customer" means any individual or entity that desires to assume any released rights to capacity of a Releasing Customer pursuant to Section 6.5, hereunder.
- 2.59 "Psia" means pounds per square inch absolute.
- 2.60 "Psig" means pounds per square inch gauge.
- 2.61 "Qualified Customer" means a party who: (i) has satisfied Caledonia's creditworthiness requirements as outlined in this Gas Tariff (which creditworthiness shall be reevaluated and updated as often as Caledonia deems necessary in its reasonable discretion) or has provided or caused to be provided Financial Assurances as necessary, (ii) has provided all information required under this Gas Tariff when requested, and (iii) has executed and delivered a relevant Service Agreement (or Capacity Release Umbrella Agreement, if applicable) or, with regard to a potential customer wishing to bid in an open season, such party agrees to execute a Service Agreement as required under the open season procedures of this Gas Tariff.
- 2.62 "Qualified Institution" means a U.S. commercial bank or a foreign bank with a U.S. branch that is not an Affiliate of Customer and that has assets of at least \$10 billion and credit ratings of at least A- by S&P and at least A3 by Moody's.
- 2.63 "Receipt" means the physical Receipt, or its equivalent, of Gas by Caledonia at a Point of Receipt from or for the account of Customer. Unless otherwise specified in an executed Service Agreement, Gas shall be Received at a uniform flow rate equal to the 1/24th of the scheduled quantity.
- 2.64 "Receipt Default" means the default of the physical Receipt of Gas as described in Section 6.9.8.
- 2.65 "Reference Market-maker" means a third-party Gas storage Service provider or leading dealer in the natural Gas futures and/or forward contract market which is ready, willing and able to enter into a Service transaction with terms substantially the same as the terminated transaction (i.e., with regard to injection rate, withdrawal rate, maximum inventory, demand and commodity charges, length of term of Service, and the Service beginning and ending

dates) and which is selected in good faith by the Non-Defaulting Party from among Firm Storage Service providers and/or dealers of the highest credit standing which satisfies all the criteria that the Non-Defaulting Party applies generally when deciding whether to make an extension of credit.

- 2.66 "Releasing Customer" means a Customer who has agreed to release some or all of its rights under its FSS Service Agreement pursuant to Section 6.5, hereunder.
- 2.67 "Replacement Customer" means a Customer who has assumed any released rights to capacity of a Releasing Customer pursuant to Section 6.5, hereunder.
- 2.68 "Service(s)" means the injection, storage, withdrawal, parking or loaning of Gas, and any ancillary services to be performed by Caledonia for Customer pursuant to a Service Agreement.
- 2.69 "Service Agreement" means a FSS Service Agreement, an AISS Service Agreement, an ISS Service Agreement, an IPS Service Agreement, an AILS Service Agreement, an ILS Service Agreement (including all Appendices), or a Capacity Release Umbrella Agreement entered into under this Gas Tariff.
- 2.70 "S&P" means Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) and any successor entity.
- 2.71 "Storage Facility" means the storage facilities, flow lines, lateral, measurement, compression, and related facilities owned, leased, or operated by or for Caledonia in Lowndes and Monroe Counties, Mississippi, for the storing of goods for hire.
- 2.72 "Storage Inventory" means the quantity of Working Gas, expressed in Dth, that a Customer has in place in Caledonia's Storage Facility for Customer's account, provided that the Storage Inventory shall never exceed Customer's Maximum Storage Quantity.
- 2.73 "Storage Reservation Charge" means the demand charge paid by Customer to reserve capacity under an FSS Service Agreement.
- 2.74 "Substitute Reference Price" means as described in the above definition of Daily Reference Price. If at any time the Daily midpoint prices for the applicable reference points are not published in the manner previously described, then Caledonia and the Parties shall attempt to agree upon a Substitute Reference Price ("Substitute Reference Price"). The Substitute Reference Price shall then become the "Daily Reference Price".
- 2.75 "System" means the Storage Facility and any Point of Injection/Withdrawal, as defined above.
- 2.76 "Title Transfer" means the change of title to Gas between parties at a location.

2.77 "Transporter" means the upstream or downstream pipeline transporter designated to Deliver or Receive Gas to/from the Point of Injection/Withdrawal on behalf of Customer.

2.78 "Unpaid Amounts" owing to a Party means, with respect to the Early Termination Date and in respect of all Service Agreements terminated for default, the amounts that became payable (or that would have become payable but for the legal or equitable right of a Party to not pay as a result of the occurrence of an Event of Default by the other Party) (whether or not such amounts are yet invoiced or overdue) on or prior to the Early Termination Date and which remain unpaid as of such Early Termination Date.

2.79 "Working Gas" means all Gas that Customer has in storage.

Additional terms indicated by capitalization and utilized in the General Terms and Conditions of this FERC Gas Tariff shall have the meaning ascribed to them where first utilized.

3. **REQUEST FOR SERVICE**

3.1 Requests for Services.

- (a) Acceptance of Service. Caledonia will accept requests for any Services provided under this Gas Tariff with regard to any Firm capacity that is currently available (for purposes of this Section, "Existing Capacity"). Capacity can also become available for Firm Storage Services as a result of the expansion of Caledonia's storage capacity beyond its then applicable maximum certificated level of working gas capacity (for purposes of this Section, "Expansion Capacity") through an open season process that shall be posted on Caledonia's Internet Web Site in accordance with Commission regulations. Existing capacity shall be allocated on a first-come, first-served basis to the first Customer offering to pay a rate for Service that Caledonia finds acceptable. From time to time, Caledonia may negotiate with Customer for prearranged Service for a future period, or for interim Service. For purposes of this Section, "Firm Storage Services" is intended to include service pursuant to Rate Schedule FSS as set forth elsewhere in this Gas Tariff.
- (b) Process. Any Customer wishing to obtain Service from Caledonia under Rate Schedules FSS, AISS, AILS, ISS, IPS or ILS shall submit to Caledonia a Request for Service in the form attached and in accordance with the applicable Rate Schedule. Such request may be delivered in person or by telephone, or submitted by United States mail, overnight courier service, e-mail, or through Caledonia's Internet Web Site. Caledonia shall evaluate and respond to Customer's request as soon as reasonably possible and at least within five (5) Business Days of its receipt; provided that Caledonia shall not be obligated to sell its capacity if, in Caledonia's reasonable discretion, the Customer fails to offer a minimum reserve amount or otherwise submits an offer containing unreasonable terms and conditions. If Caledonia and the requesting party mutually agree to the rates the party will pay for a Service, as well as all other commercial terms of such Service, Caledonia and Customer will, subject to the requesting party meeting all Qualified Customer requirements, execute a Service Agreement. Caledonia and Customer may agree verbally to the commercial terms of Service, with the communication of an offer and the communication of an acceptance of such terms constituting a valid, binding and enforceable agreement between the Parties, and for any Service Agreement which cannot by its terms be completely performed within one year from the date of such an agreement, Caledonia and Customer will memorialize the terms of such agreement by executing the relevant Service Agreement. Notwithstanding the foregoing, Caledonia will endeavor to confirm all agreements for

Service via an executed Service Agreement (whether or not performance is required within one year) and Customer shall have three (3) Business Days to protest any terms set forth in such Service Agreement which, in Customer's reasonable opinion, do not accurately reflect the verbal agreement made between Customer and Caledonia; if Customer does not protest the terms of a Service Agreement within three (3) Business Days of Caledonia's delivery of such Service Agreement, the terms set forth in such Service Agreement will be deemed correct. Either Party may record the telephone calls between the Parties, and each Party consents to such recording of telephone calls for the purpose of verifying the commercial terms of Service as verbally agreed to by the Parties. If Caledonia rejects any Service request, Caledonia shall notify the requesting party of the reason(s) for such rejection. A request for Service shall be considered complete only if all information specified in Sections 6.3 and 6.4 of these General Terms and Conditions is provided in writing. By its submission to Caledonia, Customer represents that such information provided with regard to itself and its Credit Support Provider, is true and correct to the best of Customer's knowledge. Requests for Service may be sent to:

Caledonia Energy Partners, L.L.C.
Attn: Masoud Kasraian, President & Chief Commercial Officer
Enstor Gas, LLC
10375 Richmond Ave, Suite 1900
Houston, Texas 77042
Phone: (281)374-3084
E-mail: masoud.kasraian@enstorinc.com

3.2 Open Season.

- (a) Notice of Open Season. Caledonia may post an open season for any Existing Capacity. Caledonia will post a notice of an open season on its Internet Web Site for the bidding of such capacity, at least ten (10) days prior to commencement of the open season. A notice of open season shall set forth when the open season begins and ends, where interested parties may submit requests for Firm Storage Service, any reservations regarding the offering of capacity, the method for evaluating bids, and how interested parties may obtain forms for requesting Service.
- (b) Bidding. During an open season, Caledonia will accept requests for Firm Storage Service from Qualified Customers. Bids submitted during an open season will be binding on the bidder from the date of submission until the end of the binding period, as set forth in the notice of open season. Capacity will be allocated to Qualified Customers offering bids which, in Caledonia's reasonable judgment, can be anticipated to generate an acceptable economic value for Caledonia. The method for evaluating bids may include (i) determining the highest guaranteed revenues anticipated to be produced by the competing bids when all other terms (for

purposes of this Section, "Other Terms") of such competing bids are equivalent (e.g., each competing bid being based on a term of service of one full storage year), (ii) determining the highest unit value of service when all bids do not contain equivalent Other Terms, or (iii) an alternative, objective and non-discriminatory method to be determined by the mutual agreement of the parties. Such method will be posted prior to the open season and will be applied in a non-discriminatory manner. Caledonia reserves the right to give first priority to bids where: (i) the reservation charges meet or exceed a threshold value; and (ii) the length of term meets or exceeds a threshold value. Caledonia may also take into consideration the relative creditworthiness of each bidder when determining the bid with the highest economic value. Caledonia may change the criteria to be used in evaluating bids, but the revised criteria may be applied to an open season only if notice of such change is posted at least three (3) Business Days prior to the commencement of the open season. Caledonia will not change the criteria for an on-going open season.

- (c) Evaluation and Allocation. During the allocation process conducted as part of an open season, should requests for Firm Storage Service exceed available capacity, capacity will first be allocated to the Qualified Customer who submitted the bid which is anticipated by Caledonia to generate the highest acceptable economic value for Caledonia. After the initial allocation of capacity to the Qualified Customer with the best bid, Caledonia will continue allocating the remaining available capacity based on the ranking of bids having the highest acceptable economic value until all of the remaining capacity that was bid at, or above, the internal threshold levels, has been allocated. When remaining unallocated capacity is not sufficient to meet the next highest economic value bidder's capacity requirements for Service under Rate Schedule FSS, such next highest bidder shall have the option of declining the remaining capacity. Caledonia will then offer the remaining capacity to the next highest bidder, until all the remaining capacity is allocated or until such time that the next highest bidder's terms did not meet the minimum requirements set forth in the open season.
- (d) Tie-Bids. Should the next highest bid in Section 6.3.2(c) above be submitted by two or more Qualified Customers (e.g., tied bids) and the remaining uncommitted capacity available is less than the capacity required to serve such parties, then the procedures in this subsection will apply. Caledonia will first notify the bidders submitting the tying bids that the evaluation resulted in a tie and shall provide each such bidder an opportunity to improve its bid through an entirely new bid submitted via the Internet Web Site and by e-mail within twenty-four (24) hours of such notification. If a tie still exists after this first step, Caledonia will next allocate the available capacity pro rata to each tying bidder which has indicated its willingness to prorate.

- (e) Execution of Agreements. A Qualified Customer's bid which is accepted by Caledonia shall be deemed a binding transaction under the Qualified Customer's FSS Service Agreement. Within five (5) Business Days after a Qualified Customer is notified that its bid has been accepted and that it has been allocated Firm Storage Service capacity, such Qualified Customer shall execute and deliver all necessary instrument(s) to memorialize in writing the terms for the reservation of such capacity; provided, however, that Caledonia may utilize electronic bidding mechanisms via the internet and may rely upon electronic records and electronic signatures to facilitate such bidding and, when used, such electronic records and electronic signatures shall satisfy any law or regulation that requires a contract or record to be in writing.
- 3.3 Construction of Facilities. Caledonia shall not be required to provide any requested Service under any Rate Schedule which would require construction or acquisition by Caledonia of any new facilities, or expansion of existing facilities.
- 3.4 Additional Information. After receipt of a request for Service, Caledonia may require that a Customer furnish additional information as a prerequisite to Caledonia offering to execute a Service Agreement with such Customer. Such information may include proof of Customer's lawful title and/or right to cause the Gas to be Delivered to Caledonia for Service under this FERC Gas Tariff and of Customer's contractual or physical ability to cause such Gas to be Delivered to and received from Caledonia at the designated Point of Injection/Withdrawal.
- 3.5 Request Validity. If Caledonia has tendered a Service Agreement for execution to a Customer and such Customer fails to execute the agreement as tendered within fifteen (15) Business Days from the date the agreement is received by the Customer, Caledonia may consider Customer's Service request void. For Service under Rate Schedule FSS, Caledonia will not be required to tender a Service Agreement to a Customer for execution that relates to Service Agreement to a Customer for execution that relates to requests for Service for which Caledonia does not have available, uncommitted Firm capacity.
- 3.6 Complaints. In the event that a Customer has a complaint relative to Service under this FERC Gas Tariff, the Customer shall provide a description of the complaint, including the identification of the service request (if applicable), and communicate it to:

Caledonia Energy Partners, L.L.C.

Attn: Masoud Kasraian, President & Chief Commercial Officer
Enstor Gas, LLC

10375 Richmond Ave, Suite 1900
Houston, Texas 77042
Phone: (281)374-3084
E-mail: masoud.kasraian@enstorinc.com

Caledonia will respond initially within two (2) Business Days and in writing within thirty (30) days of receipt of the complaint advising Customer of the disposition of the complaint. In the event the required date of Caledonia's response falls on a Saturday, Sunday or a holiday that affects Caledonia, Caledonia shall respond by the following Business Day.

3.7 Information Requests.

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

Caledonia Energy Partners, L.L.C.
Attn: Masoud Kasraian, President & Chief Commercial Officer
Enstor Gas, LLC

10375 Richmond Ave, Suite 1900

Houston, Texas 77042
Phone: (281) 374-3084

E-mail: masoud.kasraian@enstorinc.com

- (b) A list of phone numbers for control personnel for Caledonia who are on-call 24 hours a day will be posted on the Internet Web Site.

4. **EVIDENCE OF CREDITWORTHINESS AND SECURITY**

4.1 Evidence of Creditworthiness. Acceptance of a Service request and/or continuation of Service is contingent upon Caledonia's completion of a credit evaluation it deems satisfactory in accordance with the criteria set forth in this Section 6.4. To enable Caledonia to conduct such credit evaluation, Customer shall submit the information set forth in Section 6.4.2 below, to the extent such information is applicable to such Customer. A Customer may be deemed creditworthy if (i) it has an Acceptable Credit Rating; (ii) a Customer Event of Default has not occurred, and (iii) Caledonia believes, in its reasonable and non-discriminatory judgment, after review of Customer's financial situation based on all information available, that Customer will fully, timely and faithfully perform all obligations under all Service Agreement(s) and, if applicable, that Customer's Credit Support Provider's guarantee fully secures such obligations and is enforceable by Caledonia against such Credit Support Provider.

4.2 Credit Evaluation. Customer or Customer's Credit Support Provider, if applicable, will be required to provide the following information to Caledonia in order to perform its credit evaluation:

(a) Customer's Financial Statements.

(i) Customer shall provide Caledonia with copies of its most recent financial statements (i) within one hundred thirty (130) days of its fiscal year end for each year during the Term, and (ii) within ninety (90) days after the end of each of Customer's first three fiscal quarters for each fiscal year. Customer shall have the right to deliver unaudited financial statements in satisfaction of this requirement, as long as audited financial statements are produced in the ordinary course of business and promptly delivered as soon as they are available. In addition, Customer shall promptly provide to Caledonia other financial information reasonably requested by Caledonia for purposes of this Agreement. If the financial information is publicly provided, then the Customer must identify where and how such information may be obtained and provide any further assistance Caledonia may reasonably need to locate and obtain such financial information.

(ii) If Customer does not make available such information as required to be made available under Section 6.4 within ten (10) Business Days after a request by Caledonia, Caledonia shall have the right to send a written notice demanding that such information to be made available.

(iii) All financial information made available under this Section 6.4, if not publicly available, shall be treated as confidential information.

- (b) Such other information as may be reasonably requested to by Caledonia.
- (c) In the event that Customer cannot provide the information in Section 6.4.2, it shall, if applicable, cause its parent company to provide such information.

4.3 Notice of Material Adverse Change. Customer or Credit Support Provider, if applicable, shall notify Caledonia in writing of the occurrence of any event that would constitute a Material Adverse Change, within five (5) Business Days of the occurrence of such event. A Material Adverse Change may include any change in business conditions which would cause: (i) a substantial deterioration in its financial condition; (ii) a condition of insolvency; or (iii) the inability to exist as an ongoing business entity. Such conditions would include any chapter of the bankruptcy laws of the U.S., liquidation or debt reduction procedures under state laws, and significant outstanding collection lawsuits or judgments that would affect the business entity's ability to remain solvent.

4.4 Financial Assurances.

- (a) Caledonia shall not be required to perform or to continue Service under any Rate Schedule on behalf of any Customer which is or has become insolvent, or which, at Caledonia's request, fails within a reasonable time period to demonstrate creditworthiness in accordance with this Section 6.4; provided, however, that such Customer may receive Service under any Rate Schedule if such party provides Financial Assurances as follows:
 - (i) Within five (5) days of Caledonia's written request for Financial Assurances, an amount equivalent to one (1) month (or the duration of the Service Agreement, whichever is shorter) of estimated fees and Service charges; and/or
 - (ii) Within thirty (30) days of such request, an amount equal to (1) in the case of Firm Storage Service, three (3) months (or the duration of the Service Agreement, whichever is shorter) of Storage Reservation Charges at the rate specified in Customer's request for Service or Service Agreement; or (2) in the case of Interruptible Services, three (3) months (or the duration of the Customer's Service Agreement, whichever is shorter) of the Interruptible charge(s) calculated on a one hundred percent (100%) load factor basis, plus the market value (at the time of the request for such Financial Assurances) of any quantities of Gas loaned to the Customer pursuant to the relevant Service Agreement. Regarding Customers who have previously posted security for Gas loaned to such Customer, if the market value of such Gas increases by ten percent (10%) or more, such Customer shall deliver additional Financial Assurances to

cover such increase in market value within two (2) Business Days of Caledonia's request for same.

- (b) If Customer chooses to provide Financial Assurances in the form of cash (for purposes of this Section, the "Cash Collateral") in the amount set forth above, Customer may earn interest on such Cash Collateral by (i) delivering Cash Collateral to a Custodian in the name of the Customer and pledged to Caledonia pursuant to a cash escrow, or account control agreement that is reasonably satisfactory to Caledonia; or (ii) by directing Caledonia to hold such Cash Collateral, in which case, Caledonia must pay Customer interest on such cash collateral calculated in accordance with Section 154.501(d) of the Commission's regulations.
- (c) Cash Collateral is security only and shall not be treated as a prepayment of any costs, fees, or other obligations that Customer may owe to Caledonia. Customer hereby acknowledges and agrees that payment of Cash Collateral shall not relieve Customer of its duty to pay all invoices in full when due. Subject to Caledonia's right, in its sole discretion, to apply the Cash Collateral against any outstanding costs, fees, or other obligations that Customer owes to Caledonia, Caledonia will return the Cash Collateral to Customer within thirty (30) days following the completion or termination of the relevant transaction.

4.5 Lack of Creditworthiness.

- (a) If Customer fails to maintain an Acceptable Credit Rating or Financial Assurances in accordance with Section 6.2.2 and Section 6.4.4 and such failure is not cured within five (5) days following written notice, such failure may be treated as an Event of Default under Section 6.23 and may result in the termination of Customer's Service Agreement(s).
- (b) If at any time Caledonia reasonably determines that Customer is not creditworthy under Section 6.4 of these General Terms and Conditions, Caledonia shall notify such Customer in writing via E-mail or some other way agreed upon by both parties within ten (10) days following its decision and the reasons for such determination.
- (c) If a Customer does not meet the criteria described in this Section 6.4, then the Customer may request that Caledonia evaluate its creditworthiness based upon the level of Service requested relative to the Customer's current and future ability to meet its obligations or the Customer's Credit Support Provider's current and future ability to secure the Customer's obligations.
- (d) After Caledonia's receipt of a Customer's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard 0.3.8 (for purposes of this Section, the "Customer's Request"), within five (5) Business Days

Caledonia shall provide a written response to the Customer's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for Caledonia's 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 the Customer's Request unless specified in this Gas Tariff or if the Parties mutually agree to some later date.

4.6 Warehouseman's Lien. Caledonia shall be entitled to, and Caledonia hereby claims, a lien on all Gas Delivered to Caledonia by or on behalf of Customer, and all proceeds related thereto, as provided for under Miss. Code Ann. § 75-7-209, with the rights of enforcement as provided herein, under Miss. Code Ann. § 75-7-210 and to the maximum extent as may be otherwise permitted by applicable law. (Miss. Code Ann. § 75-7-1 *et seq.* is hereafter referred to as "Title 75-7 of the Mississippi Code"). In no way limiting the foregoing, such lien shall be for all charges, present or future, for storage and/or transportation including, without limitation, for all expenses necessary for the preservation of Gas held by Caledonia under all of Customer's Service Agreement(s) or reasonably incurred in the sale thereof pursuant to law, and such lien shall extend to like charges and expenses in relation to all Gas under all of Customer's Service Agreement(s), whether or not such charges and expenses relate to Gas at any time currently in Caledonia's custody or to Gas previously accepted from and re-Delivered to Customer. This Agreement shall be considered a "storage agreement" as contemplated by Title 75-7 of the Mississippi Code, but if for any reason it is deemed by a court or tribunal of competent jurisdiction to not be such a storage agreement, and if such court or tribunal deems a valid warehouse receipt necessary to create, perfect, support and/or enforce such lien, it shall be deemed that:

- (a) the Gas Tariff and each Service Agreement entered into by Customer and Caledonia, taken together with all notices (including, without limitation, Monthly invoices) delivered by Caledonia to Customer pursuant to this Gas Tariff and such Service Agreement(s), shall collectively be deemed a valid "warehouse receipt" for all purposes with respect to Title 7 of the Mississippi Code, regardless of when any Gas stored pursuant to this Agreement is Delivered;
- (b) the location of the warehouse is the location of the Storage Facility;
- (c) the party to whom the Gas will be Delivered, the rate of storage and handling charges, and the description of the goods are as set forth in the respective nomination under which such Gas was Delivered to Caledonia;

- (d) the issue date of a warehouse receipt with respect to each Receipt of Gas shall be deemed to be the date such Gas was Delivered to Caledonia;
- (e) the unique identification code of a warehouse receipt shall be deemed to be the consecutive number of each warehouse receipt and the date that Customer's Gas is Delivered to Caledonia when listed in chronological order;
- (f) the signature of Caledonia on the relevant Service Agreement(s) shall be deemed to be the signature of the warehouseman; and
- (g) the Parties' execution of Service Agreement(s) shall be deemed to be a statement of the fact that advances have been made and/or liabilities incurred.

In the event of a future revision to Title 75-7 of the Mississippi Code or otherwise under Mississippi law incorporating additional or different "storage agreement" and/or "warehouse receipt" requirements, Customer and Caledonia will amend their relevant Service Agreement(s) to the extent required to preserve so that Caledonia shall always maintain such lien throughout the term of such Service Agreement(s).

- 4.7 Right of Set-Off. If either Party (for purposes of this Section, the "Non-Performing Party") fails to pay in full any amount owing to the other Party (for purposes of this Section, the "Non-Receiving Party") under any Service Agreement within five (5) Business Days after such amount becomes due, then, in addition to all other remedies available to it under this Gas Tariff, the Service Agreement, at law, in equity or otherwise, the Non-Receiving Party may set off the overdue amount against amounts otherwise owing by the Non-Receiving Party to the Non-Performing Party under this Gas Tariff, the Service Agreement or any other agreement between the Parties.

5. **CAPACITY RELEASE**

5.1 Capacity Release. Any Customer under Rate Schedule FSS may seek to release to others any or all of its Firm Storage Service entitlements on a full Gas 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:

5.2 Notice of Offer. A Customer offering to release Firm Storage Service entitlements shall notify Caledonia via the Internet Web Site of the terms of its offer by the posting deadline as determined pursuant to this Section 6.5 herein. This information will be posted on the Internet Web Site. The Releasing Customer may propose a pre-arranged designated Replacement Customer (for purposes of this Section, the "Prearranged Customer") as part of its posting. Offers shall be binding notice of withdrawal is received by Caledonia 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 Caledonia 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 the capacity;
- (b) Caledonia's Service Agreement number;
- (c) A description of the capacity to be released. The offer must state the Maximum Storage Quantity, the Maximum Daily Injection Quantity, and the Maximum Daily Withdrawal Quantity and the Point of Injection/Withdrawal;
- (d) The proposed effective date and term of the release;
- (e) The identity of any Prearranged Customer, a statement as to whether the Prearranged 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 Gas Day or a partial Gas Day; and 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 bids;
- (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 6.5.7 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 revenue requirement, term and quantity;
- (m) For purposes of bidding and awarding, any minimum rates specified by the Releasing Customer shall include the reservation rate and all demand surcharges, as a total number or as stated separately;
- (n) Whether the release is on a permanent or a temporary basis;
- (o) An e-mail address for the Releasing Customer contact person. It is Customer's responsibility to update e-mail address information provided to Caledonia, as necessary;
- (p) The recall notification period(s) and procedures, as outlined in Sections 6.5.14(e) through 6.5.14(l) below, that will be available for use by the parties, and;
- (q) A detailed description of any Storage Inventory that must be transferred with released storage capacity.

5.3 Intraday Release Quantity. The MSQ 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 less than the Releasing Customer's Storage Inventory. This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable, for overrun calculations and shall be limited to the lesser of:

- (a) the quantity contained in the offer submitted by the Releasing Customer; or
- (b) a quantity equal to 1/24 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 Gas Day.

5.4 Posting and Bidding Timeline. For the Capacity Release business process timing model, specified in 6.5.5(a) and 6.5.5(b), below, only the following methodologies shall be supported by Caledonia and provided to Releasing Customer(s) 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. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) can be accorded similar timeline evaluation treatment at Caledonia's discretion. However, Caledonia is not required to offer other choices or similar timeline treatment for other choices. Further, Caledonia shall not be held to the timeline specified in Sections 6.5.5(a) and 6.5.5(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 6.5.5(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 6.5. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if (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 and (ii) there are no special terms or conditions of the release.

5.5 The Capacity Release timeline is as follows:

- (a) For standard biddable releases of less than one (1) year:
 - (i) Offers shall be tendered by 9:00 A.M. CCT on a Business Day;
 - (ii) The bid period shall end at 10:00 A.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;
 - (iii) Evaluation period begins at 10:00 A.M. CCT on the Gas Day the bid period ends, during which any contingencies are eliminated, determination of best bid is made, and ties are broken;
 - (iv) Evaluation period ends and award is posted if no match is required at 11:00 A.M. CCT the same Gas Day;
 - (v) Where match is required, match or award is communicated by 11:00 A.M. CCT;
 - (vi) If the Prearranged Customer's bid is not the "best bid," Caledonia shall allow such Prearranged Customer a matching period of thirty (30) minutes from 11:00 A.M. CCT until 11:30 A.M. CCT on the Gas 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 Caledonia of its decision.

(vii) If a match is required, the award will be posted by 12:00 P.M. CCT.

(viii) Caledonia 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 6.9 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 biddable releases of one (1) year or longer:

(i) Offers shall be tendered by 9:00 A.M. CCT four (4) Business Days before the award;

(ii) The bid period shall end at 9:00 A.M. CCT on the day before timely nominations are due (open season is three (3) Business Days) or at 10:00 A.M. CCT on any subsequent Business Day as specified in Releasing Customer's offer, whichever is elected by Releasing Customer;

(iii) Evaluation period begins at 10:00 A.M. CCT on the day the bid period ends, during which contingency is eliminated, determination of best bid is made, and ties are broken;

(iv) Evaluation period ends and award is posted if no match is required at 11:00 A.M. CCT the same Gas Day;

(v) Where match is required, match or award is communicated by 11:00 A.M. CCT;

(vi) If the Prearranged Customer's bid is not the "best bid," Caledonia shall allow such Prearranged Customer a matching period of thirty (30) minutes from 11:00 A.M. CCT until 11:30 A.M. CCT on the Gas 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 Caledonia of its decision.

(vii) If a match is required, the award will be posted by 12:00 P.M. CCT.

(viii) Caledonia 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 6.9 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 Biddable Releases. If Customer specifies a bid evaluation methodology other than those stated in Section 6.5.4, or 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 Gas Day later than under the standard timelines set forth in Sections 6.5.5(a) and 6.5.5(b), above.
- (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 6.5.4. Nonetheless, the Customer may elect to post one of the foregoing releases for bidding pursuant to Section 6.5.4, Customer shall notify Caledonia by providing the information pursuant to Section 6.5.2, which information will be posted on the Internet Web Site as required by Section 6.5.4 in accordance with the following deadlines. The posting of prearranged deals that are not subject to bid are due no later than one hour to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard 1.3.2. The posting deadlines are:
 - (i) Timely Cycle: Posting of prearranged deals not subject to bid are due by 12:00 P.M. CCT.
 - (ii) Evening Cycle: Posting of prearranged deals not subject to bid are due by 5:00 P.M. CCT.
 - (iii) Intraday 1 Cycle: Posting of prearranged deals not subject to bid are due by 9:00 A.M. CCT.
 - (iv) Intraday 2 Cycle: Posting of prearranged deals not subject to bid are due by 1:30 P.M. CCT.
 - (v) Intraday 3 Cycle: Posting of prearranged deals not subject to bid are due by 6:00 P.M. CCT.
- (e) Prior to the nomination deadline for the chosen cycle for the begin date specified in the Customer notice, the Prearranged Customer must initiate confirmation of prearranged deals electronically. Caledonia will issue a

contract within one hour of notification 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 6.9 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 Customer may not roll-over, extend, or in any way continue the release to the same Customer using the thirty-one (31) day or less bidding exemption, unless the Customer complies with the posting and bidding requirements of Section 6.5.2 or not less than twenty-eight (28) days have elapsed since the conclusion of the prior release period.

- (f) Caledonia shall post offers and bids, including pre-arranged deals, upon receipt, unless Releasing Customer requests otherwise. If Releasing Customer requests a posting time, Caledonia 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.

5.6 Pre-arranged Releases. Customer may designate an entity (pre-arranged designated 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 posting and bidding procedures described in Sections 6.5.5 and 6.5.6, herein, with the pre-arranged designated 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 designated Replacement Customer is for a period of thirty-one (31) days or less, the Releasing Customer shall provide notice to Caledonia in accordance with this Section and may implement the release without complying with such prior posting and bidding procedures. Notice of such exempted releases shall be posted on the Internet Web Site in accordance with Section 6.5.2 herein.

5.7 Bidding and Selection of Replacement Customer. All Replacement Customers and Prearranged Customers must satisfy all applicable credit requirements provided herein, including, without limitation, contained in Section 6.4, above. Caledonia reserves the right to reject any release, or proposed release, to a Replacement Customer or Prearranged Customer that does not satisfy Caledonia's credit requirements. All bids must contain the applicable information required in this Section. If Releasing Customer desires to solicit bids for releases of thirty-one (31) days or less, it may direct Caledonia to post notice of the availability of such capacity and, in lieu of permitting bids during the otherwise applicable posting period, award the capacity to the bidder which submits first in time a valid bid meeting any minimum terms specified by the Releasing Customer.

Any bid submitted by a 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 Caledonia, 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 written or electronic notice of withdrawal is received by Caledonia 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. Caledonia shall evaluate the bids in accordance with the provisions of this Section and determine the best bid in accordance with the timelines set forth in Section 6.5.5 herein. Caledonia shall notify Releasing Customer, the best bidder, and any Prearranged Customer of such determination in accordance with the timelines set forth in Section 6.5.5 herein. If there is a Prearranged Customer, it may exercise its right to match such best bid by providing written notice of such exercise to Caledonia and Releasing Customer in accordance with the timelines set forth in Section 6.5.5 herein. After the Replacement Customer is selected, Caledonia will finalize an appropriate Addendum to the Capacity Release Umbrella Agreement in the form contained in this FERC Gas Tariff. Caledonia will provide a copy of this Addendum to the Replacement Customer via e-mail, at which time the Replacement Customer will have the same rights and obligations as any other existing Customer on Caledonia's System. Following implementation of the release, Caledonia shall post notice of the winning bidder on the Internet Web Site.

5.8 Best Bid. When Caledonia makes awards of capacity for which there have been multiple bids meeting minimum conditions, Caledonia 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. Caledonia shall evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by the Releasing Customer as follows:

- (a) Caledonia 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 Potential Replacement Customers and require Caledonia applying such standards to exercise no more than a ministerial function. The Releasing Customer shall indemnify and hold Caledonia harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by Caledonia 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, Caledonia shall determine the bid or bids generating the highest rate for Service that Caledonia finds acceptable.

5.9 Qualifications of Potential Replacement Customer.

- (a) Before bids may be posted on the Internet Web Site, each Replacement Customer must satisfy all of the following requirements:
 - (i) Each Replacement Customer must satisfy all requirements of the applicable Rate Schedule and the General Terms and Conditions of this FERC Gas Tariff;
 - (ii) Each Replacement Customer must satisfy Caledonia's credit requirements as outlined in Section 6.4 of the General Terms and Conditions; and
- (b) Caledonia reserves the right to reevaluate and update such credit appraisal as deemed necessary by Caledonia in its reasonable judgment.

5.10 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.

5.11 Billing. The Replacement Customer shall be billed and make payments to Caledonia in accordance with the terms and conditions of the applicable Rate Schedule, other provisions of this FERC Gas Tariff, and of its 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. Caledonia shall continue to bill the Releasing Customer all applicable charges under its existing Service Agreement, excluding 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. Invoices sent to the Releasing Customer shall reflect a credit equal to any Storage 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, Caledonia 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 (5th) day, Caledonia shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. If

Releasing Customer proposes a permanent release of its capacity, Caledonia will agree to discharge the Releasing Customer of its obligations on a prospective basis in whole or in part provided (i) the Replacement Customer meets the requirements of Section 6.4 and Section 6.5, and (ii) Caledonia would be financially indifferent, as determined by Caledonia in its reasonable discretion, to the discharge if such discharge is granted.

5.12 Rights and Obligations of the Parties.

- (a) The Service Agreement between the Releasing Customer and Caledonia shall remain in full force and effect, with the Releasing Customer to receive a credit to its invoice as described in Section 6.5.11 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 6.5.11, Caledonia shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest. The 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) Caledonia 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 Caledonia's FERC Gas Tariff and their respective Service Agreement(s). Gas shall be injected or withdrawn at a uniform flow rate equal to 1/24th of the scheduled quantity. In the event that instructions or nominations from the Releasing Customer and Replacement Customer are, in Caledonia's opinion, inconsistent or conflicting, Caledonia shall comply with the instructions of the Releasing Customer; provided, however, that such instructions must not be inconsistent with Caledonia's FERC Gas Tariff or the terms of either the Releasing Customer's or Replacement Customer's Service Agreement. The Releasing Customer will indemnify Caledonia against any claim or suit by the Replacement Customer, its successors or assigns, arising from any action taken by Caledonia in reliance upon the Releasing Customer's nominations and instructions, and will hold Caledonia harmless for any action taken by Caledonia 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 Caledonia against any claim or suit by the Releasing Customer, its successors or assigns, arising from any

action taken by Caledonia in reliance upon the nominations and scheduling instructions of the Replacement Customer and will hold Caledonia harmless for any actions taken by Caledonia in reliance upon the instructions of the Releasing Customer.

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

5.14 Limitations.

- (a) Releases hereunder shall be for period(s) of one or more Gas 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 Service Agreement.
- (b) Caledonia may invalidate any offer to release or any bid subsequent to its posting on the Internet Web Site which does not conform to the requirement of this Section 6.5 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 must be objectively stated, reasonable, capable of administration or implementation by Caledonia 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 the Releasing Customer's 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 requirements pursuant to Section 6.5.5, for a term of thirty-one (31) days or less only if: (i) a period of twenty-eight (28) days has elapsed after the first release for thirty-one (31) days or less has expired or (ii) the Points of Injection/Withdrawal for the re-release is different from the Points of Injection/Withdrawal of the first release or (iii) 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 Gas Day or partial Gas Day basis. Recall quantities for full Gas Days shall be Delivered at a uniform flow rate equal to 1/24th of the scheduled quantity. Recall quantities for partial Gas Days must be calculated based on a daily quantity, or the applicable 1/24th, multiplied by number of hours remaining in the Gas Day. The Releasing Customer shall provide capacity recall

notification to Caledonia via (i) telephone call and (ii) the Internet Web Site, e-mail and/or instant messaging. The recall notification shall specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled. Caledonia shall support the following recall notification periods for all released capacity subject to recall rights:

(f) Timely Recall Notification:

- (i) A Releasing Customer recalling capacity should provide notice of such recall to Caledonia and the first Replacement Customer no later than 8:00 A.M. CCT on the Gas Day that timely nominations are due;
- (ii) Caledonia shall provide notification of such recall to all affected Replacement Customers no later than 9:00 A.M. CCT on the Gas Day that Timely Nominations are due;

(g) Early Evening Recall Notification:

- (i) A Releasing Customer recalling capacity should provide notice of such recall to Caledonia and the first Replacement Customer no later than 3:00 P.M. CCT on the Gas Day that Evening Nominations are due;
- (ii) Caledonia shall provide notification of such recall to all affected Replacement Customers no later than 4:00 P.M. CCT on the Gas Day that Evening Nominations are due;

(h) Evening Recall Notification:

- (i) A Releasing Customer recalling capacity should provide notice of such recall to Caledonia and the first Replacement Customer no later than 5:00 P.M. CCT on the Gas Day that Evening Nominations are due;
- (ii) Caledonia shall provide notification of such recall to all affected Replacement Customers no later than 6:00 P.M. CCT on the Gas Day that Evening Nominations are due;

(i) Intraday 1 Recall Notification:

- (i) A Releasing Customer recalling capacity should provide notice of such recall to Caledonia and the first Replacement Customer no later than 7:00 A.M. CCT on the Gas Day that Intraday 1 Nominations are due;
- (ii) Caledonia shall provide notification of such recall to all affected Replacement Customers no later than

8:00 A.M. CCT on the Gas Day that Intraday 1 Nominations are due; and

(j) Intraday 2 Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Caledonia and the first Replacement Customer no later than 12:00 P.M. CCT on the Gas Day that Intraday 2 Nominations are due;

(ii) Caledonia shall provide notification of such recall to all affected Replacement Customers no later than 1:00 P.M. CCT on the Gas Day that Intraday 2 Nominations are due.

(k) Intraday 3 Recall Notification:

(i) A Releasing Customer recalling capacity should provide notice of such recall to Caledonia and the first Replacement Customer no later than 4:00 P.M. CCT on the Gas Day that Intraday Nominations are due;

(ii) Caledonia shall provide notification of such recall to all affected Replacement Customers no later than 5:00 P.M. on the date that Intraday Nominations are due.

(l) For recall notification provided to Caledonia prior to the recall notification deadline specified in NAESB WGQ Standards No. 5.3.44 and received between 7:00 A.M. CCT and 5:00 P.M. CCT, Caledonia should provide notification to all affected Replacement Customers no later than one hour after receipt of such recall notification. For recall notification provided to Caledonia after 5:00 P.M. CCT and prior to 7:00 A.M. CCT, Caledonia shall provide notification to all affected Replacement Customers no later than 8:00 A.M. CCT after receipt of such recall notification. Caledonia's 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 6.5.7 of these General Terms and Conditions. Replacement Shipper should Caledonia with no more than two (2) Internet e-mail addresses to be used for recall notification. The obligation of Caledonia to provide notification is waived until at least one of the addresses has been provided. Such notices shall contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from Caledonia, 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 6.9.2 of these General Terms and Conditions.

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

- (a) the quantity specified in the Releasing Customer's notice to recall capacity; or
- (b) the difference between the quantity released by the Releasing Customer and the Elapsed Pro-rata Capacity (EPC) quantity. In the recall notification provided to Caledonia by the Releasing Customer, the quantity to be recalled shall be expressed in terms of the adjusted total released capacity entitlements based upon the EPC. In the event of an intraday capacity recall, Caledonia shall determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the EPC. Variations to the use of the EPC may be necessary to reflect the nature of these Services, and/or operational characteristics. Caledonia shall not be obligated to Deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. 5.3.55, as set forth in this Section 6.5.15(b). The amount of capacity allocated to the Replacement Customer(s) shall equal the original released capacity less the recalled capacity that is adjusted based upon the EPC or other Gas Tariff specific variations of the EPC in accordance with NAESB WGQ Standard No. 5.3.56. This allocated daily contractual quantity shall be used for purposes of nominations, billing, and if applicable, for overrun calculations.

5.16 Reput Provisions. Caledonia 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 6.5.2. When capacity is recalled, such capacity may not be reput for the same Gas Day. The deadline for the Releasing Customer to notify Caledonia 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 Gas Day.

- (a) Following the awarding of capacity to a Replacement Customer in accordance with the procedures provided in this Section, the Releasing Customer's rights and Caledonia's obligations under the Releasing Customer's 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 6.5.16 shall constitute Releasing Customer's consent and agreement to such amendment or modification of its existing Service Agreement.

- (b) The quantities of MSQ, MDIQ and MDWQ must be in the same proportions relative to each other as is set forth in the Releasing Customer's original FSS Service Agreement. The offer to release by a Customer under Rate Schedule FSS must specify the quantities of MSQ, MDIQ, MDWQ or rights offered, and actually available on the effective date of the assignment, and the exercise of such 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 Service Agreement(s). Releasing Customer shall be responsible for ensuring, if applicable, whether by the withdrawal or transfer-in-place of a portion of its Storage Inventory or otherwise as required, that such storage capacity, and the corresponding ability to inject/withdraw Gas up to the Maximum Storage Quantity released, in accordance with the terms and conditions of the Rate Schedule and within the time remaining in the injection and/or withdrawal period, as applicable, shall be available upon the commencement of the release. A Replacement Customer under Rate Schedule FSS shall be responsible for arranging transportation to and from the Point of Injection/Withdrawal consistent with its rights and obligations under its Service Agreement and Rate Schedule FSS. The Replacement Customer under Rate Schedule FSS 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 Balance in conjunction with its release of storage capacity rights to the Replacement Customer, 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 6.19 of these General Terms and Conditions. The Replacement Customer must withdraw the portion of its Storage Inventory 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 Firm Storage Service Customer as provided in Section 6.19 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 in Caledonia in accordance with Section 6.9 of this Gas Tariff.

5.17 Caledonia's Rights to Terminate Temporary Capacity Releases.

- (a) In the event of a temporary release for which (1) Caledonia has given notice of termination of the Releasing Customer's Service Agreement because the Releasing Customer no longer satisfies Caledonia's credit requirements as outlined in Sections 6.4 and 6.5 of Caledonia's General Terms and Conditions; and (2) the Storage Reservation Charge specified in the effective Addendum to the Replacement Customer's Capacity Release Umbrella Agreement is less than the level of the Storage Reservation Charge which the Releasing Customer was obligated to pay Caledonia, then Caledonia shall be entitled to terminate the Addendum, upon thirty (30) days' written notice to the Replacement Customer, unless the Replacement Customer agrees prior to the end of the said 30-day notice period to pay for the remainder of the term of the Addendum either (i) the Storage Reservation Charges and commodity charges at levels which the Releasing Customer was obligated to pay Caledonia, or (ii) such rate as mutually agreed to by Caledonia and the Replacement Customer. Replacement Customer may elect to pay the lesser of the two foregoing options. Caledonia's right to terminate the Addendum is subject to Caledonia providing written notice of termination to the Replacement Customer within sixty (60) days of the determination by Caledonia that the Releasing Customer no longer satisfies Caledonia's credit requirements. Termination of the Addendum shall not occur prior to termination of the Releasing Customer's Service Agreement.
- (b) In the event that a Replacement Customer has received thirty (30) days' notice of termination of the Addendum to Replacement Customer's Capacity Release Umbrella Agreement pursuant to Section 6.5.17(a) above for Firm Storage Service, and there is Gas in storage for Replacement Customer's account at the end of such 30-day period because (1) Replacement Customer's MDWQ rights were not adequate to withdraw all of its Gas before the end of such 30-day period, or (2) Caledonia could not accommodate Replacement Customer's requested withdrawals because of capacity constraints, the Addendum shall continue in force and effect for the sole purpose of withdrawal of said Gas by Replacement Customer until Replacement Customer's Storage Inventory is zero. Caledonia shall require Replacement Customer to withdraw each Gas Day a quantity equal to the MDWQ, or such other lesser quantity acceptable to Caledonia. The requirement to withdraw storage quantities shall be suspended on any Gas Day to the extent that Caledonia cannot accommodate a nomination to withdraw such storage quantities on such Gas Day. Replacement Customer may also transfer title of Gas remaining in Replacement Customer's Storage Inventory to another Customer pursuant to Section 6.19 of Caledonia's General Terms and Conditions. In the event Replacement Customer fails to withdraw or transfer title to its entire Storage Inventory within the time required by this Section, the terms of

Section 6.9 of this Gas Tariff shall apply. Replacement Customer shall indemnify Caledonia and hold it harmless from all costs, damages, and liabilities arising out of the failure of Replacement Customer to remove such Storage Inventory and the disposal of such Storage Inventory by sale by Caledonia.

6. **PRIORITY, SERVICE INTERRUPTION AND OPERATIONAL FLOW ORDERS**

6.1 Scheduling Priority of Service. Any Customer executing a Service Agreement with Caledonia shall be scheduled in the following order of declining priority:

- (a) Firm Storage Service.
- (b) Advanced Interruptible Storage Service and Advanced Interruptible Loan Service, pursuant to Section 6.6.2, below.
- (c) Interruptible Storage Service, Interruptible Loan Service, Interruptible Parking Service and Authorized Overrun Quantities under all Rate Schedules shall be pursuant to Section 6.6.2, below.
- (d) Make-up volumes to correct prior variances between (i) Transporter and Caledonia under a balancing agreement, (ii) Customer and Caledonia, and (iii) Customer and Transporter if the variance was due to Caledonia's failure to accept Receipt or Deliver Customer's scheduled volumes.

6.2 Advanced Interruptible Storage Service and Advanced Interruptible Loan Service. Agreements relating to Advanced Interruptible Storage Service and Advanced Interruptible Loan Service obligations and extensions of the service shall have priority as follows:

- (a) The order of priority relating to service requests for service under the AISS and AILS Rate Schedules shall be based on the highest present value to Caledonia over the term of the Service Agreement, as calculated in accordance with Section 6.3.2, above.
- (b) Should two or more requests under Advanced Interruptible Storage Service or Advanced Interruptible Loan Service by Customers have the same priority, capacity will be allocated to each Customer on a pro rata basis.
- (c) Interruptible Service. The order of priority relating to service requests for Overrun injection, Overrun withdrawal and service under Rate Schedules AISS, ISS, IPS, AILS, and ILS shall be allocated to each Customer on a unit price/Dth basis.

6.3 Interruptible Service and Authorized Overrun Quantities. Agreements relating to Interruptible Storage Service and Interruptible Loan Service obligations and Authorized Overrun Quantities (as set forth in FSS, AISS, ISS, AILS, and ILS Rate Schedules) and extensions of the service shall have priority as follows:

- (a) The order of priority relating to service requests under Rate Schedules ISS, IPS, and ILS and Authorized Overrun Quantities shall be based on the average daily

interruptible storage, loan, injection, withdrawal or overrun charge agreed to by Caledonia and Customer, with the highest charge calculated on a daily basis given highest priority.

- (b) Should two or more requests under Interruptible Storage Service, Interruptible Loan Service, Interruptible Park Service or Authorized Overrun Quantities under all Rate Schedules by Customers have the same priority, capacity will be allocated to each Customer on a pro rata basis.

6.4 Interruption.

- (a) If, on any Gas Day, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw all the quantities which are scheduled, then interruption of service shall be made in the reverse order of priority set forth in Section 6.6.1. Interruption of service to Interruptible Customers under Rate Schedules AISS, AILS, ISS, IPS, and ILS and to Firm Customers and Interruptible Customers utilizing Authorized Overrun Quantities shall be on a unit price/Dth basis. If FSS must be interrupted, interruption of Service to Firm Storage Service Customers shall be pro-rata based on MDWQ, MDIQ or MSQ, as applicable. Any ties shall be interrupted on a pro rata basis.
- (b) If a capacity constraint is anticipated or planned (for example, due to system maintenance) Caledonia shall post a notice of the anticipated constraint on its Internet Web Site at least two (2) Business Days in advance of the start of the constraint period.
- (c) Caledonia shall provide Customers as much advance notice of any interruption as is practicable under the circumstances. Such notice shall be made by telephone, e-mail or via the Internet Web Site, as appropriate, and shall state the reduced quantities of Gas that Caledonia estimates it will be able to park, loan, store, inject, withdraw, receive or Deliver, as applicable, and the estimated duration of the interruption.
- (d) If interruption is required, Caledonia and Customer shall cooperate to the maximum extent possible in making adjustments to Receipt, Deliveries, injections or withdrawals to minimize injury to any property or facilities.

6.5 Interruption Liability. Caledonia 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 Caledonia's negligence or willful misconduct.

6.6 Operational Flow Orders.

- (a) Circumstances Warranting Issuance. As specified in this Section 6.6.6, Caledonia shall have the right to issue Operational Flow Orders ("OFO") 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 Customers and for all Firm Storage Service, and (5) to maintain the System in balance for the foregoing purposes. Caledonia shall lift any effective OFO promptly upon the cessation of operating conditions that caused the relevant System problem.
- (b) Actions to be Taken to Avoid Issuance. Caledonia shall, to the extent reasonably practicable, take all reasonable actions necessary to avoid issuing an OFO. Such actions shall include, in order of priority (1) working with point operators to temporarily adjust Receipts and/or Deliveries at the Point of Injection/Withdrawal, (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 OFO, Caledonia will have the right to issue OFOs, if necessary, in the circumstances described in Section 6.6.6(a).
- (c) Preliminary Notifications/Follow-up Reports. Caledonia 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 OFO.
- (d) Applicability of OFO. Caledonia shall make an OFO as localized as is reasonably practicable based on Caledonia's good faith and reasonable judgment concerning the situations requiring remediation such that an OFO will be directed first to Customers and point operators causing the problem necessitating the OFO and second, if necessary, to all Customers and point operators. Caledonia will tailor the OFO to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsection 6.6.6(f). 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 OFOs will be issued via email or instant messaging 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).

Caledonia 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 Caledonia's Internet Web Site, e-mail notification of Critical Notices issues by Caledonia. The 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 OFO, (4) the anticipated duration of the OFO, and (5) any other terms that Caledonia may reasonably require to ensure the effectiveness of the OFO. In addition to the other information contemplated by this Section 6.6.6(e), such notice shall also include information about the status of operational variables that determine when an OFO will begin and end, and Caledonia shall post periodic updates of such information promptly upon occurrence of any material change in the information. Caledonia will post a notice on the Internet Web Site informing the Customers and point operators when any OFO in effect will be lifted and specifying the factors that caused the OFO to be issued and then lifted, to the extent such factors are known.

- (f) Issuance of OFOs. In the event that, in Caledonia's judgment, immediate action is required, Caledonia may immediately issue an OFO (see Section 6.6.6(a) for the circumstances that warrant issuing an OFO) or take unilateral action (see Section 6.6.6(k)), including the curtailment of Firm Storage Service, to maintain the operational integrity of Caledonia's Storage Facility. For purposes of this Section, the operational integrity of Caledonia's Storage Facility shall encompass the integrity of the physical facility and the preservation of physical assets and their performance, the overall operating performance of the entire physical facility as an entity, and the maintenance (on a reliable and operationally sound basis) of total Storage Facility deliverability and the quality of Gas Delivered. Caledonia shall post a notice on its Internet Web Site specifying the factors that caused the OFO to be issued; to the extent such factors are known. Caledonia 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 Caledonia's Internet Web Site to receive e-mail notification of critical notices issued by Caledonia.
- (g) Termination of OFO. Caledonia shall lift any effective OFO promptly upon the cessation of operating conditions that caused the relevant System problem. After Caledonia has lifted the OFO, Caledonia shall post a notice on its Internet Web Site specifying the factors that caused the OFO to be issued and then lifted; to the extent such factors are known. Caledonia 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

Caledonia's Internet Web Site to receive e-mail notification of critical notices issued by Caledonia.

- (h) Penalties. All quantities tendered to Caledonia and/or taken by Customer on a daily basis in violation of an OFO shall constitute unauthorized Receipts or Deliveries for which an OFO penalty charge shall be assessed. The OFO penalty charge for each Dekatherm of Gas by which Customer deviated from the requirements of the OFO shall be equal to the higher of (i) three (3) times the applicable Daily Reference Price, for the Gas Day on which the deviation occurred or (ii) \$25, multiplied by the quantity by which the Customer deviated from the requirements of the OFO.
- (i) Penalty Revenue. Any penalty revenue collected, net of administrative costs, by Caledonia pursuant to Section 6.6.6(h) shall be credited to those Firm and Interruptible Customers that did not incur OFO penalties pursuant to this Section 6.6.6(i) in the Month for which OFO penalty revenues were received (for purposes of this Section, the "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 August 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 Caledonia's penalty disbursement report; provided however that Caledonia will calculate and include such credits on Non-Offending Customers' invoices for a period shorter than twelve (12) Months in the event and to the extent that the total accumulated amount of OFO penalty revenue collected pursuant to this Section 6.6.6(i) by Caledonia as of the end of any Month exceeds \$1,000,000. Caledonia will file with the Commission a penalty disbursement report within sixty (60) days of August 31 or sixty (60) 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 Caledonia. Caledonia shall not be liable for any costs incurred by any Customer or point operator in complying with an OFO. Caledonia 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 OFO, and the non-complying Customer or point operator shall indemnify Caledonia against any claims of responsibility. However, Caledonia shall use reasonable efforts to minimize any such costs or damages.
- (k) Unilateral Action. In the event that (1) Customer(s) or point operator(s) does not respond to an OFO, or (2) the

actions taken thereunder fail to correct the problem for which the OFO was issued, or (3) Caledonia cannot carry out the procedures with respect to OFOs within the time available, Caledonia may take unilateral action, including the curtailment of Firm Storage Service, to maintain the operational integrity of the Storage Facility. For purposes of this Section, the operational integrity of the Storage Facility shall encompass the integrity of the physical facility and the preservation of physical assets and their performance, the overall operating performance of the entire physical facility as an entity, and the maintenance (on a reliable and operationally sound basis) of total Storage Facility deliverability and the quality of Gas Delivered.

7. **INJECTION/WITHDRAWAL AND TRANSPORTATION**

- 7.1 Injection. Customer shall tender all Gas for injection into storage to Caledonia at the Point of Injection/Withdrawal specified in the relevant Service Agreement. The quantity of Gas tendered by Customer to Caledonia for injection into storage shall not exceed the MDIQ plus the applicable Fuel Reimbursement without the consent of Caledonia.
- 7.2 Availability. Caledonia shall make available all Gas to be withdrawn from storage to Customer at the Point of Injection/Withdrawal specified in the relevant Service Agreement. The quantity of Gas made available to Customer shall not exceed the MDWQ without the consent of Caledonia.
- 7.3 Transportation Guidelines. The Transporter's rules, guidelines, operational procedures and policies, as they may be changed from time to time, shall define and control the manner in which Gas is Delivered and Received at the Point of Injection/Withdrawal. Caledonia 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, Caledonia will not be required to begin injections or withdrawals for a Customer's account unless and until the data required for nominations, provided for in Section 6.9, have been confirmed by the applicable Transporter to Caledonia.
- 7.4 Transportation Imbalances. In the event that Caledonia or Customer Delivers or causes to be Delivered to Transporter at the Point of Injection/Withdrawal a quantity of Gas not equal to the quantity of Gas Received or taken by Customer or Caledonia, a "Transportation Imbalance" may occur. Provided that Caledonia has taken or Delivered the quantity of Gas nominated by Customer and scheduled by Transporter as required of Caledonia pursuant to the terms and conditions of this Gas Tariff and the relevant Service Agreement, 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 Caledonia failed to Deliver or Receive the quantity of Gas nominated by Customer and scheduled by Transporter in accordance with the terms of this Gas Tariff and the relevant Service Agreement, the terms of Section 6.9.8 addressing Receipt Defaults and Delivery Defaults shall apply. Customer agrees to use its best efforts to prevent or diminish any occurrences of Transportation Imbalances. Nothing in this Gas Tariff is intended to inhibit the development of, or discriminate against the use of imbalance management or title transfer tracking services provided by third parties. Any party interested in providing imbalance management or title tracking services must coordinate with Caledonia.
- 7.5 Costs and Penalties. Customer shall hold Caledonia harmless for all costs and penalties which may be assessed on Customer by Transporter under Customer's transportation agreement with Transporter, except to the extent such costs and penalties result directly from the negligence of Caledonia. Customer and Caledonia

shall cooperate with each other and with the Transporter to verify Delivery and Receipt of the volumes of Gas Delivered hereunder on a timely basis.

- 7.6 Downstream and Upstream Transportation. Customer shall be responsible for transportation to and from the Point of Injection/Withdrawal and payment of all transportation charges relating thereto.

8. **STORAGE OPERATIONS**

8.1 Receiving Gas. Subject to the operating conditions of the Transporter, Caledonia shall Receive Gas for injection from Customer at the Point of Injection/Withdrawal and make available Gas upon withdrawal to Customer at the Point of Injection/Withdrawal as scheduled by Customer from time to time; provided that Caledonia 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, and/or Maximum Park Quantity, as applicable; nor shall Caledonia be obligated at any time to make available for withdrawal to Customer more Gas than Customer has stored in its Storage Inventory, Park Balance and/or Loan Balance, as applicable.

8.2 Operational Limits. Due to certain limitations of Caledonia's System, Caledonia shall not be obligated to Receive, at the Point of Injection/Withdrawal, or make available, at the Point of Injection/Withdrawal, any quantity of Gas when the quantity of Gas tendered for Delivery to Caledonia or requested by Customer to be Delivered, together with all other quantities of Gas tendered for Delivery to Caledonia at the Point of Injection/Withdrawal or requested for Delivery at such Point of Injection/Withdrawal, results in a net metered flow which is less than the minimum or greater than the maximum volumes that Caledonia's System is capable of measuring, or safely injecting or withdrawing.

9. **NOMINATIONS AND SCHEDULING**

9.1 Nomination Requirements. During any Gas Day when Customer desires Caledonia to inject or withdraw Gas for Customer's account, Customer shall submit a nomination to Caledonia (i) for timely nominations, via the Internet Web Site, and (ii) for evening and Intraday Nominations, via (a) the Internet Web Site and (b) email to the email address provided in the Service Agreement. Each nomination shall include the following minimum information: quantity, flow period, upstream transportation contract number(s), downstream transportation contract number(s), Customer name and Service Agreement number. All nominations shall be based on a daily quantity, or the applicable 1/24th, multiplied by number of hours remaining in the Gas Day. In accordance with NAESB WGQ Standard 1.3.5, 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 Service Agreement. Authorized Overrun Quantities should be requested for separate nomination.

9.2 Nominations. Caledonia will accept nominations for Service as follows:

- (a) The Timely Nomination Cycle. On the day prior to gas flow: 1:00 P.M. CCT for nominations leaving control of the nominating party; 1:15 P.M. CCT for Receipt of nominations by Caledonia; 1:30 P.M. CCT to send Quick Response; 4:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 5:00 P.M. CCT for Receipt of scheduled quantities by Customer and point operator (all times Central Clock Time on the Gas Day prior to flow).

Scheduled quantities resulting from Timely Nominations should be effective at the start of the Gas Day.

- (b) The sending party shall adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.
- (c) Intraday Nominations. Any nomination received during a Gas Day for the same Gas Day of Gas flow, or any nomination received after the nominations deadline set forth in Section 6.9.2(a) above for the following Gas Day flow shall be an Intraday Nomination. Intraday Nominations can be used to request increases or decreases in total flow. Intraday Nominations do not roll over (i.e., Intraday Nominations span one Gas 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, should be based on a Daily quantity; thus, an intraday nominator need not submit an hourly

nomination. Intraday Nominations should include an effective date and time. The affected parties should agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in the applicable Service Agreement or Gas Tariff. Caledonia reserves the right to pro-rate a Customer's MDIQ or MDWQ for a nomination that takes effect after the beginning of the Gas Day (9:00 A.M. CCT). Caledonia will exercise this right in a non-discriminatory manner consistent with the NAESB standards.

- (d) 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 on a prospective basis prior to the end of the Gas Day; provided, however, that such Intraday Nomination will be processed after all timely nominations have been scheduled. Such Intraday Nomination shall be implemented by Caledonia to the extent and only to the extent that Caledonia is able to confirm the Receipt and Delivery of such Gas at the Point of Injection/Withdrawal.
- (e) Customer shall have the right to negotiate a lower market rate for any Service in which such Customer agrees to forego its right to evening or Intraday Nomination services.

9.3 Processing Intraday Nominations. Caledonia shall process Intraday Nominations in accordance with the following standard nomination cycles:

- (a) The Evening Nomination Cycle: On the day prior to gas flow: 6:00 P.M. CCT for nominations leaving control of the nominating party; 6:15 P.M. CCT for Receipt of nominations by Caledonia; 6:30 P.M. CCT to send Quick Response; 8:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 9:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

- (b) The Intraday 1 Nomination Cycle: On the current Gas Day: 10:00 A.M. CCT for nominations leaving control of the nominating party; 10:15 A.M. CCT for Receipt of nominations by Caledonia; 10:30 A.M. CCT to send Quick Response; 12:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 1:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 P.M. CCT on the current Gas Day.

- (c) The Intraday 2 Nomination Cycle: 2:30 P.M. CCT for nominations leaving control of the nominating party; 2:45 P.M. CCT for Receipt of nominations by Caledonia; 3:00 P.M. CCT to send Quick Response; 5:00 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 5:30 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 P.M. CCT on the Gas Day.

- (d) The Intraday 3 Nomination Cycle: 7:00 P.M. CCT for nominations leaving control of the nominating party; 7:15 P.M. CCT for Receipt of nominations by Caledonia; 7:30 P.M. to send Quick Response; 9:30 P.M. CCT Receipt of completed of confirmation by Caledonia from upstream and downstream connected parties; 10:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 P.M. CCT on the Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (e) For purposes of 6.9.3 (a), (b), (c) and (d) above (NAESB Standards 1.3.2(ii), (iii), (iv), and (v)), "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4x, Receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post. (NAESB WGQ Standard 1.3.2(vi)).
- (f) Elapsed Pro-rated Scheduled Quantity. With respect to Intraday Nominations for reductions in previously scheduled quantities, Caledonia 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.
- (g) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff. Nominations received after the nomination deadline should be scheduled after the nominations received before the nomination deadline.

- (h) Notices provided under this Section 6.9.3 must be submitted in writing via the Internet Web Site and, if such notice is related to an evening or Intraday Nomination, via email to the email address provided in the relevant Service Agreement. Customer shall provide notice of any changes in Deliveries to Receipt from Caledonia to Transporter and shall be responsible for, and shall hold Caledonia harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of Caledonia.
- (i) Customer shall make available and tender any Gas to be injected hereunder and Receive and accept Delivery, upon tender by Caledonia, any Gas requested to be withdrawn from storage. The quantity of Gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer shall not (unless otherwise agreed by Caledonia in Customer's Service Agreement) Receive or Deliver Gas, nor shall Caledonia be obligated to Receive Gas or Deliver Gas, on an hourly basis at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

9.4 Right to Reject. Caledonia shall always have the right to reject a nomination, and shall have no liability to Customer or any other Person in connection with such rejection of Service, if under such nomination any requirement of this Gas Tariff or of the Customer's Service Agreement has not been met (and, if applicable, maintained) at the time of such nomination.

9.5 Binding Nature and Effect. Nominations made in accordance with this Section 6.9 shall not become effective until Caledonia has confirmed both the nominated Receipts and Deliveries with all Transporters. A nomination made in accordance with this Section 6.9 shall be binding on Caledonia and Customer, subject to the terms of this Gas Tariff and the applicable Service Agreement, and shall remain in effect until duly changed, interrupted by Caledonia or a Transporter for operational reasons or, if for Interruptible Service, to serve Customers with a higher Service priority, or is otherwise interrupted in accordance with the terms of this Gas Tariff or the applicable Service Agreement.

9.6 Simultaneous Injections and Withdrawals. Customer's nomination shall be in good faith and shall be based on Customer's reasonable efforts to estimate the quantity of Gas to be injected or withdrawn for the next hour, day, week or month. Customer may not inject and withdraw simultaneously without the approval of Caledonia; Caledonia will grant or deny requests to do so on a non-discriminatory basis.

9.7 Confirmation Procedures. Default confirmation procedures shall be as follows:

- (a) With respect to the timely nomination/confirmation process at a Point of Injection/Withdrawal, in the absence of agreement to the contrary, the lesser of the confirmation

quantities shall be the confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the lesser of the confirmation quantity or the previously scheduled quantity shall be the new confirmed quantity.

- (b) With respect to the processing of requests for increases during the Intraday Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities shall be the new confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the previously scheduled quantity shall be the new confirmed quantity.
- (c) With respect to the processing of requests for decreases during the Intraday Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities shall be the new confirmed quantity, but in any event no less than the Elapsed Pro-rated Scheduled Quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the greater of the confirmation quantity or the Elapsed Pro-rated Scheduled Quantity shall be the new confirmed quantity.
- (d) With respect to Sections 6.9.7(a), (b), and (c), if there is no response to a request for confirmation or an unsolicited confirmation response, Caledonia shall provide the Service requester with the following information to explain why the nomination failed, if applicable:
 - (i) the Customer's Transporter did not conduct the confirmation;
 - (ii) the Transporter indicates that the upstream confirming party did not conduct the confirmation;
 - (iii) the Transporter indicates that the upstream service requester did not have the Gas or submit the nomination;
 - (iv) the Transporter indicates that the downstream confirming party did not conduct the confirmation;
 - (v) the Transporter indicates that the downstream service requester did not have the market or submit the nomination. Ranking should be included in the list of data elements. Caledonia shall use Customer provided rankings when making reductions during the scheduling process when this does not conflict with the rules set forth in this Gas Tariff.

9.8 Inventory Management and Delivery Defaults.

- (a) For Interruptible Loan Service transactions, Customer shall nominate its withdrawals so that all loaned Gas quantities are ratably withdrawn from the Storage Facility during the Gas Days available during the first calendar Month of the Service Agreement period, and shall nominate such that the returned loaned quantities are ratably injected into the Storage Facility during the Gas Days available during the last calendar Month of the Service Agreement period.
- (b) For Interruptible Parking Service transactions, Customer shall nominate its injections so that all parked volumes are ratably injected into the Storage Facility during the Gas Days available during the first calendar Month of the Service Agreement period, and shall nominate such that such parked volumes are ratably withdrawn from the Storage Facility during the Gas Days available during the last calendar Month of the Service Agreement period.
- (c) In the event of imbalances created under the Rate Schedules set forth in this FERC Gas Tariff, Caledonia shall permit Customers and their agents to offset imbalances accruing on different contracts held by the Customer with Caledonia and, upon prior notification to Caledonia, to trade imbalance quantities with other Customers.
- (d) Receipt and Delivery Defaults. In the event of either Customer's or Caledonia's unexcused failure (and for purposes of this Gas Tariff, an "unexcused failure" shall not include any failure caused by a Force Majeure or any other interruption of Service permitted under this Gas Tariff) to Deliver or Receive a quantity of Gas (for purposes of this Section, the "Default Quantity") to or from the other Party (or to or from a third party for the account of the other Party) in accordance with a proper nomination under a particular transaction (for purposes of this Section, the "Defaulted Transaction"), such defaulting Party shall use its best efforts to notify the non-defaulting Party before the scheduled Delivery or Receipt date, as applicable, for such Default Quantity. In any event, the non-defaulting Party shall provide written notice of the Receipt Default or Delivery Default, as the case may be, to the defaulting Party within three (3) days after the date of such Delivery Default or Receipt Default (for purposes of this Section, a "Default Notice"), and indicate in such Default Notice whether the non-defaulting Party desires to pursue a remedy. Upon request of the defaulting Party, the non-defaulting Party shall provide written documentation of such Receipt Default or Delivery Default in the form of allocation statements from the applicable Transporter(s). Subject to Sections 6.12 and 6.23 of this Gas Tariff but notwithstanding any other provision herein or in any Service Agreement to the contrary, the remedies of a non-defaulting Party for a Delivery Default or Receipt Default will be expressly limited as set forth below:

- (i) Unless the terms of Sections 6.9.8(d)(iii) or (iv) are applicable, the parties shall act in accordance with Section 6.9.8(d)(ii), which may include, among other things, the use of commercially reasonable efforts to enter into a corresponding transaction (for purposes of this Section, the "Corresponding Transaction"). A Corresponding Transaction which may include (among other things), to the extent possible given the nature of the relevant Defaulted Transaction, (a) entering into an offsetting transaction, e.g., if the Defaulted Transaction is an Interruptible Loan Service transaction, entering into an Interruptible Parking Service transaction, or if the Defaulted Transaction is an Interruptible Parking Service transaction, entering into an Interruptible Loan Service transaction, or (b) entering into such other transaction as to which the Parties may agree) to mitigate damages to the extent possible while preserving the economic substance of the initial agreement between the Parties as evidenced by the original terms of the Defaulted Transaction.

- (ii) Firm Storage; Parking; Loaning. Except as provided in Sections 6.9.8(d)(iii) and 6.9.8(d)(iv) below, in the event of a Defaulted Transaction, the Parties shall enter into a Corresponding Transaction. If the Parties cannot agree to the terms of a Corresponding Transaction (after attempting in good faith to do so), the non-defaulting Party may collect damages from the defaulting Party equal to the greater of:
 - (A) the absolute value of the product of (x) the Default Quantity multiplied by (y) the spread between the Daily Reference Price and the NYMEX Prompt Month settlement price for the Gas Day on which the relevant Nomination was made, as adjusted for the applicable basis differential plus applicable transportation; and

 - (B) the absolute value of the product of (x) the Default Quantity multiplied by (y) the spread between the Daily Reference Price and the NYMEX Prompt Month settlement price for the Gas Day on which the physical Gas (of which was actually supposed to flow pursuant to such nomination), as adjusted for the applicable basis differential plus applicable transportation.

- (iii) Interruptible Storage Service. If the Defaulted Transaction is an Interruptible Storage Service Transaction, the Parties shall use commercially reasonable efforts to re-nominate and Deliver or Receive the nominated Gas, as the case may be, at each Party's earliest possible convenience.

- (iv) After Termination or Expiration of Service Period. If the Defaulted Transaction is a default by Customer and results in: (i) Customer's Storage Inventory remaining in the Caledonia System after the end of a Service period (if the relevant Service Agreement is for either FSS, ISS, or IPS) or (ii) Customer failing to re-Deliver all loaned quantities on or before the last Gas Day of the Service period (if the relevant Service Agreement is for Loaning Service), Caledonia shall have the continuing option to assert, in addition to the other remedies set forth in this Section 6.9.8, any remedies otherwise available at law or equity or as set forth in this Gas Tariff, including without limitation those remedies set forth in the applicable Rate Schedules and applicable Service Agreement(s).

- (v) With respect to any remedy for any Receipt Default or Delivery Default, notwithstanding any provision in any Service Agreement to the contrary, and in addition to all other remedies available to Caledonia, Customer will be responsible for all charges that accrued before the date of the Receipt Default or Delivery Default as well as all injection or withdrawal charges that would otherwise be applicable to the Default Quantities under the Defaulted Transaction had such Receipt Default or Delivery Default not occurred.

9.9 Expiration of Term for Interruptible Loan Service.

- (a) Failure to Return Gas. On or before the end of an Interruptible Loan Service or Advanced Interruptible Loan Service period, Customer must have Delivered to the Storage Facility a volume of Gas equal to the loaned quantities borrowed by Customer under the relevant Service Agreement. Except as provided under Section 6.9.9(c) below, if Customer fails to re-Deliver all loaned quantities on or before the last Gas Day of the Service period, Caledonia will have the right, at its sole option, to either (i) attempt to negotiate with Customer to enter into a new Service Agreement, on an Interruptible basis, related to such unreturned loaned quantities (for example, a new ILS Service Agreement), (ii) treat the loaned quantities that have not been re-Delivered as a sale of such loaned quantities to Customer under the terms set forth in Section 6.9.9(b), and/or (iii) resort to a combination of both such remedies. Caledonia's election to enter into a new Service Agreement will not prevent it from subsequently exercising its rights pursuant to Section 6.9.9(b) at any time loaned quantities have not been re-Delivered to Caledonia after the end of the new Service period. Caledonia's resort to any remedy under this Section 6.9.9(a) will not relieve Customer of its obligation to pay Caledonia for any applicable charges accruing to Customer's account before such actions are taken.

- (b) Title. Pursuant to the provision of Section 6.9.9(a) above, but subject to Section 6.9.9(c) below, at Caledonia's sole option, Caledonia may charge Customer, and Customer shall pay within ten (10) Days of Caledonia's invoice, for a quantity of Gas thermally equivalent to the loaned quantities that were not returned to Caledonia, at a price per Dth equal to the Current Market Price of such Gas, plus Caledonia's costs related to Customer's failure to timely return the loaned Gas, with Current Market Price being measured on the date on which Caledonia liquidates Customer's outstanding loaned quantities. Caledonia will invoice Customer for such amount and Customer's loaned quantities with respect to the relevant Service Agreement will be decreased accordingly upon Customer's payment thereof.
- (c) Force Majeure. The provisions of Sections 6.9.9(a) and 6.9.9(b) are subject to the provisions of this Section 6.9.9(c). To the extent Customer is unable to Deliver to the Storage Facility a volume of Gas equal to the loaned quantities borrowed by Customer under a Service Agreement before the end of the applicable Service period by reason of suspension of injection rights during the Service period caused by Force Majeure declared by Caledonia or other curtailment of such rights declared by Caledonia, Customer shall be allowed to nominate to Deliver to the Storage Facility all remaining loaned quantities under such Service Agreement, on an Interruptible basis and in accordance with Customer MDIQ, and Caledonia shall refrain from exercising its rights under Sections 6.9.9(a) and 6.9.9(b), for a reasonable time after the expiry of such Force Majeure or curtailment period (i.e., the same number of Gas Days as Customer's injection rights were subject to such Force Majeure and/or curtailment period during the initial Service period), *provided however*, that after such reasonable time the terms of Sections 6.9.9(a) and 6.9.9(b) shall once again apply.

9.10 Gas Remaining in Storage after Expiration of Term.

- (a) Withdrawal On or Before End of Service Period. On or before the end of the primary term or any renewed term of the Customer's Service Agreement under Rate Schedules FSS, ISS, AISS, or IPS, Customer must have physically withdrawn all Gas held in storage for the account of Customer under such Service Agreement. Except as provided under Section 6.9.10(c) below, if any Storage Inventory or Park Balance remains in the Caledonia System on any Gas Day after the end of the service period (for purposes of this Section, the "Holdover Gas"), Caledonia shall have the right, at its sole option, to either: (i) attempt to negotiate with Customer to enter into a new Service Agreement, on an Interruptible basis, related to such Holdover Gas; (ii) take title to the Holdover Gas under the provisions of Section 6.9.10(b) below; or (iii) resort to a combination of both remedies. Caledonia's election to enter into a new Service Agreement will not prevent it from subsequently

exercising its rights pursuant to Section 6.9.10(b) with regard to any Holdover Gas that remains in the Caledonia System after the end of the new Service period. Caledonia's use of any remedy under this Section 6.9.10 will not relieve Customer of its obligation to pay Caledonia for any applicable charges accruing to Customer's account before such actions are taken.

- (b) Title. Pursuant to the provision of Section 6.9.10(a) above, and subject to Section 6.9.10(c) below, at Caledonia's sole option and demand Customer may transfer title to Holdover Gas to Caledonia, free and clear of all liens, encumbrances, and adverse claims of any kind, at a price per Dth equal to the Current Market Price of such Gas, less Caledonia's costs related to Customer's failure to timely remove its Gas, with Current Market Price being measured on the date on which Caledonia liquidates Customer's Holdover Gas.
- (c) Force Majeure. The provisions of Sections 6.9.10(a) and 6.9.10(b) are subject to the provisions of this Section 6.9.10(c). To the extent Customer is unable to withdraw its Storage Inventory or Park Balance under a Service Agreement before the end of the applicable Service period by reason of a suspension of withdrawal rights during the Service period caused by Force Majeure declared by Caledonia or other curtailment of such rights declared by Caledonia, Customer shall be allowed to nominate to remove all remaining inventories under such Firm Storage Service Agreement, in accordance with Sections 6.9.10(a) and 6.9.10(b), for a reasonable time after the expiry of such Force Majeure or curtailment period (i.e., the same number of Gas Days as Customer's withdrawal rights were subject to such Force Majeure and/or curtailment period during the initial Service period); provided, however, that after such reasonable time the terms of Sections 6.9.10(a) and 6.9.10(b) shall once again apply.

10. **QUALITY**

10.1 Quality Standards. Gas Delivered by or on behalf of the Customer to Caledonia shall conform to the Third Party Transporter's Gas quality standards. In the event that Gas scheduled for Delivery by Customer fails to meet such quality specifications, Caledonia shall have the right to refuse to accept Delivery of such Gas for so long as such condition exists. Gas Re-Delivered by Caledonia shall conform to the Third Party Transporter's quality standards; provided, however, that if the Gas tendered for Delivery to Customer by Caledonia is substantially the same quality in all material respects as the quality of Gas that Customer Delivered to Caledonia, then it shall be deemed to have complied in all respects with its Delivery obligations to Customer hereunder.

10.2 Specifications. The Gas tendered by Customer to Caledonia for injection or made available by Caledonia to Customer upon withdrawal at the Point of Injection/Withdrawal shall be of such quality that it shall meet at least the following specifications (for purposes of this Section, the "Required Specifications"):

- (a) shall have a total heating value of not less than nine hundred sixty-seven (967) Btus per cubic foot, and not more than one thousand seventy (1070) Btus per cubic foot;
- (b) shall be commercially free (at prevailing pressure and temperature in Caledonia's Storage Facility) from objectionable odors, dust, gums and gum forming constituents, solid matter, hydrocarbon liquids, water and any other substance that might become separated from the Gas in Caledonia's Storage Facility or that interferes with the merchantability of the Gas or causes interference with the proper and safe operation of the pipeline, meters, regulators and other facilities through which Gas will flow;
- (b) shall not contain more than twenty (20) grains of total sulphur, nor more than one fourth (1/4) of one grain of hydrogen sulphide per one hundred (100) cubic feet;
- (c) shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, and Customer shall make every reasonable effort to keep the Gas free of oxygen;
- (d) shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed two percent (2%) by volume and the total nitrogen content shall not exceed three percent (3%) by volume;
- (e) shall have a temperature of not more than one hundred twenty degrees (120 degrees) Fahrenheit;
- (f) shall contain no more than two-tenths (0.2) gallons of neopentane or heavier liquefiable hydrocarbons per Mcf;

- (g) shall contain no carbon monoxide, halogens, or unsaturated hydrocarbons, and no more than four hundred parts per million (400 ppm) by volume of hydrogen;
- (h) shall be free of hydrocarbons in liquid form at the temperature and pressure at which the Gas is Delivered; and
- (i) shall have been dehydrated by Customer for removal of entrained water present therein in a vapor state, and in no event contain more than seven (7) pounds of entrained water per million cubic feet, at a pressure base of fourteen and seventy three hundredths (14.73) pounds per square inch and a temperature of sixty degrees (60 degrees) Fahrenheit as determined by dew-point apparatus approved by the United States Department of the Interior or such other apparatus as may be mutually agreed upon.

10.3 Indemnification for Delivery of Non-Conforming Gas. Customer shall indemnify and hold Caledonia harmless against all claims, damages, and expenses (including, without limitation, reasonable attorneys' fees and costs of litigation, notwithstanding anything to the contrary in this Gas Tariff or in any Service Agreement) suffered by Caledonia to the extent such claims, damages, and/or expenses arise from Customer's Delivery of Gas not in conformance with the Required Specifications (for purposes of this Section, the "Non-Spec Gas"), whether or not Caledonia agreed to accept such Non-Spec Gas under Section 6.10.3 below.

10.4 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 6.10.2 above. Acceptance of such Gas does not constitute any waiver of Caledonia's right to refuse to accept similarly nonconforming Gas. If Caledonia agrees to accept Non-Spec Gas (defined above) under a Service Agreement, Customer shall be allowed to Deliver Non-Spec Gas under that Service Agreement, but no other, and Caledonia will have the continuing right to require Customer to bring its prospective Deliveries under that Service Agreement into compliance with the Required Specifications within a specified period of time, as determined in Caledonia's reasonable discretion. Upon Delivery of Non-Spec Gas that Caledonia has not expressly allowed or which Customer does not bring into compliance in the time period specified by Caledonia, the Receipt of such Non-Spec Gas may be terminated immediately and notification of such termination may occur after the fact. Failure by either Caledonia or Customer to tender Gas Deliveries that conform to the Required Specifications shall not be construed to eliminate, or limit in any manner, Caledonia's or Customer's rights and obligations existing under any other provision of any Service Agreement.

10.5 Hazardous Substances. Customer agrees to supply or cause to be supplied to Caledonia upon demand, at any time and from time to time, a sample of liquids removed from the Gas stream at any Point of Injection/Withdrawal, whether removed by a coalescer or otherwise, for analysis at a laboratory of Caledonia's choosing. If at any time polychlorinated biphenyls (PCBs) or any other

toxic substances or chemicals that Caledonia deems hazardous and/or in any way unsafe for transportation are found in the liquid samples supplied to Caledonia by Customer, Caledonia may in its reasonable discretion immediately cease the Receipt of such Gas and any associated liquids. Upon adequate proof that such toxic or hazardous substances are no longer present at levels deemed unsafe by Caledonia, Caledonia shall restore Service to Customer at the affected Point of Injection/Withdrawal.

11. **PRESSURE AND INJECTION/WITHDRAWAL RATES**

- 11.1 Injection Pressures. Customer shall Deliver or cause to be Delivered to Caledonia all Gas for parking or injection at the Point of Injection/Withdrawal at pressures not less than 550 Psig and not in excess of the maximum allowable operating pressure ("MAOP") at the Point of Injection/Withdrawal. Caledonia shall be responsible for maintaining its Storage Facility to permit Customer to Deliver Gas to Caledonia at such allowed pressures.
- 11.2 Withdrawal Pressures. Caledonia shall make Gas available to Customer at pressures that are high enough to allow Gas to enter the pipeline facilities at the Storage Facility against the operating pressures maintained by Transporter. Caledonia shall not be required to make Gas available at pressures in excess of those required by Transporter.
- 11.3 Injection and Withdrawal Rates. Notwithstanding Sections 6.11.1 and 6.11.2 above, Caledonia has designed its System to store, inject and withdraw Gas based on "normal" operating pressures maintained by the Transporter at the interconnection with the Storage Facility with allowances for reasonable fluctuations, and consistent with an hourly rate of flow as provided for in Section 6.7. In the event that conditions on the Transporter's system vary substantially from this "normal" design condition coincident with high levels of Customer injection or withdrawal activity, Caledonia's capability to inject or withdraw the quantities set forth in its Service Agreement(s) may be impaired, resulting in an interruption in Service. If this happens, capacity will be allocated pursuant to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff. Customer agrees to indemnify and hold Caledonia harmless for any loss caused by any such interruption in Service.

12. **TITLE AND RISK OF LOSS**

12.1 Title. Customer warrants for itself, its successors and assigns, that that it will have good title to all Gas Delivered to Caledonia, at the time of Delivery of such Gas to the Caledonia System (for any reason, including, without limitation, for storage Service and/or loan payback) and that the Gas it Delivers hereunder shall be free and clear of all liens, encumbrances, or claims whatsoever; and that it will indemnify Caledonia and save it harmless from all claims, suits, actions, debts, amounts, damages, costs, losses and expenses arising directly or indirectly from or with respect to the title and/or right to Gas tendered to Caledonia hereunder. Except in those instances when Caledonia expressly takes title to Customer's Gas pursuant to its rights under this Gas Tariff, a Service Agreement or as otherwise allowed by law, Customer shall at all times retain title to all Gas Delivered by Customer for its own account to the Caledonia System (except Gas Delivered by Customer as fuel or loan payback), provided, however, that such Gas may be commingled with other Gas in the Caledonia System (subject to Section 6.12.3 below).

12.2 Risk of Loss. As between Customer and Caledonia, Customer shall be in control and possession of the Gas prior to and including the time of its Delivery to Caledonia at the Point of Injection/Withdrawal and at the time of and after Re-Delivery by Caledonia to Customer at the Point of Injection/Withdrawal. Customer shall bear the risk of loss or contamination of such Gas (i) while the Gas is in the control and possession of Customer or its designated Transporter, (ii) resulting from any Force Majeure event described in Section 6.16 and any failure of equipment resulting therefrom, except to the extent any loss or contamination of Gas is caused by Caledonia's intentional or grossly negligent act or omission, and (iii) resulting from any third party action or inaction, and Customer shall indemnify and hold Caledonia harmless from any damage or injury caused thereby. Caledonia shall be in control and possession of the Gas after the Receipt of the same at the Point of Injection/Withdrawal and until Re-Delivery by Caledonia to Customer at the Point of Injection/Withdrawal). The risk of loss or contamination of Gas injected into, parked or stored in and withdrawn from storage shall remain with Customer, and Caledonia shall not be liable to Customer for any loss or contamination of Gas, except to the extent caused by the intentional or grossly negligent acts or omissions of Caledonia. Any losses or contamination of Gas, unless due to the intentional or grossly negligent act or omissions of Caledonia, shall be shared proportionally by all Customers, based on each Customer's Storage Inventory, Park Balance and/or Loan Balance, as applicable. In the event of loss or contamination of Gas for which Caledonia is responsible under this Section 6.12.2, Caledonia shall have the option, in its sole discretion, to either (a) pay Customer for such Gas (at the then current market value as determined in accordance with the Daily Reference Price or Monthly Reference Price as applicable) or (b) replace such Gas with an equivalent quantity of Gas. In no event will Caledonia's liability for any loss or contamination of Gas

exceed the current market value of the Gas at the time of such loss or contamination.

- 12.3 Fungible Good, Receipts and Negotiable Instruments. The Parties acknowledge and agree that Gas which is Delivered to the Storage Facility pursuant to any Service Agreement is a "fungible good" (as that term is defined in Miss. Code Ann. § 75-1-201(18)), and that the unit of Gas is one (1) Dth. Customer understands and agrees that any Gas Delivered shall be commingled with all other Gas previously or subsequently Delivered and stored at the Caledonia System as permitted by Miss. Code Ann. § 75-7-207(a) and that Customer will own such fungible goods in common with all other Caledonia customers of the Caledonia System as provided by Miss. Code Ann. § 75-7-207(b). "Receipts" (as that term is used in Miss. Code Ann. §75-7-207(b)) shall be based on confirmations of Delivery by the Transporter Delivering Gas to the Caledonia System. Caledonia will not be obligated to Deliver to Customer the same Gas that was Delivered to Caledonia by or on behalf of Customer, but shall be obligated to Deliver only such quantity of Gas as the Customer is entitled to receive from Caledonia in accordance with this Gas Tariff and the relevant Service Agreement. Without limiting Caledonia's obligation set forth in the immediately preceding sentence, Caledonia shall be entitled to use all quantities of Gas Delivered to the Caledonia System for any and all purposes, including, without limitation, for Delivery or transfer thereof to other Customers to satisfy Caledonia's obligations under Service Agreements with such other Customers. Customer acknowledges that the Service Agreements, nominations, invoices or any other document issued pursuant to the Service Agreement(s) are non-negotiable instruments under Miss. Code Ann. § 75-7-104(b) and (c).

13. **MEASUREMENT**

13.1 Measurement. The quantity of Gas Received and Delivered hereunder shall be measured (i) in accordance with the applicable Transporter's pipeline tariff, if the Transporter is the party responsible for custody transfer at the applicable Point of Injection/Withdrawal, or (ii) in accordance with Sections 6.13.2 below, if Caledonia is the party responsible for custody transfer at the applicable Point of Injection/Withdrawal.

13.2 Standards. The Service unit of Gas scheduled, Received, or Delivered by Caledonia under this Gas Tariff shall be a Dekatherm. Dekatherms will be determined by multiplying the Mcf volume by the ratio of the heating value per cubic foot to 1,000. The unit of volume for measurement of all quantities of Gas 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. One thousand (1,000) cubic feet shall be denoted as 1 Mcf. 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. 9 of the American Gas Association ("AGA"), 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. Notwithstanding the foregoing, it is agreed that, for all purposes, the Btu content of the Gas Received and Delivered by Caledonia 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. If positive displacement, ultra sonic flow or turbine meters are used, measurement shall be performed in accordance with AGA 9 as currently available and with any subsequent amendments thereof accepted by Caledonia in its reasonable judgment. The temperature of the Gas flowing through a meter station shall be obtained by the use of a flow computer. The temperature of the Gas during the measurement period shall be used in computing the quantities of Gas Delivered during such period. The heating value and the specific gravity shall be determined by on-line C6+ chromatographic analysis of the Gas stream. The values of the physical constants for the Gas compounds and the procedure for determining the gross heating value and/or the specific gravity of the Gas from them shall be as set forth in the referenced AGA Report No. 9.

14. **BILLING AND PAYMENT**

- 14.1 Invoice. No later than the tenth (10th) Business Day of each Month Caledonia shall provide Customer (including a Replacement Customer) an invoice and any required backup data (which may be transmitted by electronic mail) setting forth (i) the charges due for the preceding Month; (ii) the total quantity of Gas, stated in Dekatherms, Received from and made available to Customer at the Point of Injection/Withdrawal hereunder during the preceding Month(s), 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 Caledonia in determining the amount billed. Invoices will be based on actuals (if available) or best available data. If actual quantities are not available by the tenth (10th) Business Day of the month, Caledonia may invoice based on best available data subject to adjustment to actuals at a later date. All charges to Customer will be subject to all applicable taxes, if any, payable on the services provided by Caledonia, including, without limitation, tax on any Fuel provided by Customer and any ad valorem or similar tax assessed on Customer's Gas in the Caledonia System, all of the foregoing being the responsibility of Customer at all times. All references to prices, fees, charges, or other monetary amounts will be in U.S. dollars unless otherwise expressly provided in the applicable Service Agreement.
- 14.2 Application of Payments for Released Capacity. Payments to Caledonia by a Replacement Customer for released capacity shall be applied as follows, in the following order: (i) Caledonia shall retain amounts equal to the Replacement Customer's usage charges; (ii) Caledonia will credit the balance to Storage Reservation Charges due from the Replacement Customer; and (iii) Caledonia shall remit the remaining balance, if any, or shall charge any balance due, to the Replacement Customer, in accordance with Section 6.5.11 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 its Storage Reservation Charges specified in the applicable Service Agreement and corresponding Rate Schedule, plus applicable interest calculated in accordance with Section 154.501(d) of the Commission's regulations.
- 14.3 Payment. Customer shall pay Caledonia by wire transfer the full amount reflected on the invoice within ten (10) days of the date of the invoice. If the tenth (10th) day shall fall upon a weekend or legal holiday, then such payment shall be made on the last regular Business Day prior to such tenth (10th) 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 within two (2) Business Days of the payment due date. All payments shall be made without any deduction or withholding for or on account of any tax. If Customer fails to pay such amounts when due, then

interest shall accrue on all unpaid amounts from the date due until paid at the FERC-approved interest rate.

- 14.4 Billing Error. If an error is discovered in any billing, Caledonia will use its best efforts to adjust such error.
- 14.5 Billing Adjustments. Billing adjustments shall be made within sixty (60) days of the determination that a billing error was made. 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 the Customer to recoup any overpayment, nor shall acceptance of any payment be deemed to be a waiver by Caledonia of any underpayment. In the event Customer fails to forward the entire undisputed amount due to Caledonia 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 from the date such payment is due until the same is paid. If at any time payments for Services and payments for interest are both due, any payments thereafter received shall be applied first to all interest payments due, then to the Service payments due in order from the oldest to the most current payments due. If any undisputed invoiced amount remains unpaid after the due date thereof, in addition to any other rights that Caledonia may have under this Gas Tariff, the relevant Service Agreements and/or at law or in equity, Caledonia shall have the right, upon giving Customer written notice, to suspend Services under any or all Service Agreement(s). Contemporaneously with suspension of Customer's Services, Caledonia shall be entitled to provide notice to Customer and to the FERC that Customer's Services shall be terminated if all amounts due to Caledonia are not paid within thirty (30) days of Caledonia's Delivery of such notice to Customer. During any period of suspended Deliveries and following any termination of Service, Caledonia shall not charge Customer reservation charges.
- 14.6 Billing Disputes. If Customer withholds payment of any disputed amount as authorized herein, Customer shall on or before the due date of the disputed invoice submit to Caledonia 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 6.14.3 above from the original due date until the date actually paid.
- 14.7 Right to Audit. Both Caledonia 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 Service Agreement. Upon request, Customer shall also make available to Caledonia for

audit purposes any relevant records of the Transporter 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 Caledonia 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 Caledonia 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.

15. **TAXES**

15.1 Customer shall be responsible for all taxes and assessments, of any nature, assessed by any governmental authority in respect of Gas to which Customer holds title, notwithstanding that such Gas may be held in the Caledonia System as of such governmental authority's tax assessment / property reporting date. Notwithstanding anything to the contrary that may be contained in any Service Agreement, Customer shall be responsible for, and shall pay directly to the relevant governmental authority, all ad valorem taxes payable in respect of all or any portion of Customer's Gas. If at any time Caledonia is required to remit any taxes assessed on Gas or related to the Services provided under a Rate Schedule of this FERC Gas Tariff, then Caledonia shall have the right to collect from Customer such taxes, including any penalties and interest. Customer agrees to reimburse Caledonia for the taxes assessed on the Gas or storage-related Services, including any penalties and interest, within fifteen (15) days of the date of invoice from Caledonia. Customer shall furnish Caledonia information, satisfactory to Caledonia, to enable Caledonia to comply with any reports required by state or federal government and agencies. Customer recognizes that Caledonia may be required to file Federal and state tax returns, and Customer agrees to furnish Caledonia with adequate information pertaining to the taxation on the Gas. Customer shall coordinate such filings with Caledonia.

16. **FORCE MAJEURE**

- 16.1 Effect of Force Majeure. In the event Caledonia is rendered unable, wholly or in part, by reason of Force Majeure, as defined herein, to perform, wholly or in part, any obligation or commitment under Customer's Service Agreement, it is agreed that upon Caledonia's giving notice and full particulars of such Force Majeure 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 Caledonia shall be suspended to the extent that Caledonia's ability to perform such obligations is affected by such Force Majeure and for the period of such Force Majeure, but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch. Nothing in this Gas Tariff or in any Service Agreement shall obligate Caledonia to request or pay for added compression in order to remedy a Force Majeure.
- 16.2 Force Majeure and Obligation to Pay/Credit Storage Reservation Charges. A Customer taking Firm Storage Service under Rate Schedule FSS shall not be relieved of its obligations to pay Storage Reservation Charges specified in such Rate Schedule FSS due to an event of Force Majeure and Caledonia shall include the full amount of such Storage Reservation Charges on the Customer's invoice for any Month in which an event of Force Majeure shall have occurred, provided, however, that if such Force Majeure persists for more than three (3) Gas Days, Customer shall be allowed a credit against its Storage Reservation Charges payable under Rate Schedule FSS and Service Agreement to reflect any reduction in Caledonia's ability to render Firm Storage Service resulting from a Force Majeure declared by Caledonia; provided, further, however, that such credits will not be given to the extent that Customer is afforded extra Gas Days as provided in Section 6.9 of this Gas Tariff.
- 16.3 Nature of Force Majeure. The term "Force Majeure" as employed herein shall mean any cause whether of the kind enumerated herein or otherwise, not reasonably within the control of Caledonia, 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; 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 any governmental authority or as deemed necessary by Caledonia 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 pipeline repairs. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of Caledonia, 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 Caledonia.

17. **NOTICES**

17.1 Notice Requirements. Any notice, request, demand, or statement required hereunder must be provided in writing and will be deemed to have been duly given (a) when delivered by hand; (b) when sent by e-mail (with receipt confirmed); (c) when received by the addressee, if sent by Express Mail, Federal Express, or other express delivery service (receipt requested); or (d) five (5) Business Days after being mailed, by first-class postage prepaid, registered or certified mail, return receipt requested, in each case to the appropriate addresses and e-mail addresses set forth below (or to such other addresses and/or e-mail addresses as a Party may designate as to itself by fifteen (15) days' prior written notice to the other Party).

(a) To Caledonia:

CALEDONIA ENERGY PARTNERS, L.L.C.
c/o Enstor Gas, LLC
10375 Richmond Ave, Suite 1900
Houston, TX 77042
Attention: Todd Cash, Vice President, Compliance
Telephone: (281) 374-3085
E-mail: todd.cash@enstorinc.com

With copies to:

CALEDONIA ENERGY PARTNERS, L.L.C.
c/o Enstor Gas, LLC
10375 Richmond Ave, Suite 1900
Houston, TX 77042
Attention: Masoud Kasraian, President & Chief Commercial
Officer
Telephone: (281) 374-3084
E-mail: masoud.kasraian@enstorinc.com

CALEDONIA ENERGY PARTNERS, L.L.C.
c/o Enstor Gas, LLC
10375 Richmond Ave, Suite 1900
Houston, TX 77042
Attention: Legal Department
Telephone: (281) 374-3050
E-mail: legal@enstorinc.com

(b) To Customer: At the address shown in the executed Service Agreement or at such other addresses as may hereafter be furnished to Caledonia in writing.

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

18. **FUEL REIMBURSEMENT**

18.1 Compensation. Customer shall be required to compensate Caledonia for all fuel, including but not limited to: (a) compression fuel; (b) dehydration fuel; (c) line heating fuel; and (d) all utilized and lost and unaccounted for volumes, to the extent required for the operation and maintenance of the Storage Facility.

18.2 In-Kind. Fuel Reimbursement shall be calculated separately for services under Rate Schedules FSS, ISS, ILS and IPS. Each Fuel Reimbursement charge shall be negotiated by Caledonia and Customer. Reimbursement of fuel must be made in kind (as a percentage of injection in Dth), as set forth in Customer's Service Agreement(s).

19. **GAS TITLE TRANSFERS**

19.1 Title Transfers of Gas in Storage:

- (a) A Customer that has executed a Service Agreement under Rate Schedules FSS, AISS, ISS, or IPS may sell its Storage Inventory or Park Balance, as applicable, to any other Customer that has executed a Service Agreement under Rate Schedules FSS, AISS, ISS, AILS or ILS if:
 - (i) Customer selling Storage Inventory or Park Balance, as applicable, provides notification to Caledonia prior to the nomination deadline and provides prior written approval from Caledonia with written verification (via e-mail or instant messaging) of the transfer within five (5) Business Days; and
 - (ii) The purchase does not cause either Customer to exceed its Maximum Storage Quantity or Maximum Park Quantity, as applicable, and as specified in Customer's Service Agreement or cause either Customer's balance to go below zero.
- (b) Caledonia will recognize the transfer for purposes of computing available Storage Inventory or Park Balance, as applicable, on a prospective basis within two (2) Business Days after receiving the notification. In the event the required written verification (via e-mail or instant messaging) is not received, the transfer will no longer be recognized and the Storage Inventory for each Customer will be restated to reflect the reversal of the transfer.
- (c) For each title transfer of Gas in storage performed by Customer under this Section, the transferring Customer shall pay the fee, if any, for title transfer agreed to by Caledonia and the Customer. This Section does not prohibit or limit the number of title transfer services provided by third party providers.

20. **PENALTIES**

- 20.1 Penalties. A Customer shall be liable for and shall be required to reimburse Caledonia for all penalties, charges and fees which Caledonia 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.
- 20.2 Costs. In addition to the payment of the penalties set forth in Section 6.20.1 herein, the responsible Customer shall also be liable for, and shall reimburse Caledonia, for all costs incurred by Caledonia as a consequence of such Customer's actions.
- 20.3 Crediting of Penalty Revenues. Caledonia shall credit the actual penalty revenues, net of Caledonia's costs related to the penalty event, received by Caledonia from Customer in any calendar year, by invoice credit to all Customer who did not incur penalty charges in the month for which such revenues were received. Such credits shall be made on a pro rata basis, based on a Customer's total reservation and commodity charges paid each month. Such credit shall be made not later than the March accounting month statement sent subsequent to the calendar year-end by Caledonia. Any revenue collected and retained by Caledonia pursuant to this section shall accrue interest calculated pursuant to Section 154.501(d) of the Commission's Regulations.

21. NORTH AMERICAN ENERGY STANDARDS BOARD (“NAESB”) STANDARDS

21.1 Compliance with 18 CFR, Section 284.12

Caledonia has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 4.0, and the standard revised by Minor Correction MC24002 marked with an asterisk [*], which are required by the Commission in 18 CFR 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 this FERC Gas Tariff:

NAESB Standard	Incorporated Verbatim in Tariff	Tariff Record (GT&C Section)
1.2.4	6.2.37	Definitions, 2.0.0, “Intraday Nomination”
1.2.6	6.2.53	Definitions, 2.0.0, “Operational Flow Order”
1.2.12	6.2.23	Definitions, 2.0.0, “Elapsed Prorated Scheduled Quantity”
1.2.14	6.2.75	Definitions, 2.0.0, “Title Transfer”
1.3.1	6.2.33	Definitions, 2.0.0, “Gas Day”
1.3.2(i)	6.9.2(a)	Nominations and Scheduling, 5.0.0
1.3.2(ii)	6.9.3(a)	Nominations and Scheduling, 5.0.0
1.3.2(iii)	6.9.3(b)	Nominations and Scheduling, 5.0.0
1.3.2(iv)	6.9.3(c)	Nominations and Scheduling, 5.0.0
1.3.2(v)	6.9.3(d)	Nominations and Scheduling, 5.0.0
1.3.2(vi)	6.9.3 (e)	Nominations and Scheduling, 5.0.0
1.3.5	6.9.1	Nominations and Scheduling, 5.0.0
1.3.6	6.9.3(h)	Nominations and Scheduling, 5.0.0
1.3.9	6.9.2(c)	Nominations and Scheduling, 5.0.0
1.3.11	6.9.2(c)	Nominations and Scheduling, 5.0.0
1.3.13	6.9.2(c)	Nominations and Scheduling, 5.0.0
1.3.19	6.9.1	Nominations and Scheduling, 5.0.0
1.3.21	6.9.2(b)	Nominations and Scheduling, 5.0.0
1.3.26	6.6.5(b)	Priority, Service Interruption, Operational Flow Orders, 2.0.0
1.3.33	6.9.2(c)	Nominations and Scheduling, 5.0.0
3.2.1	6.2.6	Definitions, 2.0.0, “Business Day”
3.3.9	6.14.1	Billing and Payment, 2.0.0
3.3.17	6.14.3	Billing and Payment, 2.0.0
5.2.1	6.2.12	Definitions, 2.0.0, “Critical Notice”
5.2.3	6.2.23	Definitions, 2.0.0, “Elapsed Pro Rata Capacity”
5.3.2	6.5.5	Capacity Release, 3.0.0
5.3.4	6.5.8	Capacity Release, 3.0.0
5.3.7	6.5.14(e)	Capacity Release, 3.0.0
5.3.13	6.5.7	Capacity Release, 3.0.0
5.3.14	6.5.2	Capacity Release, 3.0.0
5.3.15	6.5.7	Capacity Release, 3.0.0
5.3.16	6.5.2	Capacity Release, 3.0.0

5.3.44	6.5.14(f)-(k)	Capacity Release, 3.0.0
5.3.45	6.5.14(l)	Capacity Release, 3.0.0
5.3.47	6.5.14(l)	Capacity Release, 3.0.0
5.3.48	6.5.14(l)	Capacity Release, 3.0.0
5.3.49	6.5.14(l)	Capacity Release, 3.0.0
5.3.53	6.5.16	Capacity Release, 3.0.0
5.3.54	6.5.16	Capacity Release, 3.0.0

Standards Incorporated by Reference:

General:

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

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, 0.3.20, 0.3.21, 0.3.22

Data Sets:

0.4.2, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Data Set:

0.4.4

Storage Information:

Data Set:

0.4.1

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.3, 1.3.4, 1.3.7, 1.3.8, 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, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 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, 1.3.81, 1.3.82

Data Sets:

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, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 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, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 5.3.54, 5.3.55, 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, 2.3.66

Data Sets:

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, 2.4.17, 2.4.18

Invoicing Related Standards:

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Data Sets:

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

Standards:

4.3.1, 4.3.2, 4.3.3, 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, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 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, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 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, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.110

Capacity Release Related Standards:

Definitions:

5.2.2, 5.2.4, 5.2.5

Standards:

5.3.1, 5.3.3, 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, 5.3.24, 5.3.25, 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, 5.3.50, 5.3.51, 5.3.52, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 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, 5.3.73

Data Sets:

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

Cybersecurity Related Standards:

Definitions:

12.2.1, 12.2.2, 12.2.3, 12.2.4, 12.2.5, 12.2.6, 12.2.7, 12.2.8, 12.2.9, 12.2.10, 12.2.11, 12.2.12, 12.2.13, 12.2.14, 12.2.15, 12.2.16, 12.2.17, 12.2.18, 12.2.19, 12.2.20, 12.2.21, 12.2.22, 12.2.23, 12.2.24, 12.2.25, 12.2.26, 12.2.27, 12.2.28, 12.2.29, 12.2.30, 12.2.31, 12.2.32, 12.2.33, 12.2.34, 12.2.35, 12.2.36, 12.2.37, 12.2.38, 12.2.39, 12.2.40, 12.2.41

Standards:

12.3.1, 12.3.3, 12.3.4, 12.3.5, 12.3.6, 12.3.7, 12.3.8, 12.3.9, 12.3.10, 12.3.11, 12.3.12, 12.3.14, 12.3.15, 12.3.16, 12.3.17, 12.3.18, 12.3.19, 12.3.20, 12.3.21, 12.3.22, 12.3.23, 12.3.24, 12.3.25, 12.3.26, 12.3.27, 12.3.28, 12.3.29, 12.3.30, 12.3.31

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

NAESB Standards

Waiver or Extension of Time

None

22. **GENERAL PROVISIONS**

- 22.1 Insurance. Customer shall be responsible for providing its own insurance coverage with respect to Gas it tenders for storage and has stored in the Caledonia System.
- 22.2 Joint Obligations. When Customer under a Service Agreement consists of two or more persons, the obligations of such persons under such Service 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.
- 22.3 Non-Discriminatory Waiver of Gas Tariff; Provisions and Non-Waiver of Future Defaults. Caledonia 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 Caledonia of any one or more defaults by the other in the performance of any provisions of a Service Agreement between Customer and Caledonia shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 22.4 Modification. No modification to the terms and provisions of any Service Agreement or exhibit thereto shall be or become effective except by the execution of a superseding Service Agreement or exhibit thereto.
- 22.5 Successors in Interest. Any company which shall succeed by purchase, merger, consolidation or otherwise to the properties substantially as an entirety, of Caledonia or of Customer, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under a Service Agreement, provided, however, that Caledonia reserves the right to evaluate and approve the creditworthiness of Customer's successor(s)-in-interest in accordance with the terms of this Gas Tariff. In accordance with the capacity release procedures set forth in Section 6.5 of the General Terms and Conditions, Customer may, without relieving itself of its obligations under such Service Agreement, assign any of its rights and obligations thereunder to another Customer, but otherwise no assignment of such Service Agreement, or of any of the rights or obligations thereunder, shall be made unless there first shall have been obtained the written consent thereto of Caledonia, in the event of any assignment by Customer, or the written consent thereto of Customer, in the event of an assignment by Caledonia, and such consent by Caledonia or Customer, as applicable, shall not be unreasonably withheld. It shall be reasonable for Caledonia to withhold consent if (a) Customer requests consent to assign less than its entire interest in a Service Agreement, or (b) the proposed assignee does not meet Caledonia's creditworthiness requirements as described in this Gas Tariff. Notwithstanding the foregoing, Caledonia may assign its rights and obligations under a Service Agreement to an Affiliate without the prior consent of Customer. These restrictions on assignment shall not in any way prevent any party from pledging or mortgaging its rights under a Service Agreement as security for its indebtedness (but never in

contravention of Caledonia's liens and security interest on Customer's Gas in storage). Any direct or indirect assignment of Service Agreement rights by Customer under this Section shall be made in good faith and not for the purpose of avoiding the requirements of the capacity release provisions of this Gas Tariff.

- 22.6 Imbalance Management Services Provided by Third Parties. 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 Caledonia's Customers. Any party interested in providing imbalance management services must coordinate with Caledonia.
- 22.7 Forward Contracts; Eligible Contract Participants. Each parking transaction and loaning transaction entered into subject to this Tariff which has a maturity date more than two (2) Gas Days after the date the transaction is entered into will constitute a "forward contract" pursuant to Section 101(35) of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended, the "United States Bankruptcy Code; the Parties to such transactions are each "forward contract merchants" within the meaning of Section 101(26) of the United States Bankruptcy Code; and the payments made to the each Party with respect to such transactions constitute "settlement payments" within the meaning of Section 101(51A) of the United States Bankruptcy Code. To the extent any transaction under any Service Agreement is deemed to be a forward contract, each Party shall be deemed to represent at the time it enters into such transaction that it is an "eligible contract participant," as defined in the Commodity Exchange Act, 7 U.S.C. §1a(12). Notwithstanding the other terms of this Section 6.22.7 or any other Section of this Gas Tariff, this Gas Tariff shall at all times be construed consistently with the United States Bankruptcy Code, provided that if any aspect of this Gas Tariff is deemed to be inconsistent with the United States Bankruptcy Code, it may be reformed to the extent necessary to make it fully consistent with the United States Bankruptcy Code. To the extent that both Caledonia and/or its Customer(s) are not in bankruptcy, Caledonia does not intend for this provision to override the Commission's regulations and policies.
- 22.8 Severability. If any provision of any Service Agreement is declared null and void, or voidable, by a regulatory body or court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Service Agreement shall remain in full force and effect.

23. **TERMINATION FOR DEFAULT**

23.1 Delivery and Receipt Defaults. Except as set forth in Section 6.23.2 below, Delivery Defaults and Receipt Defaults by either Party shall be addressed in the manner set forth in Section 6.9.8 of this Gas Tariff.

23.2 Event of Default. The occurrence at any time with respect to a Party of any of the following events shall constitute an event of default (for purposes of this Section, the "Event of Default") with respect to such Party:

- (a) the Party or its Credit Support Provider files, or has filed against it, a petition for bankruptcy or insolvency or for reorganization or arrangement under bankruptcy laws of the United States or under any insolvency act of any state, or a Party voluntarily takes advantage of any such law or act by answer or otherwise;
- (b) becomes insolvent (however evidenced) or is unable to pay its debts as they become due;
- (c) makes a general assignment for the benefit of its creditors;
- (d) seeks or becomes subject to the appointment of an administrator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (e) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (d) above;
- (f) the Party's actual fraud or willful misconduct in connection with a Service Agreement;
- (g) the Party fails to make any payment when due under a Service Agreement where such failure is not cured within two (2) Business Days after written notice by Caledonia;
- (h) the Party shall fail to perform any material covenant or obligation imposed upon it under a Service Agreement (or in the case of Delivery Defaults or Receipt Defaults, the Defaulting Party commits several such defaults of a repetitive, consistent and on-going basis, and, as a result of such defaults, the other Party's benefit of the bargain under a Service Agreement is materially diminished in the Non-Defaulting Party's reasonable judgment);
- (i) the Party fails to maintain an Acceptable Credit Rating or Financial Assurances in accordance with Section 6.2.2 and Section 6.4.4 and such failure is not cured within five (5) days after written notice by the other Party; or

- (j) the Party's Credit Support Provider shall fail to perform any material covenant or obligation imposed upon it under any credit support agreement provided pursuant to a Service Agreement.

23.3 Termination of Service. If at any time an Event of Default with respect to a Party (the "Defaulting Party") has occurred and is continuing, the other Party (the "Non-Defaulting Party") may, at its option, terminate any or all Service Agreements by proceeding as follows:

- (a) the Non-Defaulting Party shall provide written Notice of Default (by e-mail, promptly followed by courier or overnight mail) to the Defaulting Party. The Notice of Default shall specifically identify the Event of Default and shall provide notice of the Non-Defaulting Party's intent to terminate the same on a designated date not earlier than thirty (30) days thereafter (the "Early Termination Date"); thereupon the Defaulting Party shall have five (5) days to provide advance payment for two (2) months of Service (or the duration of the Service Agreement, whichever is shorter). The Defaulting Party will then have thirty (30) days after receipt of such notice to remedy or remove the cause or causes stated in the notice. If within the thirty-day period the Defaulting Party does so remove and remedy said cause or causes and fully indemnifies the Non-Defaulting Party for any and all consequences of such Event of Default, by good and sufficient means acceptable to the Non-Defaulting Party, on or before the Early Termination Date, then such notice shall be withdrawn and the Service Agreement shall continue in full force and effect;
- (b) If the Defaulting Party does not remedy and remove the cause or causes and does not indemnify the Non-Defaulting Party for any and all consequences of such Event of Default within the thirty-day (30) period, then, after any necessary notice to regulatory bodies having jurisdiction (which notice may be given at the same time as the termination notice to Defaulting Party), the Service Agreement shall be terminated as of the Early Termination Date, provided that notice of termination has not been withdrawn prior thereto, with such termination being effectuated pursuant to the further terms as provided herein;
- (c) If termination occurs pursuant to subsection (b) above, any or all Service Agreement(s) between Customer and Caledonia then outstanding may be subject to termination as of the Early Termination Date in accordance with the further provisions of this Section 6.23; and any termination of such Service Agreement(s) pursuant to the provisions of this Section shall be without prejudice to the right of Caledonia to collect any amounts then due to it for Services rendered prior to the time of termination, and shall be without prejudice to the right of Customer to

receive any Service for which it has paid and is entitled but has not received prior to the time of termination, and without waiver of any remedy, at law or in equity, to which the Non-Defaulting Party may be otherwise entitled, including, without limitation, the right to off-set any amount owing by the Defaulting Party to the Non-Defaulting Party under the Service Agreement(s) against any amount owing by the Non-Defaulting Party to the Defaulting Party under the Service Agreement(s) or under any other agreement.

- 23.4 Suspension of Service. In addition to the rights set forth above, prior to a termination for an Event of Default, upon written notice detailing Caledonia's reasons for suspension, Caledonia may suspend Service to any Customer who fails to comply with the terms of a Service Agreement. Caledonia's failure to invoke its rights to suspend or terminate Service at any time shall not be construed as a waiver of Caledonia's right to suspend or terminate Service at any other time Customer is in breach of the terms of a Service Agreement. During any period of suspension and following any termination of Service, Caledonia shall not charge Customer reservation charges. At Caledonia's option, a termination notice given pursuant to Section 6.23.3 above may also serve as a notice of immediate suspension under this Section.
- 23.5 Financial Assurances. Notwithstanding, and in addition to but not in limitation of, any other provision in this Gas Tariff or any Service Agreement, if at any time an Event of Default by Customer has occurred and is continuing, Caledonia shall have the right to exercise its rights and remedies in respect of any Financial Assurance provided by Customer and exercise its rights and remedies in respect of any lien or security interest held by Caledonia on Gas stored in the Caledonia System for Customer's account, and to apply the proceeds of the private sale of such Gas to satisfy any amounts owing by Customer to Caledonia under any Service Agreement. Caledonia's termination notice rendered in accordance with these General Terms and Conditions shall be deemed sufficient notice for all purposes, including, without limitation, for Miss. Code Ann. Title 75, Chapters 7 and 9 or any other version of the Uniform Commercial Code (or similar law) as adopted in any relevant jurisdiction.
- 23.6 Early Termination. If an Event of Default by a Defaulting Party is not remedied on or before the Early Termination Date, and results in the Non-Defaulting Party's election to terminate Service Agreements pursuant to Section 6.23.3 above, the Defaulting Party, by its failure to remedy the Event of Default, shall be deemed to have consented to such termination of Service. If Caledonia is the Non-Defaulting Party, it will notify the FERC of such termination of service at least thirty (30) days prior to the Early Termination Date and all of Customer's Service rights may be terminated on the Early Termination Date and any payment obligations for Services not rendered after the Early Termination Date will likewise be terminated. Caledonia will have the right to sell any terminated Service to a third party as of the Early Termination Date. Customer will remain liable for all such

obligations accruing up to and including the Early Termination Date. Termination of Service Agreements shall be effectuated as follows:

- (a) The termination will occur on the Early Termination Date. All Service Agreements then outstanding (except currently performing Service Agreements, as set forth above) will be terminated as of the Early Termination Date in accordance with these termination provisions and, except as otherwise provided in this Section 6.23.6, no further injections or withdrawals of Gas shall thereafter be made under such terminated Service Agreement(s).
- (b) With regard to Customer's Storage Inventory in the Caledonia System:
 - (i) If Customer is the Defaulting Party, Customer shall not have any nomination rights for the withdrawal of the Net Termination Balance and re-Delivery of such Gas shall be pursuant to Section 6.23.6(b)(ii) below; but, if Caledonia is the Defaulting Party, Customer shall have nomination rights for the withdrawal of the Net Termination Balance, which shall be restricted only by the terms of the relevant Service Agreement(s) if the Service is Firm Storage Service, but which shall be subject to Section 6.23.6(b)(ii) below for all Interruptible Services.
 - (ii) All withdrawals of Customer's Gas shall be subject to the maximum daily and hourly withdrawal limits set forth in the relevant FSS Service Agreement(s), as well as all provisions of this Gas Tariff, and Caledonia shall use its best efforts to Deliver to Customer its Storage Inventory on such Gas Days and in such quantities as, in Caledonia's reasonable determination, there exists Interruptible withdrawal capacity to accommodate such Deliveries. Nominations by other non-defaulting Customers will have priority over nominations by defaulting Customers.
- (c) The Current Value of each terminated Service Agreement shall be calculated as of the Early Termination Date, and a settlement payment in an amount equal to the absolute value of the Current Value of each Service Agreement shall be payable (i) by the Non-Defaulting Party to the Defaulting Party if the Current Value is negative or (ii) by the Defaulting Party to the Non-Defaulting Party if the Current Value is positive, as applicable.
- (d) The Current Values of all terminated Service Agreements shall be set off or aggregated, as appropriate, so that all such amounts are aggregated and/or netted to a single liquidated amount (for purposes of this Section, the "Termination Amount") payable by one Party to the other. Caledonia shall give Customer notice (for purposes of this Section, the "Termination Amount Notice") of the

Termination Amount, including a statement showing its calculation, together with the following additional amounts, if any, but without duplication (such Termination Amount, together with the following additional amounts, the "Net Termination Amount"):

- (i) Any Unpaid Amounts owing by one Party to the other Party; and
 - (ii) all reasonable out-of-pocket expenses including, without limitation, legal fees incurred by the Non-Defaulting Party by reason of the enforcement and protection of its rights under the terminated Service Agreements.
- (e) No further payments, Deliveries, or Services under the terminated Service Agreement(s) will thereafter be required, except with regard to obligations accruing before the Early Termination Date if not already included in Net Termination Amount, including, without limitation, a Customer's obligation to return Gas loaned to it under a Service Agreement for Interruptible Loan Service if the Service Agreement transaction period is over but the Customer has not yet returned the Gas to Caledonia or Caledonia's obligation to return Gas parked in the Caledonia System under a Service Agreement for Interruptible Parking Service if the Service Agreement transaction period is over but Caledonia has not yet returned the Gas to Customer.
- (f) The Net Termination Amount shall be paid by the close of business on the second (2nd) Business Day following the Early Termination Date.

23.7 Current Value. The Current Value of each terminated Service Agreement shall mean the amount, if any, that would be paid to the Non-Defaulting Party (expressed as a negative number) or by the Non-Defaulting Party (expressed as a positive number) in consideration of an agreement between the Non-Defaulting Party and a Reference Market-maker to enter into a transaction that would have the effect of preserving for the Non-Defaulting Party the economic equivalent of any payment, Delivery, or Service under the Service Agreement that would, but for the occurrence of the early termination on the Early Termination Date, have been required of the Parties after that date (but not including Unpaid Amounts in respect of the terminated Service Agreement). The Non-Defaulting Party will request such quotation from three (3) Reference Market-makers and will request that each Reference Market-maker provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the Early Termination Date. The market quotation used in determining the Current Value will be the quotation remaining after disregarding the highest and lowest quotations; for this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded.

If the Non-Defaulting Party cannot, after using its best efforts, obtain three quotations as provided above, two such quotations may be used and the Current Value will be the average of the two quotations. If no such quotations are available, the Current Value with respect to such Service Agreement shall be based on the Non-Defaulting Party's Loss as of the Early Termination Date. The Non-Defaulting Party will cause all market quotations to be documented by the Reference Market-maker and will make all such documentation available for review by the Defaulting Party.

- 23.8 Insufficient Proceeds. In the event Customer's Gas in the Caledonia System is liquidated and the proceeds therefrom are insufficient to satisfy all outstanding payment obligations due to Caledonia under the terminated Service Agreement(s), Customer will remain liable for all such outstanding and unsatisfied obligations that exceed the proceeds of such liquidation, including interest thereon, and Caledonia shall be entitled to pursue all other remedies available to it at law or in equity to secure the satisfaction of such obligations.
- 23.9 No Waiver of Other Rights. Each Party's rights under this Section 6.23 are in addition to, and not in limitation or exclusion of, any and all other rights that a Party may have (whether by agreement, operation of law, or otherwise).

24. **CUSTOMER TERMINATION OPTION**

24.1 Customer shall have the right, subject to the terms of this Section 6.24, at any time and from time to time to terminate any one or more IPS, AILS, and ILS Service Agreement(s) then outstanding (for purposes of this Section, each shall be considered a "Designated Service Agreement") by providing written notice to Caledonia and establishing an early termination date, which date shall be the first Gas Day of the Month immediately following delivery of such written notice (for purposes of this Section, the "Customer Early Termination Date"). Customer's right to terminate a Designated Service Agreement is conditioned on the following: (1) the "Beginning Date of Service" under the Designated Service Agreement having not yet occurred, and (2) Caledonia and Customer agreeing to the terms of a settlement payment (for purposes of this Section, the "Settlement Payment") for such Designated Service Agreement that results in Caledonia being financially indifferent to the termination of such Service Agreement, as determined by Caledonia in its sole but reasonable discretion (with "financially indifferent" meaning to preserve for Caledonia the economic equivalent of any payment, Delivery, or Service under the Designated Service Agreement that would, but for the occurrence of the early termination, have been required of the Parties after the early termination). In addition to the Settlement Payment, Customer shall owe to Caledonia a surcharge equal to \$0.05 per Dth of MSQ, MPQ, or MLQ, as applicable, in respect of the Designated Service Agreement, to defer the costs of Caledonia's administration and execution risk associated with the termination and re-trading of the Service Agreement (for purposes of this Section, "Surcharge"). If Customer designates a Customer Early Termination Date and all conditions stated above are met, each Designated Service Agreement shall be terminated as of the Customer Early Termination Date. If Customer desires to terminate one or more Designated Service Agreement(s) on the same Customer Early Termination Date, Settlement Payments may be netted or aggregated, as appropriate, to a single final amount payable by one Party to the other Party (for purposes of this Section, the "Final Settlement Payment"), and the Surcharge may also be netted or aggregated, as appropriate, into, and become part of, the Final Settlement Payment. Caledonia shall deliver to Customer a statement indicating the Final Settlement Payment, together with supporting calculations, and the Party owing such Final Settlement Payment shall pay such amount before 5:00 P.M. CCT on the second (2nd) Business Day following the delivery of such statement to Customer.

25. **POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF NEW FACILITIES**

- 25.1 Requirement. Caledonia shall not be required to construct, modify, expand, or acquire any facilities to enable Caledonia to perform any requested Service under any Service Agreement.
- 25.2 Reimbursement. Upon Customer's request, Caledonia may agree to construct facilities to Receive, measure, store or Deliver Gas for Customer's account. Except as provided in Section 6.25.3 herein, Customer shall reimburse Caledonia: (a) for the costs of any facilities installed by Caledonia at Customer's request to Receive, measure, store or Deliver Gas for Customer's account; and (b) for any and all filing costs and approval fees required in connection with Customer's Service Agreement that Caledonia is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due Caledonia by Customer pursuant to this Section 6.25.2 shall be due and payable to Caledonia within ten (10) days of receipt by Customer of Caledonia's bill(s) for same; provided, however, subject to Caledonia's 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 Service Agreement between Caledonia and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both Caledonia and Customer. Caledonia reserves the right to request prepayment from Customer for new construction of facilities as requested by Customer.
- 25.3 Waiver. Caledonia may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 4.1(f) for Rate Schedules FSS, AISS, ISS, IPS, AILS and ILS if the Customer provides Caledonia with adequate assurances of storage quantities to make construction of the facilities economical to Caledonia. All requests for waiver shall be handled by Caledonia in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, Caledonia will evaluate projects on the basis of various economic criteria, which will include the estimated storage quantities, cost of the facilities, operating and maintenance as well as administrative and general expenses attributable to the facilities, the revenue Caledonia estimates will be generated as a result of such construction, and the availability of capital funds on terms and conditions acceptable to Caledonia. In estimating the revenues to be generated, Caledonia 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.

26. **OFF-SYSTEM PIPELINE CAPACITY**

26.1 From time to time, consistent with FERC policy, Caledonia may enter into transportation and/or storage agreements with other interstate or intrastate pipeline companies (with respect to this Section, the "Off-System Pipeline"). In the event that Caledonia acquires capacity on an off-system pipeline, Caledonia will use such capacity for operational reasons to transport Gas which will not physically or contractually enter its Storage Facility and will only render Service to Customers on the acquired capacity pursuant to this FERC Gas Tariff and subject to Commission-approved rates, as such Gas Tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 6.26, the "shipper must have title" requirement is waived.

27. **REGULATION**

27.1 The operation of the provisions of this Gas Tariff shall be subject to any and all governmental statutes and all lawful orders, rules, and regulations affecting the storage, injection, withdrawal or loaning of Gas hereunder or the equipment required in connection with such storage, injection, withdrawal or loaning of Gas. It is understood that performance under any Agreement shall be subject to all valid laws, orders, rules, and regulations of duly constituted governmental authorities having jurisdiction or control of the matter related hereto. Should either of the parties, by force of any such law, order, rule or regulation, at any time during the term of the Agreement be ordered or required to do any act inconsistent with the provisions thereof, then for that period only during which the requirements of such law, order, rule or regulation are applicable, the Agreement shall be deemed modified to conform with the requirement of such law, order, rule or regulation; provided however, nothing herein shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate the Agreement under its terms and conditions.

28. **CHOICE OF LAW**

28.1 Unless otherwise specifically stated in the Service Agreement, interpretation of the provisions of all Service Agreements or other agreements entered into between Customer and Caledonia, including any provisions of this Gas Tariff related to such agreements, and any disputes arising from such agreements, shall be governed by the law of the State of Texas.

29. **DISPUTE RESOLUTION PROCEDURES**

29.1 Any Customer may make a written complaint to Caledonia regarding any dispute between Customer and Caledonia arising under this Gas Tariff. Such notice shall be addressed to the person and address identified within Section 6.17 of the General Terms and Condition of this Gas Tariff. Customer must specify a reason for the dispute. Within two (2) Business Days of receiving a complaint, Caledonia shall provide an initial response to complainant, acknowledging receipt of the complaint and requesting further information as appropriate. Within thirty (30) days after receipt of Customer's complaint, Caledonia shall review the complaint and provide a written decision to the complainant addressing each element thereof and, where appropriate, recommend a course of action. In the event the required date of Caledonia's response falls on a Saturday, Sunday or a holiday that affects Caledonia, Caledonia shall respond by the following Business Day. In the event the complainant disagrees with this determination and makes a written request for reconsideration or clarification, specifying each reason the complainant disagrees with the initial determination, Caledonia shall consider such request and within thirty (30) days after receipt thereof shall render its final written decision to complainant, addressing each element thereof and, where appropriate recommending a course of action.

30. **LIMITATION OF LIABILITY**

30.1 Notwithstanding any provision of the Service Agreement or this FERC Gas Tariff, no Party, its Affiliates and their respective directors, officers and employees shall be liable to another Party or its Affiliates or any director, officer or employee of such Party or its Affiliates, for any punitive, specials, or exemplary damages or consequential, indirect, or incidental damages or lost profits that arise out of, relate to or are otherwise attributable to the Service Agreement, even if such Party or its Affiliates or any director, officer or employee of such Party or its Affiliates has been made aware of the possibility of such damages or lost profits. THIS SECTION 6.30 SPECIFICALLY PROTECTS EACH PARTY, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS AND EMPLOYEES AGAINST SUCH DAMAGES OR LOST PROFITS EVEN IF WITH RESPECT TO THE NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OR RESPONSIBILITY OF SUCH PARTY, ITS AFFILIATES, AND THEIR RESPECTIVE DIRECTORS, OFFICERS AND EMPLOYEES; AND ALL RIGHTS TO RECOVER SUCH DAMAGES OR PROFITS ARE HEREBY WAIVED AND RELEASED. Nothing contained in the foregoing shall limit the liability of either Party to the other Party, if any, for direct damages. Notwithstanding the foregoing, nothing in this Section 6.30 shall limit the liability of either Party to the other Party, if any arising out of gross negligence, willful misconduct, or bad faith actions.

31. **OPERATIONAL SALES AND PURCHASES OF GAS**

31.1 Terms. Caledonia may from time to time:

- (a) sell Gas that it has retained pursuant to the terms of these General Terms and Conditions, effective Rate Schedules, or Commission orders and that it desires to remove from its system for operational reasons; or
- (b) purchase Gas for operational reasons consistent with these General Terms and Conditions, effective Rate Schedules or Commission orders; and
- (c) make operational sales and purchases: (1) to balance fuel and lost and unaccounted for quantities; (2) to maintain system pressure and line pack; (3) to manage imbalance quantities; (4) to perform other operational functions of Caledonia in connection with storage and other similar Services; and (5) otherwise to protect the operational integrity of its system.

31.2 Sales. Sales and/or purchases shall be made on an unbundled basis. The point of sale shall be at the outlet of Caledonia and the purchaser of the Gas shall be responsible for any transportation. The point of any purchase shall be at Caledonia's Receipt Point(s), at the points of interconnection with upstream pipelines prior to Receipt into Caledonia's system or in Caledonia's Storage Facility. Operational sales or purchases shall have a lower transportation priority than Firm Storage Service.

31.3 Posting. Prior to making any sales pursuant to this Section 6.31, Caledonia will post its operational sales quantities for bidding on its electronic bulletin board, in accordance with the applicable terms and conditions under which the Gas will be sold. Caledonia, reserves the right, in its reasonable discretion,

- (a) to withdraw its posting;
- (b) reject all bids due to operational changes; and
- (c) reject any bid that is not complete, contains modifications of the conditions set forth in the posting or contains conditions that are unacceptable to Caledonia.

31.4 Annual Report. Caledonia will file an annual report on or before July 1 of each year reflecting the operational sales and purchases for the twelve month period ending the preceding April 30, and reflecting the (1) the source of the Gas sold and/or purchased; (2) the date of the sale and/or purchase; (3) the quantity sold or purchased; (4) the unit price; and (5) the revenues from the sale or purchase.

FORM OF REQUEST FOR SERVICE

AND

FORM OF SERVICE AGREEMENTS

SECTION 7.0

FORM OF REQUEST FOR SERVICE

(For Use Under Rate Schedules FSS, AISS, ISS, IPS, AILS, and ILS)

NOTE: Any change in the facts set forth below, whether before or after Service begins, must be promptly communicated to Caledonia Energy Partners, L.L.C. in writing.

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 a Service Agreement with Caledonia Energy Partners, L.L.C.)

Attention: _____ Telephone: _____

D.U.N.S. Number: _____

This request is for: (check one)

- _____ Firm Storage Service under Rate Schedule FSS
- _____ Advanced Interruptible Storage Service under Rate Schedule AISS
- _____ Interruptible Storage Service under Rate Schedule ISS
- _____ Interruptible Parking Service under Rate Schedule IPS
- _____ Advanced Interruptible Loan Service under Rate Schedule AILS
- _____ Interruptible Loan Service under Rate Schedule ILS

For requested Firm Storage Service:

Request Quantities

Maximum Storage Quantity (MSQ) _____

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

Transporter Name: _____

Receipt Point _____

Delivery Point _____

Rate Customer proposes to pay for Storage Service under Rate Schedule FSS:

Monthly Storage Reservation Charge _____
(\$/Dth of MSQ)

Term of Service: _____

Commencement Date: _____

Termination Date: _____

For requested Interruptible Storage Services:

Request Quantities

Maximum Storage Quantity (MSQ), Maximum Park Quantity (MPQ) or Maximum Loan Quantity (MLQ), as applicable _____

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

Maximum Storage Quantity (MSQ) _____

Receipt Point _____

Delivery Point _____

Transporter Name: _____

Rate Customer proposes to pay for Interruptible Services under Rate Schedules AISS, ISS, IPS, AILS, or ILS:

Charge for Interruptible storage, parking, loan, or balancing Service, as applicable _____

Term of Service: _____

Commencement Date: _____

Termination Date: _____

Is Customer affiliated with Caledonia Energy Partners, L.L.C.?

Yes _____ No _____

If yes, type of affiliation and the percentage of ownership between Caledonia and Customer:

Customer's address for statements and invoices:

Attention: _____ Telephone: _____

For all other matters:

Attention: _____ Telephone: _____

Acceptance of a Service request is contingent upon a satisfactory credit appraisal of Caledonia. Customer must provide evidence of creditworthiness as outlined in Section 6.4 of the General Terms and Conditions of Caledonia's currently effective FERC Gas Tariff.

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

THIS SERVICE REQUEST IS SUBMITTED THIS _____ DAY OF _____, _____.

By: _____

Title: _____

Telephone Number(s): _____

Customer/(Company Name) _____

**FORM OF
FIRM STORAGE SERVICE AGREEMENT
(For Use Under Rate Schedule FSS)**

Service Agreement between Caledonia Energy Partners, L.L.C. ("Caledonia") and Customer

Customer Full Legal Name _____ Agreement Date _____

Agreement Number _____

This Agreement is made between Caledonia and Customer, who hereby agree upon the terms of Caledonia's Services, at the rates and on the terms and conditions provided herein. This Agreement is subject to the terms of Caledonia's Gas Tariff, including without limitation, the applicable Rate Schedule, such Gas Tariff terms being incorporated herein by reference. In the event of a conflict between this Agreement and the Gas Tariff, the Gas Tariff will control. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's regulations.

1. SERVICE: Firm Storage Service under Rate Schedule FSS

2. TRANSACTION PERIOD: Beginning Date: 9:00 A.M. CT on _____
Ending Date: 9:00 A.M. CT on _____

3. QUANTITIES:

MDIQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MDWQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MSQ: _____ Dth

Caledonia is not obligated to Receive Gas for injection on an hourly basis, or tender Gas for withdrawal on an hourly basis, at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

4. SERVICE FEES:

Storage Reservation Charge (determined by MSQ): \$ _____/Dth/Month

Commodity Rate:

Storage Injection _____ per Dth, plus _____ percent per Dth for Fuel

Storage Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Injection _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Ratchet Levels: _____

Title Transfer Fee, if applicable _____

Customer agrees to pay Caledonia all charges as described in the Rate Schedule FSS, as specified in this Agreement.

5. POINT OF INJECTION / WITHDRAWAL: _____

6. SPECIAL TERMS AND CONDITIONS:

7. SECURITY INTEREST: IN ADDITION TO, AND NOT IN SUBSTITUTION FOR, ANY LIEN CREATED IN FAVOR OF CALEDONIA PURSUANT TO MISS. CODE ANN. § 75-7-209, OR ANY OTHER LAW, CUSTOMER GRANTS TO AND IN FAVOR OF CALEDONIA A SECURITY INTEREST IN CUSTOMER'S STORAGE INVENTORY (WHETHER DELIVERED TO CALEDONIA ON THE EFFECTIVE DATE HEREOF OR ANY DATE THEREAFTER) AND ALL PROCEEDS RELATED THERETO (INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS RELATED TO DAMAGE OR LOSS OF STORAGE INVENTORY) AS SECURITY FOR PAYMENT OF ALL FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, INTEREST ACCRUED UNDER THIS AGREEMENT AND REASONABLE ATTORNEYS' FEES AND EXPENSES THAT MAY BE INCURRED BY CALEDONIA TO PRESERVE OR PROTECT ITS INTERESTS UNDER THIS AGREEMENT OR IN DEFENSE OF THIRD-PARTY CLAIMS RELATED TO THE STORAGE INVENTORY). CUSTOMER AUTHORIZES CALEDONIA TO FILE SUCH FINANCING STATEMENTS AND OTHER INSTRUMENTS AS IT DEEMS NECESSARY TO PERFECT ITS SECURITY INTEREST IN SUCH GOOD AND PROCEEDS TO SECURE PAYMENT OF SUCH FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA. SUCH SECURITY INTEREST SHALL BE A FIRST PRIORITY SECURITY INTEREST AND CUSTOMER SHALL CAUSE ALL OTHER HOLDERS OF A SECURITY INTEREST IN SUCH STORAGE INVENTORY TO DELIVER TO CALEDONIA AN ACKNOWLEDGEMENT, RELEASE AND/OR SUBORDINATION AGREEMENT (SATISFACTORY TO CALEDONIA IN ITS REASONABLE DISCRETION) THAT CALEDONIA'S INTEREST IS OF FIRST PRIORITY. [AT THE TIME OF ENTERING INTO A SERVICE AGREEMENT, CALEDONIA RESERVES THE RIGHT, IN ITS REASONABLE DISCRETION, TO REMOVE OR REVISE THIS SECTION 7.]

8. OTHER: No assignment of the rights and obligations hereunder shall be effective unless effectuated in accordance with the terms of the Gas Tariff. This Agreement shall be binding upon and inure to the benefit of the respective authorized successors and assigns. No modification of this Agreement shall be effective until executed in writing by both Caledonia and Customer. This Agreement may be terminated only in accordance with the terms of the Gas Tariff. All indemnification obligations and assumptions of liability shall survive any termination of this Agreement. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF MISSISSIPPI, EXCLUDING CONFLICTS-OF-LAW RULES THAT MIGHT GIVE REFERENCE TO THE LAWS OF ANOTHER JURISDICTION.

9. PROCEDURES: If the foregoing accurately reflects Customer's understanding of the terms of the transaction agreed to by Customer and Caledonia, Customer shall sign and return this Agreement to Caledonia. If any changes are required to reflect Customer's understanding, Customer must notify Caledonia in writing of the changes required to reflect Customer's understanding. If Customer fails to notify Caledonia in writing of such changes, the terms herein shall, in accordance with Section 6.3.1 of the Gas Tariff, be deemed for all purposes to correctly set forth the terms of the transaction agreed to by Caledonia and Customer.

Sign and submit an electronic copy of this Agreement within 3 days to:

Caledonia Energy Partners, L.L.C.,
c/o Masoud Kasraian,
President & Chief Commercial Officer,

Enstor Gas, LLC
E-mail: masoud.kasraian@enstorinc.com

Nominations/ Notices hereunder via Caledonia website and phone:

Masoud Kasraian,
President & Chief Commercial Officer, Enstor Gas, LLC
Phone: (281) 374-3084

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____
Title: _____
Notice Address:
10375 Richmond Ave, Suite 1900
Houston, TX 77042

CUSTOMER: _____
By: _____
Name: _____
Title: _____
Notice Address:

**FORM OF
ADVANCED INTERRUPTIBLE STORAGE SERVICE AGREEMENT
(For Use Under Rate Schedule AISS)**

Service Agreement between Caledonia Energy Partners, L.L.C. ("Caledonia") and Customer

Customer Full Legal Name _____ Agreement Date _____

Agreement Number _____

This Agreement is made between Caledonia and Customer, who hereby agree upon the terms of Caledonia's Services, at the rates and on the terms and conditions provided herein. This Agreement is subject to the terms of Caledonia's Gas Tariff, including without limitation, the applicable Rate Schedule, such Gas Tariff terms being incorporated herein by reference. In the event of a conflict between this Agreement and the Gas Tariff, the Gas Tariff will control. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's regulations.

1. SERVICE: Advanced Interruptible Storage Service under Rate Schedule AISS

2. TRANSACTION PERIOD: Beginning Date: 9:00 A.M. CT on _____
Ending Date: 9:00 A.M. CT on _____

3. QUANTITIES:

MDIQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MDWQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MSQ: _____ Dth

Caledonia is not obligated to Receive Gas for injection on an hourly basis, or tender Gas for withdrawal on an hourly basis, at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

4. SERVICE FEES:

Storage Reservation Charge (determined by MSQ): \$ _____/Dth/Month

Commodity Rate:

Storage Injection _____ per Dth, plus _____ percent per Dth for Fuel

Storage Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Injection _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Ratchet Levels: _____

Title Transfer Fee, if applicable _____

Customer agrees to pay Caledonia all charges as described in the Rate Schedule AISS, as specified in this Agreement.

5. POINT OF INJECTION / WITHDRAWAL: _____

6. SPECIAL TERMS AND CONDITIONS:

7. SECURITY INTEREST: IN ADDITION TO, AND NOT IN SUBSTITUTION FOR, ANY LIEN CREATED IN FAVOR OF CALEDONIA PURSUANT TO MISS. CODE ANN. § 75-7-209, OR ANY OTHER LAW, CUSTOMER GRANTS TO AND IN FAVOR OF CALEDONIA A SECURITY INTEREST IN CUSTOMER'S STORAGE INVENTORY (WHETHER DELIVERED TO CALEDONIA ON THE EFFECTIVE DATE HEREOF OR ANY DATE THEREAFTER) AND ALL PROCEEDS RELATED THERETO (INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS RELATED TO DAMAGE OR LOSS OF STORAGE INVENTORY) AS SECURITY FOR PAYMENT OF ALL FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, INTEREST ACCRUED UNDER THIS AGREEMENT AND REASONABLE ATTORNEYS' FEES AND EXPENSES THAT MAY BE INCURRED BY CALEDONIA TO PRESERVE OR PROTECT ITS INTERESTS UNDER THIS AGREEMENT OR IN DEFENSE OF THIRD-PARTY CLAIMS RELATED TO THE STORAGE INVENTORY). CUSTOMER AUTHORIZES CALEDONIA TO FILE SUCH FINANCING STATEMENTS AND OTHER INSTRUMENTS AS IT DEEMS NECESSARY TO PERFECT ITS SECURITY INTEREST IN SUCH GOOD AND PROCEEDS TO SECURE PAYMENT OF SUCH FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA. SUCH SECURITY INTEREST SHALL BE A FIRST PRIORITY SECURITY INTEREST AND CUSTOMER SHALL CAUSE ALL OTHER HOLDERS OF A SECURITY INTEREST IN SUCH STORAGE INVENTORY TO DELIVER TO CALEDONIA AN ACKNOWLEDGEMENT, RELEASE AND/OR SUBORDINATION AGREEMENT (SATISFACTORY TO CALEDONIA IN ITS REASONABLE DISCRETION) THAT CALEDONIA'S INTEREST IS OF FIRST PRIORITY. [AT THE TIME OF ENTERING INTO A SERVICE AGREEMENT, CALEDONIA RESERVES THE RIGHT, IN ITS REASONABLE DISCRETION, TO REMOVE OR REVISE THIS SECTION 7.]

8. OTHER: No assignment of the rights and obligations hereunder shall be effective unless effectuated in accordance with the terms of the Gas Tariff. This Agreement shall be binding upon and inure to the benefit of the respective authorized successors and assigns. No modification of this Agreement shall be effective until executed in writing by both Caledonia and Customer. This Agreement may be terminated only in accordance with the terms of the Gas Tariff. All indemnification obligations and assumptions of liability shall survive any termination of this Agreement. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF MISSISSIPPI, EXCLUDING CONFLICTS-OF-LAW RULES THAT MIGHT GIVE REFERENCE TO THE LAWS OF ANOTHER JURISDICTION.

9. PROCEDURES: If the foregoing accurately reflects Customer's understanding of the terms of the transaction agreed to by Customer and Caledonia, Customer shall sign and return this Agreement to Caledonia. If any changes are required to reflect Customer's understanding, Customer must notify Caledonia in writing of the changes required to reflect Customer's understanding. If Customer fails to notify Caledonia in writing of such changes, the terms herein shall, in accordance with Section 6.3.1 of the Gas Tariff, be deemed for all purposes to correctly set forth the terms of the transaction agreed to by Caledonia and Customer.

Sign and submit an electronic copy of this Agreement within 3 days to:

Caledonia Energy Partners, L.L.C.,
c/o Masoud Kasraian,
President & Chief Commercial Officer, Enstor Gas, LLC
E-mail: masoud.kasraian@enstorinc.com

Nominations/ Notices hereunder via Caledonia website and phone:

Masoud Kasraian,
President & Chief Commercial Officer, Enstor Gas, LLC
Phone: (281) 374-3084

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____
Title: _____
Notice Address:
10375 Richmond Ave, Suite 1900
Houston, TX 77042

CUSTOMER: _____
By: _____
Name: _____
Title: _____
Notice Address:

**FORM OF
INTERRUPTIBLE STORAGE SERVICE AGREEMENT
(For Use Under Rate Schedule ISS)**

Service Agreement between Caledonia Energy Partners, L.L.C. ("Caledonia") and Customer

Customer Full Legal Name _____ Agreement Date _____

Agreement Number _____

This Agreement is made between Caledonia and Customer, who hereby agree upon the terms of Caledonia's Services, at the rates and on the terms and conditions provided herein. This Agreement is subject to the terms of Caledonia's Gas Tariff, including without limitation, the applicable Rate Schedule, such Gas Tariff terms being incorporated herein by reference. In the event of a conflict between this Agreement and the Gas Tariff, the Gas Tariff will control. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's regulations.

1. SERVICE: Interruptible Storage Service under Rate Schedule ISS

2. TRANSACTION PERIOD: Beginning Date: 9:00 A.M. CT on _____
Ending Date: 9:00 A.M. CT on _____

3. QUANTITIES:

MDIQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MDWQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MSQ: _____ Dth

Caledonia is not obligated to Receive Gas for injection on an hourly basis, or tender Gas for withdrawal on an hourly basis, at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

4. SERVICE FEES:

Storage Reservation Charge (determined by MSQ): \$ _____/Dth/Month

Commodity Rate:

Storage Injection _____ per Dth, plus _____ percent per Dth for Fuel

Storage Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Injection _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Ratchet Levels: _____

Title Transfer Fee, if applicable: _____

Customer agrees to pay Caledonia all charges as described in the Rate Schedule ISS, as specified in this Agreement.

5. POINT OF INJECTION / WITHDRAWAL: _____

6. SPECIAL TERMS AND CONDITIONS:

7 SECURITY INTEREST: IN ADDITION TO, AND NOT IN SUBSTITUTION FOR, ANY LIEN CREATED IN FAVOR OF CALEDONIA PURSUANT TO MISS. CODE ANN. § 75-7-209, OR ANY OTHER LAW, CUSTOMER GRANTS TO AND IN FAVOR OF CALEDONIA A SECURITY INTEREST IN CUSTOMER'S STORAGE INVENTORY (WHETHER DELIVERED TO CALEDONIA ON THE EFFECTIVE DATE HEREOF OR ANY DATE THEREAFTER) AND ALL PROCEEDS RELATED THERETO (INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS RELATED TO DAMAGE OR LOSS OF STORAGE INVENTORY) AS SECURITY FOR PAYMENT OF ALL FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, INTEREST ACCRUED UNDER THIS AGREEMENT AND REASONABLE ATTORNEYS' FEES AND EXPENSES THAT MAY BE INCURRED BY CALEDONIA TO PRESERVE OR PROTECT ITS INTERESTS UNDER THIS AGREEMENT OR IN DEFENSE OF THIRD-PARTY CLAIMS RELATED TO THE STORAGE INVENTORY). CUSTOMER AUTHORIZES CALEDONIA TO FILE SUCH FINANCING STATEMENTS AND OTHER INSTRUMENTS AS IT DEEMS NECESSARY TO PERFECT ITS SECURITY INTEREST IN SUCH GOOD AND PROCEEDS TO SECURE PAYMENT OF SUCH FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA. SUCH SECURITY INTEREST SHALL BE A FIRST PRIORITY SECURITY INTEREST AND CUSTOMER SHALL CAUSE ALL OTHER HOLDERS OF A SECURITY INTEREST IN SUCH STORAGE INVENTORY TO DELIVER TO CALEDONIA AN ACKNOWLEDGEMENT, RELEASE AND/OR SUBORDINATION AGREEMENT (SATISFACTORY TO CALEDONIA IN ITS REASONABLE DISCRETION) THAT CALEDONIA'S INTEREST IS OF FIRST PRIORITY. [AT THE TIME OF ENTERING INTO A SERVICE AGREEMENT, CALEDONIA RESERVES THE RIGHT, IN ITS REASONABLE DISCRETION, TO REMOVE OR REVISE THIS SECTION 7.]

8. OTHER: No assignment of the rights and obligations hereunder shall be effective unless effectuated in accordance with the terms of the Gas Tariff. This Agreement shall be binding upon and inure to the benefit of the respective authorized successors and assigns. No modification of this Agreement shall be effective until executed in writing by both Caledonia and Customer. This Agreement may be terminated only in accordance with the terms of the Gas Tariff. All indemnification obligations and assumptions of liability shall survive any termination of this Agreement. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF MISSISSIPPI, EXCLUDING CONFLICTS-OF-LAW RULES THAT MIGHT GIVE REFERENCE TO THE LAWS OF ANOTHER JURISDICTION.

9. PROCEDURES: If the foregoing accurately reflects Customer's understanding of the terms of the transaction agreed to by Customer and Caledonia, Customer shall sign and return this Agreement to Caledonia. If any changes are required to reflect Customer's understanding, Customer must notify Caledonia in writing of the changes required to reflect Customer's understanding. If Customer fails to notify Caledonia in writing of such changes, the terms herein shall, in accordance with Section 6.3.1 of the Gas Tariff, be deemed for all purposes to correctly set forth the terms of the transaction agreed to by Caledonia and Customer.

Sign and submit an electronic copy of this Agreement within 3 days to:

Caledonia Energy Partners, L.L.C.,
c/o Masoud Kasraian, President & Chief Commercial Officer, Enstor Gas,
LLC
E-mail: masoud.kasraian@enstorinc.com

Nominations/ Notices hereunder via Caledonia website and phone:

Masoud Kasraian,
President & Chief Commercial Officer, Enstor Gas, LLC
Phone: (281) 374-3084

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____
Title: _____
Notice Address:
10375 Richmond Ave, Suite 1900
Houston, TX 77042

CUSTOMER: _____
By: _____
Name: _____
Title: _____
Notice Address:

**FORM OF
INTERRUPTIBLE PARKING SERVICE AGREEMENT
(For Use Under Rate Schedule IPS)**

Service Agreement between Caledonia Energy Partners, L.L.C. ("Caledonia") and Customer

Customer Full Legal Name _____ Agreement Date _____

Agreement Number _____

This Agreement is made between Caledonia and Customer, who hereby agree upon the terms of Caledonia's Services, at the rates and on the terms and conditions provided herein. This Agreement is subject to the terms of Caledonia's Gas Tariff, including without limitation, the applicable Rate Schedule, such Gas Tariff terms being incorporated herein by reference. In the event of a conflict between this Agreement and the Gas Tariff, the Gas Tariff will control. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's regulations.

1. SERVICE: Interruptible Parking Service under Rate Schedule IPS

2. TRANSACTION PERIOD: Beginning Date: 9:00 A.M. CT on _____
Ending Date: 9:00 A.M. CT on _____

3. QUANTITIES:

MDIQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MDWQ: _____ Dth per Gas Day, Begin 9:00 A.M. CT on _____, End 9:00 A.M. CT on _____

MSQ: _____ Dth

Caledonia is not obligated to Receive Gas for injection on an hourly basis, or tender Gas for withdrawal on an hourly basis, at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

4. SERVICE FEES:

Storage Reservation Charge (determined by MSQ): \$ _____/Dth/Month

Commodity Rate:

Storage Injection _____ per Dth, plus _____ percent per Dth for Fuel

Storage Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Injection _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Ratchet Levels: _____

Title Transfer Fee, if applicable: _____

Customer agrees to pay Caledonia all charges as described in the Rate Schedule IPS, as specified in this Agreement.

5. POINT OF INJECTION / WITHDRAWAL: _____

6. SPECIAL TERMS AND CONDITIONS:

7. SECURITY INTEREST: IN ADDITION TO, AND NOT IN SUBSTITUTION FOR, ANY LIEN CREATED IN FAVOR OF CALEDONIA PURSUANT TO MISS. CODE ANN. § 75-7-209, OR ANY OTHER LAW, CUSTOMER GRANTS TO AND IN FAVOR OF CALEDONIA A SECURITY INTEREST IN CUSTOMER'S STORAGE INVENTORY (WHETHER DELIVERED TO CALEDONIA ON THE EFFECTIVE DATE HEREOF OR ANY DATE THEREAFTER) AND ALL PROCEEDS RELATED THERETO (INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS RELATED TO DAMAGE OR LOSS OF STORAGE INVENTORY) AS SECURITY FOR PAYMENT OF ALL FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, INTEREST ACCRUED UNDER THIS AGREEMENT AND REASONABLE ATTORNEYS' FEES AND EXPENSES THAT MAY BE INCURRED BY CALEDONIA TO PRESERVE OR PROTECT ITS INTERESTS UNDER THIS AGREEMENT OR IN DEFENSE OF THIRD-PARTY CLAIMS RELATED TO THE STORAGE INVENTORY). CUSTOMER AUTHORIZES CALEDONIA TO FILE SUCH FINANCING STATEMENTS AND OTHER INSTRUMENTS AS IT DEEMS NECESSARY TO PERFECT ITS SECURITY INTEREST IN SUCH GOOD AND PROCEEDS TO SECURE PAYMENT OF SUCH FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA. SUCH SECURITY INTEREST SHALL BE A FIRST PRIORITY SECURITY INTEREST AND CUSTOMER SHALL CAUSE ALL OTHER HOLDERS OF A SECURITY INTEREST IN SUCH STORAGE INVENTORY TO DELIVER TO CALEDONIA AN ACKNOWLEDGEMENT, RELEASE AND/OR SUBORDINATION AGREEMENT (SATISFACTORY TO CALEDONIA IN ITS REASONABLE DISCRETION) THAT CALEDONIA'S INTEREST IS OF FIRST PRIORITY. [AT THE TIME OF ENTERING INTO A SERVICE AGREEMENT, CALEDONIA RESERVES THE RIGHT, IN ITS REASONABLE DISCRETION, TO REMOVE OR REVISE THIS SECTION 7.]

8. OTHER: No assignment of the rights and obligations hereunder shall be effective unless effectuated in accordance with the terms of the Gas Tariff. This Agreement shall be binding upon and inure to the benefit of the respective authorized successors and assigns. No modification of this Agreement shall be effective until executed in writing by both Caledonia and Customer. This Agreement may be terminated only in accordance with the terms of the Gas Tariff. All indemnification obligations and assumptions of liability shall survive any termination of this Agreement. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF MISSISSIPPI, EXCLUDING CONFLICTS-OF-LAW RULES THAT MIGHT GIVE REFERENCE TO THE LAWS OF ANOTHER JURISDICTION.

9. PROCEDURES: If the foregoing accurately reflects Customer's understanding of the terms of the transaction agreed to by Customer and Caledonia, Customer shall sign and return this Agreement to Caledonia. If any changes are required to reflect Customer's understanding, Customer must notify Caledonia in writing of the changes required to reflect Customer's understanding. If Customer fails to notify Caledonia in writing of such changes, the terms herein shall, in accordance with Section 6.3.1 of the Gas Tariff, be deemed for all purposes to correctly set forth the terms of the transaction agreed to by Caledonia and Customer.

Sign and submit an electronic copy of this Agreement within 3 days to:

Caledonia Energy Partners, L.L.C.,
c/o Masoud Kasraian, President & Chief Commercial Officer, Enstor Gas,
LLC
E-mail: masoud.kasraian@enstorinc.com

Nominations/ Notices hereunder via Caledonia website and phone:

Masoud Kasraian,
President & Chief Commercial Officer, Enstor Gas, LLC
Phone: (281) 374-3084

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____
Title: _____
Notice Address:
10375 Richmond Ave, Suite 1900
Houston, TX 77042

CUSTOMER: _____
By: _____
Name: _____
Title: _____
Notice Address:

**FORM OF
ADVANCED INTERRUPTIBLE LOAN SERVICE AGREEMENT
(For Use Under Rate Schedule AILS)**

Service Agreement between Caledonia Energy Partners, L.L.C. ("Caledonia") and Customer

Customer Full Legal Name _____ Agreement Date _____

Agreement Number _____

This Agreement is made between Caledonia and Customer, who hereby agree upon the terms of Caledonia's Services, at the rates and on the terms and conditions provided herein. This Agreement is subject to the terms of Caledonia's Gas Tariff, including without limitation, the applicable Rate Schedule, such Gas Tariff terms being incorporated herein by reference. In the event of a conflict between this Agreement and the Gas Tariff, the Gas Tariff will control. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's regulations.

1. SERVICE: Advanced Interruptible Loan Service under Rate Schedule AILS

2. TRANSACTION PERIOD: Beginning Date: 9:00 A.M. CT on _____
Ending Date: 9:00 A.M. CT on _____

3. QUANTITIES:

MDIQ: ___ Dth per Gas Day, Begin 9:00 A.M. CT on ____, End 9:00 A.M. CT on ____

MDWQ: ___ Dth per Gas Day, Begin 9:00 A.M. CT on ____, End 9:00 A.M. CT on ____

MSQ: _____ Dth

Caledonia is not obligated to Receive Gas for injection on an hourly basis, or tender Gas for withdrawal on an hourly basis, at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

4. SERVICE FEES:

Storage Reservation Charge (determined by MSQ): \$ _____/Dth/Month

Commodity Rate:

Storage Injection _____ per Dth, plus _____ percent per Dth for Fuel

Storage Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Injection _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Ratchet Levels: _____

Title Transfer Fee, if applicable: _____

Customer agrees to pay Caledonia all charges as described in the AILS Rate Schedule, as specified in this Agreement.

5. POINT OF INJECTION / WITHDRAWAL: _____

6. SPECIAL TERMS AND CONDITIONS:

7 SECURITY INTEREST: IN ADDITION TO, AND NOT IN SUBSTITUTION FOR, ANY LIEN CREATED IN FAVOR OF CALEDONIA PURSUANT TO MISS. CODE ANN. § 75-7-209, OR ANY OTHER LAW, CUSTOMER GRANTS TO AND IN FAVOR OF CALEDONIA A SECURITY INTEREST IN CUSTOMER'S STORAGE INVENTORY (WHETHER DELIVERED TO CALEDONIA ON THE EFFECTIVE DATE HEREOF OR ANY DATE THEREAFTER) AND ALL PROCEEDS RELATED THERETO (INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS RELATED TO DAMAGE OR LOSS OF STORAGE INVENTORY) AS SECURITY FOR PAYMENT OF ALL FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, INTEREST ACCRUED UNDER THIS AGREEMENT AND REASONABLE ATTORNEYS' FEES AND EXPENSES THAT MAY BE INCURRED BY CALEDONIA TO PRESERVE OR PROTECT ITS INTERESTS UNDER THIS AGREEMENT OR IN DEFENSE OF THIRD-PARTY CLAIMS RELATED TO THE STORAGE INVENTORY). CUSTOMER AUTHORIZES CALEDONIA TO FILE SUCH FINANCING STATEMENTS AND OTHER INSTRUMENTS AS IT DEEMS NECESSARY TO PERFECT ITS SECURITY INTEREST IN SUCH GOOD AND PROCEEDS TO SECURE PAYMENT OF SUCH FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA. SUCH SECURITY INTEREST SHALL BE A FIRST PRIORITY SECURITY INTEREST AND CUSTOMER SHALL CAUSE ALL OTHER HOLDERS OF A SECURITY INTEREST IN SUCH STORAGE INVENTORY TO DELIVER TO CALEDONIA AN ACKNOWLEDGEMENT, RELEASE AND/OR SUBORDINATION AGREEMENT (SATISFACTORY TO CALEDONIA IN ITS REASONABLE DISCRETION) THAT CALEDONIA'S INTEREST IS OF FIRST PRIORITY. [AT THE TIME OF ENTERING INTO A SERVICE AGREEMENT, CALEDONIA RESERVES THE RIGHT, IN ITS REASONABLE DISCRETION, TO REMOVE OR REVISE THIS SECTION 7.]

8. OTHER: No assignment of the rights and obligations hereunder shall be effective unless effectuated in accordance with the terms of the Gas Tariff. This Agreement shall be binding upon and inure to the benefit of the respective authorized successors and assigns. No modification of this Agreement shall be effective until executed in writing by both Caledonia and Customer. This Agreement may be terminated only in accordance with the terms of the Gas Tariff. All indemnification obligations and assumptions of liability shall survive any termination of this Agreement. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF MISSISSIPPI, EXCLUDING CONFLICTS-OF-LAW RULES THAT MIGHT GIVE REFERENCE TO THE LAWS OF ANOTHER JURISDICTION.

9. PROCEDURES: If the foregoing accurately reflects Customer's understanding of the terms of the transaction agreed to by Customer and Caledonia, Customer shall sign and return this Agreement to Caledonia. If any changes are required to reflect Customer's understanding, Customer must notify Caledonia in writing of the changes required to reflect Customer's understanding. If Customer fails to notify Caledonia in writing of such changes, the terms herein shall, in accordance with Section 6.3.1 of the Gas Tariff, be deemed for all purposes to correctly set forth the terms of the transaction agreed to by Caledonia and Customer.

Sign and submit an electronic copy of this Agreement within 3 days to:

Caledonia Energy Partners, L.L.C.,
c/o Masoud Kasraian, President & Chief Commercial Officer, Enstor Gas,
LLC
E-mail: masoud.kasraian@enstorinc.com

Nominations/ Notices hereunder via Caledonia website and phone:

Masoud Kasraian,
President & Chief Commercial Officer, Enstor Gas, LLC
Phone: (281) 374-3084

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____
Title: _____
Notice Address:
10375 Richmond Ave, Suite 1900
Houston, TX 77042

CUSTOMER: _____
By: _____
Name: _____
Title: _____
Notice Address:

**FORM OF
INTERRUPTIBLE LOAN SERVICE AGREEMENT
(For Use Under Rate Schedule ILS)**

Service Agreement between Caledonia Energy Partners, L.L.C. ("Caledonia") and Customer

Customer Full Legal Name _____ Agreement Date _____

Agreement Number _____

This Agreement is made between Caledonia and Customer, who hereby agree upon the terms of Caledonia's services, at the rates and on the terms and conditions provided herein. This Agreement is subject to the terms of Caledonia's Gas Tariff, including without limitation, the applicable Rate Schedule, such Gas Tariff terms being incorporated herein by reference. In the event of a conflict between this Agreement and the Gas Tariff, the Gas Tariff will control. In the event of a conflict between this Agreement and the Gas Tariff, the Tariff will control. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission's regulations.

1. SERVICE: Interruptible Loan Service under Rate Schedule ILS

2. TRANSACTION PERIOD: Beginning Date: 9:00 A.M. CT on _____
Ending Date: 9:00 A.M. CT on _____

3. QUANTITIES:

MDIQ: ___ Dth per Gas Day, Begin 9:00 A.M. CT on ____, End 9:00 A.M. CT on _____

MDWQ: ___ Dth per Gas Day, Begin 9:00 A.M. CT on ____, End 9:00 A.M. CT on _____

MSQ: _____ Dth

Caledonia is not obligated to Receive Gas for injection on an hourly basis, or tender Gas for withdrawal on an hourly basis, at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

4. SERVICE FEES:

Storage Reservation Charge (determined by MSQ): \$ _____/Dth/Month

Commodity Rate:

Storage Injection _____ per Dth, plus _____ percent per Dth for Fuel

Storage Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Injection _____ per Dth, plus _____ percent per Dth for Fuel

Overrun Withdrawal _____ per Dth, plus _____ percent per Dth for Fuel

Ratchet Levels: _____

Title Transfer Fee, if applicable _____

Customer agrees to pay Caledonia all charges as described in the Rate Schedule ILS, as specified in this Agreement.

5. POINT OF INJECTION / WITHDRAWAL: _____

6. SPECIAL TERMS AND CONDITIONS:

7. SECURITY INTEREST: IN ADDITION TO, AND NOT IN SUBSTITUTION FOR, ANY LIEN CREATED IN FAVOR OF CALEDONIA PURSUANT TO MISS. CODE ANN. § 75-7-209, OR ANY OTHER LAW, CUSTOMER GRANTS TO AND IN FAVOR OF CALEDONIA A SECURITY INTEREST IN CUSTOMER'S STORAGE INVENTORY (WHETHER DELIVERED TO CALEDONIA ON THE EFFECTIVE DATE HEREOF OR ANY DATE THEREAFTER) AND ALL PROCEEDS RELATED THERETO (INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS RELATED TO DAMAGE OR LOSS OF STORAGE INVENTORY) AS SECURITY FOR PAYMENT OF ALL FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, INTEREST ACCRUED UNDER THIS AGREEMENT AND REASONABLE ATTORNEYS' FEES AND EXPENSES THAT MAY BE INCURRED BY CALEDONIA TO PRESERVE OR PROTECT ITS INTERESTS UNDER THIS AGREEMENT OR IN DEFENSE OF THIRD-PARTY CLAIMS RELATED TO THE STORAGE INVENTORY). CUSTOMER AUTHORIZES CALEDONIA TO FILE SUCH FINANCING STATEMENTS AND OTHER INSTRUMENTS AS IT DEEMS NECESSARY TO PERFECT ITS SECURITY INTEREST IN SUCH GOOD AND PROCEEDS TO SECURE PAYMENT OF SUCH FEES AND OTHER AMOUNTS OWED BY CUSTOMER TO CALEDONIA. SUCH SECURITY INTEREST SHALL BE A FIRST PRIORITY SECURITY INTEREST AND CUSTOMER SHALL CAUSE ALL OTHER HOLDERS OF A SECURITY INTEREST IN SUCH STORAGE INVENTORY TO DELIVER TO CALEDONIA AN ACKNOWLEDGEMENT, RELEASE AND/OR SUBORDINATION AGREEMENT (SATISFACTORY TO CALEDONIA IN ITS REASONABLE DISCRETION) THAT CALEDONIA'S INTEREST IS OF FIRST PRIORITY. [AT THE TIME OF ENTERING INTO A SERVICE AGREEMENT, CALEDONIA RESERVES THE RIGHT, IN ITS REASONABLE DISCRETION, TO REMOVE OR REVISE THIS SECTION 7.]

8. OTHER: No assignment of the rights and obligations hereunder shall be effective unless effectuated in accordance with the terms of the Gas Tariff. This Agreement shall be binding upon and inure to the benefit of the respective authorized successors and assigns. No modification of this Agreement shall be effective until executed in writing by both Caledonia and Customer. This Agreement may be terminated only in accordance with the terms of the Gas Tariff. All indemnification obligations and assumptions of liability shall survive any termination of this Agreement. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF MISSISSIPPI, EXCLUDING CONFLICTS-OF-LAW RULES THAT MIGHT GIVE REFERENCE TO THE LAWS OF ANOTHER JURISDICTION.

9. PROCEDURES: If the foregoing accurately reflects Customer's understanding of the terms of the transaction agreed to by Customer and Caledonia, Customer shall sign and return this Agreement to Caledonia. If any changes are required to reflect Customer's understanding, Customer must notify Caledonia in writing of the changes required to reflect Customer's understanding. If Customer fails to notify Caledonia in writing of such changes, the terms herein shall, in accordance with Section 6.3.1 of the Gas Tariff, be deemed for all purposes to correctly set forth the terms of the transaction agreed to by Caledonia and Customer.

Sign and submit an electronic copy of this Agreement within 3 days to:

Caledonia Energy Partners, L.L.C.,
c/o Masoud Kasraian, President & Chief Commercial Officer, Enstor Gas,
LLC
E-mail: masoud.kasraian@enstorinc.com

Nominations/ Notices hereunder via Caledonia website and phone:

Masoud Kasraian,
President & Chief Commercial Officer, Enstor Gas, LLC
Phone: (281) 374-3084

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____
Title: _____
Notice Address:
10375 Richmond Ave, Suite 1900
Houston, TX 77042

CUSTOMER: _____
By: _____
Name: _____
Title: _____
Notice Address:

**CAPACITY RELEASE UMBRELLA AGREEMENT
UNDER RATE SCHEDULE FSS**

This Capacity Release Umbrella Agreement, is made and entered into this ____ day of _____, 20__ ("Effective Date"), by and between _____, a _____ ("Replacement Customer") and CALEDONIA ENERGY PARTNERS, L.L.C., an Delaware limited liability company ("Caledonia"). Caledonia and Replacement Customer shall collectively be referred to herein as the "Parties" or individually as a Party.

WHEREAS, subject to the terms and conditions of Caledonia's Gas Tariff on file with the Federal Energy Regulatory Commission ("Commission"), Replacement Customer will receive rights under this contract as assignment from a Releasing Customer, under Releasing Customer's FSS Service Agreement with Caledonia, with such Releasing Customer and FSS Service Agreement number being identified in the applicable Exhibit A Confirmation.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Customer and Caledonia agree as follows:

SECTION I - SCOPE OF AGREEMENT

Subject to the terms and conditions hereof, and contingent upon Replacement Customer meeting all the requirements of a Qualified Customer as defined in the General Terms and Conditions of Caledonia's Gas Tariff, Replacement Customer may bid from time to time on proposed capacity releases under Rate Schedule FSS pursuant to the procedures set forth in Section 5 of Caledonia's General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by Caledonia with respect to a given capacity release, such bid and acceptance will be deemed a binding agreement as of the time of such acceptance, the Replacement Customer shall be considered for all purposes as the Customer with respect to the released service, and the Parties will promptly finalize the appropriate Exhibit A Confirmation to this Capacity Release Umbrella Agreement, in substantially the format attached hereto. The Parties agree that each such Exhibit A Confirmation is an integral part of this Capacity Release Umbrella Agreement and the terms thereof are incorporated herein.

Upon the finalization of an Exhibit A Confirmation, subject to the terms and conditions hereof and of Caledonia's Gas Tariff and Rate Schedule FSS, Caledonia agrees to provide the released Service for Replacement Customer, provided, however, the Replacement Customer met all requirements to be a Qualified Customer at the time it submitted the bid Caledonia accepted with respect to such release.

Replacement Customer agrees to promptly provide any information necessary for Caledonia to reevaluate Caledonia's credit appraisal as contemplated by Section 6.3 of Caledonia's General Terms and Conditions and to advise Caledonia of any material change in the information previously provided by the Replacement Customer to Caledonia.

SECTION II - TERM OF AGREEMENT

This Agreement shall be effective on the Effective Date and shall remain in force and effect until terminated (a) in accordance with the terms

of Caledonia's FERC Gas Tariff; or (b) by either Party providing at least sixty (60) days' prior written notice thereof to the other Party; provided, however, that if outstanding obligations exist between the Parties, this Agreement will continue for such period of time as is required to conclude the performance of such obligations; provided, however, that all indemnification obligations shall survive any termination of this Agreement. If Caledonia determines at any time that Replacement Customer fails to meet Caledonia's creditworthiness requirements, Caledonia may suspend Service and terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto in accordance with Section 6.3 of the General Terms and Conditions of its FERC Gas Tariff.

SECTION 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 Service Agreement and the terms and conditions for Rate Schedule FSS, by finalization of a copy of an Exhibit A Confirmation attached hereto and fully incorporated herein as a part of this Capacity Release Umbrella Agreement.

Replacement Customer agrees that Caledonia 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. Caledonia 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.

SECTION IV - ADDRESSES

Except as herein otherwise provided or as provided for in the General Terms and Conditions of Caledonia's Gas Tariff, any notice provided for in this Capacity Release Umbrella Agreement, or any notice which either 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 Party hereto, as the case may be, as follows:

Caledonia Energy Partners, L.L.C.
10375 Richmond Ave, Suite 1900
Houston, TX 77042
Attn: Masoud Kasraian, President & Chief Commercial Officer, Enstor
Gas, LLC

Replacement Customer:

or such other address as either Party shall designate by formal written notice.

SECTION 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.

The 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.

**SECTION 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 Exhibit A Confirmation to this Capacity Release Umbrella Agreement. If Replacement Customer fails to timely pay Caledonia or otherwise breaches this Capacity Release Umbrella Agreement with Caledonia: (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 6.4 of the General Terms and Conditions and except with respect to penalties attributable to Replacement Customer's conduct) shall be liable to Caledonia for such failure to pay or breach (it being understood that nothing in this Capacity Release Umbrella Agreement relieves Releasing Customer from responsibility to pay Caledonia in accordance with its Service Agreement(s) with Caledonia) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay Caledonia or otherwise perform, Releasing Customer may have a cause of action for breach against Replacement Customer.

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, effective as of the Effective Date.

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____

Title: _____

REPLACEMENT CUSTOMER

By: _____

Title: _____

Date: _____

ADDENDUM

under that certain Capacity Release Umbrella Agreement under Rate Schedule FSS between Caledonia Energy Partners, L.L.C. ("Caledonia") And Replacement Customer

Deal No.: _____
Contract No.: _____
Capacity Release Umbrella Agreement No.: _____
Addendum No.: _____
Capacity Release Rate Schedule _____

Replacement Customer: _____

Releasing Customer: _____

Releasing Customer's Exhibit A Confirmation 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): _____ (Dth)

Maximum Daily Injection Quantity (MDIQ): _____ (Dth)

Maximum Daily Withdrawal Qty (MDWQ): _____ (Dth)

Ratchet Levels:

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):

Was Caledonia's 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)

SECURITY INTEREST: In addition to, and not in substitution for, any lien created in favor of Caledonia pursuant to Miss. Code Ann. § 75-7-209, or any other law, Replacement Customer grants to and in favor of Caledonia a security interest in Replacement Customer's storage Inventory (whether Delivered to Caledonia on the effective date hereof or any date thereafter) and all proceeds related thereto (including, without limitation, insurance proceeds related to damage or loss of storage inventory) as security for payment of all fees and other amounts owed by Replacement Customer to Caledonia in connection with this Agreement (including, without limitation, interest accrued under this agreement and reasonable attorneys' fees and expenses that may be incurred by Caledonia to preserve or protect its interests under this Agreement or in defense of third-party claims related to the Storage Inventory). Customer authorizes Caledonia to file such financing statements and other instruments as it deems necessary to perfect its security interest in such good and proceeds to secure payment of such fees and other amounts owed by Customer to Caledonia. Such security interest shall be a first priority security interest and Replacement Customer shall cause all other holders of a security interest in such storage Inventory to deliver to Caledonia an acknowledgement, release and/or subordination agreement (satisfactory to Caledonia in its reasonable discretion) that Caledonia's interest is of first priority. [At the time of the entering into a Service Agreement, Caledonia reserves the right, in its reasonable discretion to remove or revise this Section 7.]

This Addendum entered into, pursuant to Caledonia's capacity release program and to the executed Capacity Release Umbrella Agreement between Caledonia and the Replacement Customer, is hereby made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.

CALEDONIA ENERGY PARTNERS, L.L.C.

By: Enstor Gas, LLC, its Manager

By: _____

Title: _____

REPLACEMENT CUSTOMER

By: _____

Title: _____

Date: _____

INDEX OF CUSTOMERS

In accordance with Section 284.13(c) of the Commission's regulations, Caledonia maintains an index of Firm Storage Service Customers on its Internet Web Site in a downloadable format.