

**EXHIBIT Z-1**

**LA Storage, LLC**  
***Pro Forma* Tariff**

LA Storage, LLC  
FERC Gas Tariff  
Volume No. 1

FERC GAS TARIFF

ORIGINAL VOLUME NO. 1

of

LA STORAGE, LLC

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

Communications regarding this Tariff  
should be addressed to:

LA STORAGE, LLC  
Attention: Jerrod L. Harrison  
Assistant General Counsel  
488 8th Avenue  
San Diego, CA 92101  
Telephone: (619) 699-2987  
Email: [jharrison@sempraglobal.com](mailto:jharrison@sempraglobal.com)

TABLE OF CONTENTS  
ORIGINAL VOLUME NO. 1

|                                                                            | SECTION |
|----------------------------------------------------------------------------|---------|
| TABLE OF CONTENTS                                                          | 1.0     |
| PRELIMINARY STATEMENT                                                      | 2.0     |
| MAP OF SYSTEM                                                              | 3.0     |
| STATEMENT OF CURRENTLY EFFECTIVE RATES                                     | 4.0     |
| 4.1    RATE STATEMENT – ALL SERVICES                                       |         |
| 4.2    RESERVED                                                            |         |
| 4.3    LIST OF NON-CONFORMING SERVICE AGREEMENTS                           |         |
| 4.4    RATE SCHEDULE FSS – FIRM STORAGE SERVICE                            |         |
| 4.5    RATE SCHEDULE NNSS – NO-NOTICE STORAGE SERVICE                      |         |
| 4.6    RATE SCHEDULE FW – FIRM WHEELING SERVICE                            |         |
| 4.7    RATE SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE                   |         |
| 4.8    RATE SCHEDULE IP – INTERRUPTIBLE PARKING SERVICE                    |         |
| 4.9    RATE SCHEDULE IW – INTERRUPTIBLE WHEELING SERVICE                   |         |
| 4.10   RATE SCHEDULE IL – INTERRUPTIBLE LOAN SERVICE                       |         |
| 4.11   RATE SCHEDULE IBT – INTERRUPTIBLE IMBALANCE TRADING<br>SERVICE      |         |
| 4.12   RATE SCHEDULE IB – INTERRUPTIBLE BALANCING SERVICE                  |         |
| GENERAL TERMS AND CONDITIONS                                               | 5.0     |
| 5.1    INTRODUCTORY STATEMENT                                              |         |
| 5.2    DEFINITIONS                                                         |         |
| 5.3    REQUEST FOR SERVICE                                                 |         |
| 5.4    CAPACITY RELEASE                                                    |         |
| 5.5    PRIORITY, INTERRUPTION OF SERVICE AND OPERATIONAL FLOW<br>ORDERS    |         |
| 5.6    RATE AND TARIFF CHANGES AND DESCRIPTIVE HEADINGS                    |         |
| 5.7    STORAGE AND WHEELING OPERATIONS                                     |         |
| 5.8    NOMINATIONS AND SCHEDULING AND HOURLY FLOW RATE AND<br>FLOW CONTROL |         |
| 5.9    POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY                        |         |
| 5.10   QUALITY                                                             |         |
| 5.11   PRESSURE AND RECEIPT/DELIVERY RATES                                 |         |
| 5.12   TITLE AND RISK OF LOSS                                              |         |
| 5.13   MEASUREMENT AND MEASUREMENT EQUIPMENT                               |         |

|      |                                                                                                                                                               |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.14 | BILLINGS AND PAYMENTS                                                                                                                                         |
| 5.15 | TAXES                                                                                                                                                         |
| 5.16 | INSURANCE                                                                                                                                                     |
| 5.17 | FORCE MAJEURE                                                                                                                                                 |
| 5.18 | NOTICES                                                                                                                                                       |
| 5.19 | FUEL REIMBURSEMENT                                                                                                                                            |
| 5.20 | GAS TITLE TRANSFERS                                                                                                                                           |
| 5.21 | PENALTIES                                                                                                                                                     |
| 5.22 | TRANSMISSION PROVIDER STANDARDS OF CONDUCT                                                                                                                    |
| 5.23 | FORM OF SERVICE REQUEST                                                                                                                                       |
| 5.24 | NORTH AMERICAN ENERGY STANDARDS BOARD                                                                                                                         |
| 5.25 | JOINT OBLIGATIONS                                                                                                                                             |
| 5.26 | DISCRETIONARY WAIVER                                                                                                                                          |
| 5.27 | MODIFICATION                                                                                                                                                  |
| 5.28 | SUCCESSORS IN INTEREST                                                                                                                                        |
| 5.29 | DEFAULT AND TERMINATION                                                                                                                                       |
| 5.30 | POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF NEW FACILITIES                                                                                                |
| 5.31 | OFF-SYSTEM CAPACITY                                                                                                                                           |
| 5.32 | CREDITWORTHINESS – FINANCIAL ASSURANCES                                                                                                                       |
| 5.33 | DISPOSITION OF RETAINED QUANTITIES                                                                                                                            |
| 5.34 | CONFIDENTIALITY                                                                                                                                               |
| 5.35 | OPERATIONAL TRANSACTIONS                                                                                                                                      |
| 5.36 | RESERVED                                                                                                                                                      |
| 5.37 | RESERVED                                                                                                                                                      |
| 5.38 | OPERATIONAL BALANCING AGREEMENTS, DETERMINATION OF RECEIPTS AND DELIVERIES, ALLOWABLE DAILY DISPATCHING VARIATION, OVERRUN PENALTIES AND SCHEDULING PENALTIES |
| 5.39 | RESOLUTION OF IMBALANCES AND CASHOUT PROVISION                                                                                                                |
| 5.40 | PENALTY REVENUE SHARING                                                                                                                                       |
| 5.41 | GOVERNMENT REGULATION                                                                                                                                         |
| 5.42 | AGENCY SERVICE                                                                                                                                                |
| 5.43 | ELECTRONIC COMMUNICATION AND REPORTING REQUIREMENTS                                                                                                           |
| 5.44 | DISPUTE RESOLUTION                                                                                                                                            |

SERVICE AGREEMENT FORMS

6.0

|     |                                                                                      |
|-----|--------------------------------------------------------------------------------------|
| 6.1 | FIRM STORAGE SERVICE AGREEMENT                                                       |
| 6.2 | NO-NOTICE STORAGE SERVICE AGREEMENT                                                  |
| 6.3 | FIRM WHEELING SERVICE AGREEMENT                                                      |
| 6.4 | INTERRUPTIBLE STORAGE SERVICE AGREEMENT                                              |
| 6.5 | HUB SERVICES SERVICE AGREEMENT (FOR USE UNDER RATE SCHEDULES IP, IW, IL, IBT AND IB) |
| 6.6 | CAPACITY RELEASE UMBRELLA AGREEMENT                                                  |

## 2.0 PRELIMINARY STATEMENT

This Original Volume No. 1 of the FERC Gas Tariff of LA Storage, LLC (“LA Storage”) contains the Rate Statements, Rate Schedules and General Terms and Conditions applicable to open- access storage, parking, wheeling, loaning, imbalance trading and balancing services performed by LA Storage through use of its facilities located in Calcasieu and Cameron Parishes, Louisiana, pursuant to Rate Schedules FSS, NNSS, FW, ISS, IP, IW, IL, IBT and IB.

LA Storage has Federal Energy Regulatory Commission (“FERC”) authorization to charge and collect market-based rates for all of the services it performs. These market-based rates will cover all storage and wheeling services LA Storage renders.

LA Storage is a limited liability company principally engaged in the business of storing natural gas in interstate commerce and providing Hub Services subject to the jurisdiction of FERC.

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 LA Storage’s Customers. Any party interested in providing imbalance management services must coordinate with LA Storage.

### 3.0 MAP OF SYSTEM

The System Map for LA Storage can be found at the following internet website address, or Uniform Resource Locator (“URL”):

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

#### 4.0 STATEMENT OF CURRENTLY EFFECTIVE RATES

#### 4.1 RATE STATEMENT FOR ALL SERVICES

##### **RATE SCHEDULE FSS:**

|                                      | RATE                        | UNITS               |
|--------------------------------------|-----------------------------|---------------------|
| Firm Storage Reservation Charge      | Market Based/<br>Negotiable | \$/Dth/Month        |
| Firm Injection Reservation Charge    | Market Based/<br>Negotiable | \$/Dth/Month        |
| Firm Withdrawal Reservation Charge   | Market Based/<br>Negotiable | \$/Dth/Month        |
| Firm Storage Injection Charge        | Market Based/<br>Negotiable | \$/Dth              |
| Firm Storage Withdrawal Charge       | Market Based/<br>Negotiable | \$/Dth              |
| Authorized Injection Overrun Charge  | Market Based/<br>Negotiable | \$/Dth              |
| Authorized Withdrawal Overrun Charge | Market Based/<br>Negotiable | \$/Dth              |
| Fuel Reimbursement                   | Market Based/ Negotiable    | \$/Dth or in-kind % |

In addition to the charges specified above, Customer shall pay all applicable taxes and charges set forth in the General Terms and Conditions of LA Storage's Tariff and Customer's FSSA and all applicable surcharges, including, but not limited to, ACA charges.

**RATE SCHEDULE NNSS:**

|                                         | RATE                        | UNITS               |
|-----------------------------------------|-----------------------------|---------------------|
| No-Notice Storage<br>Reservation Charge | Market Based/<br>Negotiable | \$/Dth/Month        |
| No-Notice Storage Injection<br>Charge   | Market Based/<br>Negotiable | \$/Dth              |
| No-Notice Storage Withdrawal<br>Charge  | Market Based/<br>Negotiable | \$/Dth              |
| Authorized Injection<br>Overrun Charge  | Market Based/<br>Negotiable | \$/Dth              |
| Authorized Withdrawal<br>Overrun Charge | Market Based/<br>Negotiable | \$/Dth              |
| Fuel Reimbursement                      | Market Based/ Negotiable    | \$/Dth or in-kind % |

In addition to the charges specified above, Customer shall pay all applicable taxes and charges set forth in the GT&C(s), Customer's NNSSA and all applicable surcharges, including, but not limited to, ACA charges.

**RATE SCHEDULE FW:**

|                                  | RATE                     | UNITS                   |
|----------------------------------|--------------------------|-------------------------|
| Firm Wheeling Reservation Charge | Market Based/ Negotiable | \$/Dth/Day              |
| Firm Wheeling Charge             | Market Based/ Negotiable | \$/Dth                  |
| Fuel Reimbursement               | Market Based/ Negotiable | \$/Dth and/or in-kind % |

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

**RATE SCHEDULE ISS:**

|                                            | RATE                            | UNITS                 |
|--------------------------------------------|---------------------------------|-----------------------|
| Interruptible Storage<br>Inventory Charge  | Market Based/<br>Negotiable     | \$/Dth                |
| Interruptible Storage<br>Injection Charge  | Market Based/<br>Negotiable     | \$/Dth                |
| Interruptible Storage<br>Withdrawal Charge | Market Based/<br>Negotiable     | \$/Dth                |
| Fuel Reimbursement<br>%                    | Market Based/<br><br>Negotiable | \$/Dth and/or in-kind |

In addition to the charges specified above, Customer shall pay all applicable taxes set forth in the General Terms and Conditions of LA Storage's Tariff and Customer's Interruptible Storage Service Agreement and all applicable surcharges, including, but not limited to, ACA charges.

**RATE SCHEDULE IP:**

|                                            | RATE                            | UNITS                 |
|--------------------------------------------|---------------------------------|-----------------------|
| Interruptible Parking Charge               | Market Based/<br>Negotiable     | \$/Dth                |
| Interruptible Parking<br>Injection Charge  | Market Based/<br>Negotiable     | \$/Dth                |
| Interruptible Parking<br>Withdrawal Charge | Market Based/<br>Negotiable     | \$/Dth                |
| Fuel Reimbursement<br>%                    | Market Based/<br><br>Negotiable | \$/Dth and/or in-kind |

Payment shall be equal to the Interruptible Parking Charge multiplied by the quantity of gas parked by Customer, plus the Interruptible Parking Injection Charge multiplied by the quantity injected, plus the Interruptible Parking Withdrawal Charge multiplied by the quantity withdrawn, as applicable. In addition to the charges specified above, Customer shall pay all applicable taxes set forth in the General Terms and Conditions of LA Storage's Tariff and Customer's Hub Services Agreement and all applicable surcharges, including, but not limited to, ACA charges.

**RATE SCHEDULE IW:**

|                               | RATE                            | UNITS                 |
|-------------------------------|---------------------------------|-----------------------|
| Interruptible Wheeling Charge | Market Based/<br>Negotiable     | \$/Dth                |
| Fuel Reimbursement<br>%       | Market Based/<br><br>Negotiable | \$/Dth and/or in-kind |

Payment shall be equal to the Interruptible Wheeling Charge multiplied by the quantity LA Storage shall have wheeled for Customer during a given invoice period. In addition to the charges specified above, Customer shall pay all applicable taxes set forth in the General Terms and Conditions of LA Storage's Tariff and Customer's Hub Services Agreement and all applicable surcharges, including, but not limited to, ACA charges.

**RATE SCHEDULE IL:**

|                                         | RATE                        | UNITS                 |
|-----------------------------------------|-----------------------------|-----------------------|
| Interruptible Loan Charge               | Market Based/<br>Negotiable | \$/Dth                |
| Interruptible Loan<br>Injection Charge  | Market Based/<br>Negotiable | \$/Dth                |
| Interruptible Loan<br>Withdrawal Charge | Market Based/<br>Negotiable | \$/Dth                |
| Fuel Reimbursement<br>%                 | Market Based/               | \$/Dth and/or in-kind |

Payment shall be equal to the Interruptible Loan Charge multiplied by the quantity of gas loaned to Customer, plus the Interruptible Loan Injection Charge multiplied by the quantity LA Storage shall have injected for Customer's account, plus the Interruptible Loan Withdrawal Charge multiplied by the quantity LA Storage shall have withdrawn for Customer's account, as applicable. In addition to the charges specified above, Customer shall pay all applicable taxes set forth in the General Terms and Conditions of LA Storage's Tariff and Customer's Interruptible Loan Service Agreement and all applicable surcharges, including, but not limited to, ACA charges.

**RATE SCHEDULE IBT:**

|                         | RATE          | UNITS  |
|-------------------------|---------------|--------|
| Interruptible Imbalance | Market Based/ | \$/Dth |
| Trading Charge          | Negotiable    |        |

Payment shall be equal to the Interruptible Imbalance Trading Charge multiplied by the quantity of Customer's imbalance quantity that shall have been traded. In addition to the charges specified above, Customer shall pay all applicable taxes set forth in the General Terms and Conditions of LA Storage's Tariff and Customer's Hub Services Agreement and all applicable surcharges, including, but not limited to, ACA charges.

**RATE SCHEDULE IB:**

|                                              | RATE                        | UNITS                  |
|----------------------------------------------|-----------------------------|------------------------|
| Interruptible Balancing Charge               | Market Based/<br>Negotiable | \$/Dth                 |
| Interruptible Balancing<br>Injection Charge  | Market Based/<br>Negotiable | \$/Dth                 |
| Interruptible Balancing<br>Withdrawal Charge | Market Based/<br>Negotiable | \$/Dth                 |
| Fuel Reimbursement                           | Market Based/<br>Negotiable | \$/Dth and/or in-kind% |

Payment shall be equal to the Interruptible Balancing Charge multiplied by Customer's balance quantity, plus the Interruptible Balancing Injection Charge multiplied by the quantity LA Storage shall have injected for Customer's account, plus the Interruptible Balancing Withdrawal Charge multiplied by the quantity LA Storage shall have withdrawn for Customer's account, as applicable. In addition to the charges specified above, Customer shall pay all applicable taxes set forth in the General Terms and Conditions of LA Storage's Tariff and Customer's Hub Services Agreement and all applicable surcharges, including, but not limited to, ACA charges.

4.2 RESERVED

#### 4.3 LIST OF NON-CONFORMING SERVICE AGREEMENTS

#### 4.4 RATE SCHEDULE FSS – FIRM STORAGE SERVICE

##### 4.4.1 AVAILABILITY

4.4.1.1 Service under this Rate Schedule FSS shall be available on LA Storage’s facilities.

4.4.1.2 This Rate Schedule is available to any party, hereinafter called “Customer”; provided that:

4.4.1.2.1 LA Storage has determined that it has sufficient available storage, injection, withdrawal, receipt and delivery capacity, or LA Storage is willing to develop capacity to provide the service Customer has requested;

4.4.1.2.2 Customer and LA Storage have entered into a FSSA under this Rate Schedule

4.4.1.2.3 Customer accepts responsibility for arranging any upstream or downstream transportation service required for utilization of the service provided under this Rate Schedule;

4.4.1.2.4 Availability of service under this Rate Schedule shall be subject to a determination by LA Storage that its performance of the service requested shall not cause a reduction in LA Storage’s ability to provide Firm Storage Service under currently effective firm Storage Service Agreement and that the service requested will not interfere with the efficient operation of LA Storage’s system; and

4.4.1.2.5 Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested service.

##### 4.4.2 APPLICABILITY AND CHARACTER OF SERVICE

4.4.2.1 This rate schedule shall apply to firm storage service rendered by LA Storage for Customer pursuant to Part 284 of the FERC’s regulations and pursuant to the Service Agreement for storage service under Rate Schedule FSS. Service hereunder shall consist of the following

4.4.2.1.1 The receipt on any Day of Customer’s Gas, upon nomination and confirmation, at Customer’s Point(s) of Receipt up to Customer’s MDIQ, subject to Customer’s MDRQ and injection ratchets, and the injection of Customer’s Gas into storage, provided that Customer’s FSS Storage Inventory has not exceeded Customer’s MSQ;

4.4.2.1.2. The storage of Customer’s Gas up to Customer’s MSQ;

4.4.2.1.3 The withdrawal from storage on any Day of Customer’s Gas, upon nomination and confirmation, up to Customer’s MDWQ, and subject to Customer’s

MDDQ, and withdrawal ratchets, and the delivery of Customer's Gas to Customer's Point(s) of Delivery provided that Customer has a quantity of Customer's Gas in Customer's FSS Storage Inventory not less than the quantity Customer nominated for withdrawal on such Day; and

4.4.2.1.4 Customer's right to utilize Point(s) of Receipt and Point(s) of Delivery as primary points shall be stated in Customer's Service Agreement as a MDRQ and MDDQ applicable to each such point. LA Storage and Customer may upon agreement include in Customer's Service Agreement the right to use, on a secondary basis, additional Point(s) of Receipt or Point(s) of Delivery, or a quantity at a primary point(s) in excess of MDRQ or MDDQ, subject to Customer's MDIQ and MDWQ.

4.4.2.2 Service hereunder is available on any Gas Day and will be firm, except as provided herein, in the effective Service Agreement and in LA Storage's GT&C.

4.4.2.3 Upon Customer's request for injection overrun service, LA Storage may authorize, on an interruptible basis, the injection of Customer's Gas in excess of Customer's MDRQ at a Point of Receipt or total injection in excess of Customer's MDIQ provided that (i) LA Storage determines that it has sufficient available capacity; (ii) Customer's Storage Inventory will not exceed Customer's MSQ; (iii) the receipt and injection of Customer's Gas into storage will not interfere with the efficient operation of LA Storage's system; and (iv) the service requested shall not cause a reduction in LA Storage's ability to meet higher priority obligations under currently effective Storage Service Agreements. Authorized injection overrun quantity shall be deemed to be "AIO" Gas.

4.4.2.4 Upon Customer's request for withdrawal overrun service, LA Storage may authorize, on an interruptible basis, the withdrawal of Customer's Gas in excess of Customer's MDDQ at a Point of Delivery or total withdrawal in excess of Customer's MDWQ provided that (i) LA Storage determines that it has sufficient available capacity; (ii) Customer's Storage Inventory will not become negative; (iii) the withdrawal and delivery of Customer's Gas from storage will not interfere with the efficient operation of LA Storage's system; or (iv) the service requested shall not cause a reduction in LA Storage's ability to meet higher priority obligations under currently effective Storage Service Agreements. Authorized withdrawal overrun quantity shall be deemed to be "AWO" Gas.

4.4.2.5 LA Storage shall not be obligated to construct, modify or add any facilities to expand the capacity of its system in any manner or otherwise in order to provide storage services to Customer pursuant to this Rate Schedule; provided, however, LA Storage may, at its option, add facilities or expand capacity to provide such service, and, provided, further, LA Storage is obligated to maintain its facilities in a manner that will allow it to provide firm certificated service in accordance with the contracted obligations.

#### 4.4.3 RATES AND CHARGES

4.4.3.1 The applicable unit rates for service hereunder are set forth in Section 4.1 of this Tariff and are incorporated herein.

4.4.3.2 Customer shall pay rates and charges for service under this Rate Schedule including the rate components as described below:

4.4.3.2.1 Firm Storage Reservation Charge. A Monthly charge for each Dth of Customer's MSQ, stated in Customer's FSSA.

4.4.3.2.2 Firm Injection Reservation Charge. A Monthly charge for each Dth of Customer's MDIQ, stated in Customer's FSSA.

4.4.3.2.3 Firm Withdrawal Reservation Charge. A Monthly charge for each Dth of Customer's MDWQ, stated in Customer's FSSA.

4.4.3.2.4 Firm Storage Injection Charge. A usage charge, stated in Customer's FSSA, for each Dth of Customer's Gas tendered for injection for each Day during a given Month.

4.4.3.2.5 Firm Storage Withdrawal Charge. A usage charge, stated in Customer's FSSA, for each Dth of Customer's Gas tendered for withdrawal for each Day during a given Month.

4.4.3.2.6 Authorized Injection Overrun Charge. In addition to the Firm Storage Injection Charge, a usage charge stated in Customer's FSSA for each Dth of AIO Gas for each Day during a given Month.

4.4.3.2.7 Authorized Withdrawal Overrun Charge. In addition to the Firm Storage Withdrawal Charge, a usage charge stated in Customer's FSSA for each Dth of AWO Gas for each Day during a given Month.

4.4.3.2.8 Fuel Reimbursement. A usage charge or an in-kind percentage, stated in Customer's FSSA, for each Dth of Gas tendered for injection or withdrawal for each Day during a given Month.

4.4.3.2.9 Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by FERC, or any federal, state or local governmental agency having jurisdiction that are related to service provided under this Rate Schedule.

4.4.3.2.10 Taxes. Customer shall either pay directly to the taxing authority or reimburse LA Storage for all applicable taxes as may be assessed against LA Storage, in accordance with GT&C Section 5.15.

4.4.3.2.11 Facilities. All costs, including reasonable overheads and taxes, actually incurred by LA Storage in the construction and installation, modification, acquisition of facilities, and/or acquisition of an ownership interest in capacity for the receipt, measurement, or transportation or storage of gas for Customer's account which Customer requests and LA Storage, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities. Title and ownership of such facilities, however, shall remain in LA Storage. Customer shall pay LA Storage for such costs within ten (10) days of receipt of LA Storage's invoice detailing the amount of such costs or as otherwise agreed.

#### 4.4.4 CHANGES TO RECEIPT AND DELIVERY POINTS.

Customer shall have the right, at any time, to request changes in Customer's Point(s) of Receipt or Point(s) of Delivery, provided that LA Storage shall not be required to grant Customer's request unless (i) LA Storage determines that it has sufficient available capacity at the Point(s) of Receipt or Point(s) of Delivery to accommodate Customer's request; (ii) LA Storage determines that the requested changes in Customer's Point(s) of Receipt or Point(s) of Delivery shall not cause a reduction in LA Storage's ability to provide service under currently effective Firm Storage Service agreements; (iii) the service requested will not interfere with the efficient operation of LA Storage's system; and (iv) Customer and LA Storage agree to rates and charges based on Customer's requested changes.

#### 4.4.5 IMBALANCES

Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to GT&C Section 5.39.

#### 4.4.6 SYSTEM INTEGRITY

LA Storage reserves the right to take action as may be required to preserve the integrity of LA Storage's system, including maintenance of service to other Customers. LA Storage shall endeavor to identify those Customers making a significant contribution to the event or condition and to contact such Customers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

#### 4.4.7 FACILITIES

In order for LA Storage to receive, measure, transport, store, and/or deliver the gas under this Rate Schedule, it may become necessary for LA Storage to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should Customer request the installation or modification of said facilities and agree to reimburse LA Storage for the cost thereof, and should LA Storage agree to install said facilities or to modify its existing facilities pursuant to LA Storage's request, it is agreed that LA Storage will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to

be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event Customer does not agree to pay the costs of installing or modifying said facilities, LA Storage may agree in its sole judgment to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated Customers. The question of whether costs of said facilities should be included in LA Storage's rates under this Rate Schedule will be determined in the certificate proceeding or in the rate proceeding in which LA Storage proposes to include such costs in under this rate schedule. It is understood and agreed that title to and ownership of said facilities shall remain in LA Storage, and LA Storage shall operate such facilities as part of its system.

#### 4.4.8 TERM; EXPIRATION

4.4.8.1 The term for service under this Rate Schedule shall be stated in Customer's FSSA.

4.4.8.2 Except as provided for herein, upon expiration or termination of Customer's FSSA, title to any quantity of Customer's Gas remaining in Customer's FSS Storage Inventory shall automatically transfer to LA Storage, free and clear of any adverse claims, and shall be sold pursuant to an auction held in accordance with GT&C Section 5.33.

4.4.8.3 If Customer was unable to withdraw Customer's Gas remaining in Customer's FSS Storage Inventory due to an interruption of Customer's withdrawal service by LA Storage on any Day during the last ten (10) Days prior to expiration or termination, Customer shall be allowed to maintain title to the interrupted quantity as long as the interrupted quantity is withdrawn within a period of time equal to the period of interruption immediately after the contract has terminated or expired.

#### 4.4.9 STORAGE RATCHETS

4.4.9.1 The MDIQ and MDWQ stated in Customer's FSSA may be subject to reduction based on the current level of Customer's FSS Storage Inventory.

4.4.9.2 Customer under this Rate Schedule must choose an injection and withdrawal ratchet from the options listed in its Firm Storage Agreement. Subject to LA Storage's determination that it has the capability to provide Customer's requested ratchets, Customer's election as to injection and withdrawal ratchets shall be stated in Customer's FSSA.

4.4.9.3 Injection ratchets: When Customer's FSS Storage Inventory reaches the levels set forth in its Firm Storage Service Agreement, Customer's MDIQ will be multiplied by the applicable percentages to arrive at Customer's adjusted MDIQ.

4.4.9.4 Withdrawal ratchets: When Customer's FSS Storage Inventory reaches the levels set forth in its Firm Storage Service Agreement, Customer's MDWQ will be multiplied by the applicable percentages to arrive at Customer's adjusted MDWQ.

#### 4.4.10 GOVERNMENTAL AUTHORIZATIONS

Storage service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or FERC-approved program. The FSSA and the respective obligations of the Parties thereunder 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 LA Storage to construct and operate the facilities necessary to provide the storage service contemplated herein and for any interconnected pipeline to transport Gas to the Point(s) of Receipt or from the Point(s) of Delivery.

#### 4.4.11 GENERAL TERMS AND CONDITIONS

4.4.11.1 All of the GT&C, including from and after their effective date any further modifications and additions to the GT&C, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. These GT&C are incorporated in and are part of LA Storage's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern.

4.4.11.2 LA Storage shall have the right to propose to FERC or any other governing regulatory body changes in its rates, charges, and terms of service as it deems necessary, and Customer's FSSA shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same, provided that any market-based rates negotiated between LA Storage and Customer shall remain in effect during the term of Customer's FSSA.

#### 4.5 RATE SCHEDULE NNSS – NO-NOTICE STORAGE SERVICE

##### 4.5.1 AVAILABILITY

4.5.1.1 Service under this Rate Schedule NNSS shall be available on LA Storage’s facilities.

4.5.1.2 This Rate Schedule is available to any party, hereinafter called “Customer”; provided that:

4.5.1.2.1 LA Storage has determined that it has sufficient operationally available firm storage, injection, withdrawal, receipt and delivery capacity to provide the No-Notice flexibility Customer has requested;

4.5.1.2.2 Customer and LA Storage have entered into a No-Notice Storage Service (“NNSS”) Agreement under this Rate Schedule as well as related exhibits

4.5.1.2.3 Customer accepts responsibility for arranging any upstream or downstream transportation service required for utilization of the service provided under this Rate Schedule and such arrangements are compatible with LA Storage system operations;

4.5.1.2.4 Availability of service under this Rate Schedule shall be subject to a determination by LA Storage that its performance of the service requested shall not cause a reduction in LA Storage’s ability to provide Firm Services under currently effective Service Agreements and that the service requested will not interfere with the efficient operation of LA Storage’s system; and

4.5.1.2.5 Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested service.

##### 4.5.2 APPLICABILITY AND CHARACTER OF SERVICE

4.5.2.1 This rate schedule shall apply to no-notice storage service rendered by LA Storage for Customer pursuant to Part 284 of the FERC’s regulations and pursuant to a No-Notice Storage Service Agreement entered into between LA Storage and Customer.

4.5.2.2 No-notice storage service rendered to Customer under this Rate Schedule shall consist of:

4.5.2.2.1 The daily receipt of Customer’s Gas per Customer’s nomination(s) from Point(s) of Receipt located on LA Storage’s system up to the Maximum Daily Receipt Quantity (“MDRQ”) as stated in Customer’s NNSS Agreement for such Point(s), plus fuel in kind volumes, if applicable, and the injection of

Gas so received into storage up to Customer's Maximum Daily Injection Quantity ("MDIQ") as stated in Customer's NNSS Agreement, provided that Customer's NNSS Inventory has not exceeded the Maximum Storage Quantity ("MSQ") specified in Customer's NNSS Agreement. Customer's MDIQ is subject to the injection ratchets specified on Exhibit A of Customer's NNSS Agreement. LA Storage may waive the operation of such ratchets in its discretion from time to time on a nondiscriminatory basis, where operating conditions reasonably permit without detriment to LA Storage's facilities and/or LA Storage's ability to meet its firm obligations to other Customers.

4.5.2.2.2 The daily withdrawal of Customer's Gas per Customer's nomination up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ"), as stated in Customer's NNSS Agreement, provided that Customer has sufficient Gas stored in Customer's firm NNSS Inventory (in no event shall Customer's NNSS Inventory be allowed to drop below zero) and delivery to Primary Point(s) of Delivery located on LA Storage's system up to the Maximum Daily Delivery Quantity ("MDDQ") as stated in Customer's NNSS Agreement for such Point(s), less fuel in kind volumes, if applicable. Customer's MDWQ is subject to the withdrawal ratchets specified on Exhibit A of Customer's NNSS Agreement. LA Storage may waive the operation of such ratchets in its discretion from time to time on a nondiscriminatory basis, where operating conditions reasonably permit without detriment to LA Storage's facilities and/or LA Storage's ability to meet its firm obligations to other Customers.

4.5.2.2.3 The option for Customer to increase or decrease its injections or withdrawals of Gas at primary points specified in Exhibit A of Customer's NNSS Agreement from existing scheduled quantities, including a nomination of zero, up to Customer's MDIQ and MDWQ, as applicable, adjusted by injection and/or withdrawal ratchets specified on Exhibit A of Customer's NNSS Agreement, and MDRQ and MDDQ, as applicable, without complying with the deadlines for revised nominations specified under Section 5.8 of the General Terms and Conditions. Injections of Gas during any hour of a Day resulting from Customer's use of this option shall not exceed 1/24 of Customer's MDIQ, adjusted by injection ratchets specified on Exhibit A of Customer's NNSS Agreement. Withdrawals of Gas during any hour of a Day resulting from Customer's use of this option shall not exceed 1/24 of Customer's MDWQ, adjusted by withdrawal ratchets specified on Exhibit A of Customer's NNSS Agreement. Differences from scheduled quantities, resulting in volumes up to Customer's MDIQ and MDWQ, adjusted by injection and/or withdrawal ratchets specified on Exhibit A of Customer's NNSS Agreement, caused by Customer's use of this option shall be automatically netted against Customer's NNSS Inventory. LA Storage, Customer, and Customer's Confirming Transporter(s) shall agree to certain Communication Protocols which shall govern communicating and coordinating changes from scheduled quantities within a Day.

4.5.2.2.4 Customer may not use no-notice deviations from nominations to exceed Customer's MDRQ at any receipt point and/or Maximum Daily Injection Quantity ("MDIQ") set forth in Exhibit A of Customer's NNSS Agreement unless LA Storage agrees to Authorized Injection Overrun as set forth in Exhibit B of Customer's NNSS Agreement;

4.5.2.2.5 Customer may not use no-notice deviations from nominations to exceed the MDDQ at any delivery point and/or Maximum Daily Withdrawal Quantity ("MDWQ") set forth in Exhibit A of Customer's NNSS Agreement unless LA Storage agrees to Authorized Withdrawal Overrun as set forth in Exhibit B of Customer's NNSS Agreement; and

4.5.2.2.6 Customer may not use no-notice deviations from nominations to allow Customer's Storage Inventory account to exceed Customer's Maximum Storage Quantity ("MSQ") set forth in Exhibit A of Customer's NNSS Agreement or to be less than zero (0).

4.5.2.3 LA Storage shall not be obligated to construct, modify or add any facilities to expand the capacity of its system in any manner or otherwise in order to provide storage services to Customer pursuant to this Rate Schedule; provided, however, LA Storage may, at its option, add facilities or expand capacity to provide such service, and, provided, further, LA Storage is obligated to maintain its facilities in a manner that will allow it to provide firm certificated service in accordance with the contracted obligations.

#### 4.5.3 RATES AND CHARGES

4.5.3.1 The applicable unit rates for service hereunder are set forth in Section 4.1 of this Tariff and are incorporated herein.

4.5.3.2 Customer shall pay rates and charges for service under this Rate Schedule including the rate components as described below:

4.5.3.2.1 No-Notice Storage Reservation Charge. A charge for each Dth of Customer's MSQ as set forth in Exhibit A to Customer's executed NNSS Agreement.

4.5.3.2.2 No-Notice Storage Injection Charge. A charge for each Dth of Customer's Gas tendered to LA Storage's facilities pursuant to Section 4.12.2.2.1 of this Rate Schedule during a given Month as set forth in Exhibit A to Customer's executed NNSS Agreement.

4.5.3.2.3 No-Notice Storage Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn from LA Storage's facilities pursuant to Section 4.5.2.2.2 of this Rate Schedule during a given Month as set forth in Exhibit A to Customer's executed NNSS Agreement.

4.5.3.2.4 Authorized Injection Overrun Charge. A charge for each Dth of Authorized Injection Overrun (AIO) Gas tendered to the LA Storage Facility pursuant to Section 4.5.2.2.4 of this Rate Schedule during a given Month as set forth in the Exhibit B Transaction Confirmation of the executed NNSS Agreement.

4.5.3.2.5 Authorized Withdrawal Overrun Charge. A charge for each Dth of Authorized Withdrawal Overrun (AWO) Gas withdrawn from the LA Storage Facility pursuant to Section 4.5.2.2.5 of this Rate Schedule during a given Month as set forth in the Exhibit B Transaction Confirmation of the executed NNSS Agreement.

4.5.3.2.6 Fuel Reimbursement. A usage charge or an in-kind percentage for each Dth of Gas tendered for injection or withdrawal for each Day during a given Month as set forth in Exhibit A and B to Customer's executed NNSS Agreement.

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

4.5.3.2.8 Taxes. Customer shall either pay directly to the taxing authority or reimburse LA Storage for all applicable taxes as may be assessed against LA Storage, in accordance with GT&C Section 5.15 and set forth in Customer's NNSS Agreement.

4.5.3.2.9 Facilities. All costs, including reasonable overheads and taxes, actually incurred by LA Storage in the construction and installation, modification, acquisition of facilities, and/or acquisition of an ownership interest in capacity for the receipt, measurement, or transportation or storage of gas for Customer's account which Customer requests and LA Storage, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities. Title and ownership of such facilities, however, shall remain in LA Storage. Customer shall pay LA Storage for such costs within ten (10) days of receipt of LA Storage's invoice detailing the amount of such costs or as otherwise agreed.

#### 4.5.4 CHANGES TO RECEIPT AND DELIVERY POINTS.

Customer shall have the right, at any time, to request changes in primary Point(s) of Receipt and/or Point(s) of Delivery, provided that LA Storage shall not be required to grant Customer's request unless (i) LA Storage determines that it has adequate unsubscribed available capacity at the Point(s) of Receipt and/or Point(s) of Delivery to accommodate Customer's request, and (ii) Customer and LA Storage reach agreement as to pricing

applicable to Customer's No-Notice Storage Service reflecting the changes in primary Point(s) of Receipt and/or Point(s) of Delivery.

#### 4.5.5 SYSTEM INTEGRITY

LA Storage reserves the right to take action as may be required to preserve the integrity of LA Storage's system, including maintenance of service to other Customers. LA Storage shall endeavor to identify those Customers making a significant contribution to the event or condition and to contact such Customers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

#### 4.5.6 FACILITIES

In order for LA Storage to receive, measure, transport, store, and/or deliver the gas under this Rate Schedule, it may become necessary for LA Storage to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should Customer request the installation or modification of said facilities and agree to reimburse LA Storage for the cost thereof, and should LA Storage agree to install said facilities or to modify its existing facilities pursuant to LA Storage's request, it is agreed that LA Storage will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event Customer does not agree to pay the costs of installing or modifying said facilities, LA Storage may agree in its sole judgment to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated Customers. The question of whether costs of said facilities should be included in LA Storage's rates under this Rate Schedule will be determined in the certificate proceeding or in the rate proceeding in which LA Storage proposes to include such costs in under this rate schedule. It is understood and agreed that title to and ownership of said facilities shall remain in LA Storage, and LA Storage shall operate such facilities as part of its system.

#### 4.5.7 TERM; EXPIRATION

- 4.5.7.1 The term for service under this Rate Schedule shall be stated in Customer's NNSS Agreement.
- 4.5.7.2 Except as provided for herein, upon expiration or termination of Customer's NNSS Agreement, title to any quantity of Customer's Gas remaining in Customer's NNSS Storage Inventory shall automatically transfer to LA Storage, free and clear of any adverse claims, and shall be sold pursuant to an auction held in accordance with GT&C Section 5.33.
- 4.5.7.3 If Customer was unable to withdraw Customer's Gas remaining in Customer's NNSS Storage Inventory due to an interruption of Customer's withdrawal service by LA Storage on any Day during the last ten (10) Days prior to expiration or termination, Customer shall be allowed to maintain title to the interrupted quantity as long as the interrupted quantity is withdrawn within a

period of time equal to the period of interruption immediately after the contract has terminated or expired.

#### 4.5.8 STORAGE RATCHETS

- 4.5.8.1 The MDIQ and MDWQ stated in Customer's NNSS Agreement may be subject to reduction based on the current level of Customer's NNSS Storage Inventory.
- 4.5.8.2 Customer under this Rate Schedule must choose an injection and withdrawal ratchet from the options listed in its NNSS Agreement. Subject to LA Storage's determination that it has the capability to provide Customer's requested ratchets, Customer's election as to injection and withdrawal ratchets shall be stated in Customer's NNSS Agreement.
- 4.5.8.3 Injection ratchets: When Customer's NNSS Storage Inventory reaches the levels set forth in its NNSS Agreement, Customer's MDIQ will be multiplied by the applicable percentages to arrive at Customer's adjusted MDIQ.
- 4.5.8.4 Withdrawal ratchets: When Customer's NNSS Storage Inventory reaches the levels set forth in its NNSS Agreement, Customer's MDWQ will be multiplied by the applicable percentages to arrive at Customer's adjusted MDWQ.

#### 4.5.9 GOVERNMENTAL AUTHORIZATIONS

Storage service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or FERC-approved program. The No-Notice Storage Service Agreement and the respective obligations of the Parties thereunder 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 LA Storage to construct and operate the facilities necessary to provide the storage service contemplated herein and for any interconnected pipeline to transport Gas to the Point(s) of Receipt or from the Point(s) of Delivery.

#### 4.5.10 GENERAL TERMS AND CONDITIONS

- 4.5.10.1 All of the GT&C, including from and after their effective date any further modifications and additions to the GT&C, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. These GT&C are incorporated in and are part of LA Storage's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern.
- 4.5.10.2 LA Storage shall have the right to propose to FERC or any other governing regulatory body changes in its rates, charges, and terms of service as it deems necessary, and Customer's No-Notice Storage Service Agreement shall be

deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same, provided that any market-based rates negotiated between LA Storage and Customer shall remain in effect during the term of Customer's No-Notice Storage Service Agreement.

#### 4.6 RATE SCHEDULE FW – FIRM WHEELING SERVICE

##### 4.6.1 AVAILABILITY

4.6.1.1 Service under this Rate Schedule FW shall be available on LA Storage’s Hackberry Storage Facilities.

4.6.1.2 This Rate Schedule is available to any Customer for the purchase of Firm Gas wheeling service from LA Storage, provided that:

4.6.1.2.1 LA Storage has determined that it has sufficient operationally available Firm wheeling, receipt and delivery capacity to perform service Customer has requested;

4.6.1.2.2 LA Storage has determined that service Customer has requested will not interfere with efficient operation of its system or with other firm services;

4.6.1.2.3 Customer and LA Storage have executed a Hub Services Agreement under this Rate Schedule;

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

4.6.1.2.5 Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested services.

##### 4.6.2 APPLICABILITY AND CHARACTER OF SERVICE

4.6.2.1 This rate schedule shall apply to firm wheeling service rendered by LA Storage for Customer pursuant to Part 284 of the FERC’s regulations and pursuant to the Hub Services Agreement for storage service under Rate Schedule FW. Service hereunder shall consist of the following:

4.6.2.1.1 Firm Wheeling Service rendered under this Rate Schedule shall consist of the wheeling of Gas, on a firm basis, by LA Storage for Customer on LA Storage’s system between agreed upon Point(s) of Receipt and Point(s) of Delivery.

4.6.2.1.2 LA Storage shall, on a firm basis, in response to Customer’s nominations scheduled in accordance with this FERC Gas Tariff, receive on each Day for Customer at Point(s) of Receipt and shall wheel and deliver at the Point(s) of Delivery, less Fuel Reimbursement, quantities of Gas up to the Maximum Daily Firm Wheeling Quantity (“MDFWQ”), as specified

in the Customer's Firm Wheeling Service Agreement; provided, however, LA Storage shall not be obligated to receive, wheel and/or deliver quantities of Gas on any Day in excess of the quantity nominated and scheduled for that Day. In addition, Customer shall deliver the applicable Fuel Reimbursement quantity, as set forth in Customer's Firm Wheeling Service Agreement, to the Point(s) of Receipt.

4.6.2.2 Customer shall be permitted to combine the firm wheeling service available under this Rate Schedule with any service available under any other Rate Schedule set forth in this FERC Gas Tariff on the Hackberry Storage Facilities; provided, however, that such combined service shall be subject to Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff.

#### 4.6.3 RATES AND CHARGES

4.6.3.1 The applicable unit rates for service hereunder are set forth in Section 4.1 of this Tariff and are incorporated herein.

4.6.3.2 Customer shall pay rates and charges for service under this Rate Schedule including the rate components as described below:

4.6.3.2.1 Firm Wheeling Reservation Charge. A Daily charge for each Dth of Customer's MDTQ, set forth in Customer's Hub Services Agreement.

4.6.3.2.2 Firm Wheeling Charge. A usage charge for each Dth of Customer's Gas wheeled by LA Storage on any Day up to and including Customer's MDTQ, set forth in Customer's Hub Services Agreement.

4.6.3.2.3 Fuel Reimbursement. A usage charge or an in-kind percentage, stated in Customer's Hub Services Agreement, for each Dth of Gas tendered for wheeling for each Day during a given Month.

4.6.3.2.4 Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by FERC, or any federal, state or local governmental agency having jurisdiction that are related to service provided under this Rate Schedule.

4.6.3.2.5 Taxes. Customer shall either pay directly to the taxing authority or reimburse LA Storage for all applicable taxes as may be assessed against LA Storage, in accordance with GT&C Section 5.15.

4.6.3.2.6 Facilities. All costs, including reasonable overheads and taxes, actually incurred by LA Storage in the construction and installation, modification, acquisition of facilities, and/or acquisition of an ownership interest in capacity for

the receipt, measurement, or transportation or storage of gas for Customer's account which Customer requests and LA Storage, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities. Title and ownership of such facilities, however, shall remain in LA Storage. Customer shall pay LA Storage for such costs within ten (10) days of receipt of LA Storage's invoice detailing the amount of such costs or as otherwise agreed.

#### 4.6.4 IMBALANCES

Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to GT&C Section 5.39.

#### 4.6.5 SYSTEM INTEGRITY

LA Storage reserves the right to take action as may be required to preserve the integrity of LA Storage's system, including maintenance of service to other Customers. LA Storage shall endeavor to identify those Customers making a significant contribution to the event or condition and to contact such Customers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

#### 4.6.6 FACILITIES

In order for LA Storage to receive, measure, transport, store, and/or deliver the gas under this Rate Schedule, it may become necessary for LA Storage to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should Customer request the installation or modification of said facilities and agree to reimburse LA Storage for the cost thereof, and should LA Storage agree to install said facilities or to modify its existing facilities pursuant to LA Storage's request, it is agreed that LA Storage will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event Customer does not agree to pay the costs of installing or modifying said facilities, LA Storage may agree in its sole judgment to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated Customers. The question of whether costs of said facilities should be included in LA Storage's rates under this Rate Schedule will be determined in the certificate proceeding or in the rate proceeding in which LA Storage proposes to include such costs in under this rate schedule. It is understood and agreed that title to and ownership of said facilities shall remain in LA Storage, and LA Storage shall operate such facilities as part of its system.

#### 4.6.7 TERM

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

#### 4.6.8 GOVERNMENTAL AUTHORIZATIONS

Storage service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or FERC-approved program. The Hub Services Agreement and the respective obligations of the Parties thereunder 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 LA Storage to construct and operate the facilities necessary to provide the storage service contemplated herein and for any interconnected pipeline to transport Gas to the Point(s) of Receipt or from the Point(s) of Delivery.

#### 4.6.9 GENERAL TERMS AND CONDITIONS

4.6.9.1 All of the GT&C, including from and after their effective date any further modifications and additions to the GT&C, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. These GT&C are incorporated in and are part of LA Storage's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern.

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

#### 4.7 RATE SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE

##### 4.7.1 AVAILABILITY

4.7.1.1 Service under this Rate Schedule ISS shall be available on LA Storage’s facilities.

4.7.1.2 This Rate Schedule is available to any party, hereinafter called “Customer”; provided that:

4.7.1.2.1 LA Storage has determined that it has sufficient available storage, injection, withdrawal, receipt and delivery capacity, or LA Storage is willing to develop capacity to provide the service Customer has requested;

4.7.1.2.2 Customer and LA Storage have entered into an Interruptible Storage Service Agreement under this Rate Schedule.

4.7.1.2.3 Customer accepts responsibility for arranging any upstream or downstream transportation service required for utilization of the service provided under this Rate Schedule;

4.7.1.2.4 Availability of service under this Rate Schedule shall be subject to a determination by LA Storage that its performance of the service requested shall not cause a reduction in LA Storage’s ability to provide higher priority service under currently effective firm Storage Service Agreement and that the service requested will not interfere with the efficient operation of LA Storage’s system; and

4.7.1.2.5 Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested service.

##### 4.7.2 APPLICABILITY AND CHARACTER OF SERVICE

4.7.2.1 This rate schedule shall apply to firm storage service rendered by LA Storage for Customer pursuant to Part 284 of the FERC’s regulations and pursuant to the Interruptible Storage Service Agreement for storage service under Rate Schedule ISS. Service hereunder shall consist of the following

4.7.2.1.1 The receipt on any Day of Customer’s Gas, upon nomination and confirmation, up to Customer’s Maximum Daily Injection Quantity (“MDIQ”), as stated in Customer’s Interruptible Storage Service Agreement, plus Fuel Reimbursement, at the Point(s) of Receipt and the injection of Gas so received into storage, provided that all higher priority injections have been satisfied and Customer’s Storage Inventory has not exceeded Customer’s Maximum Storage

Quantity (“MSQ”), as set forth in Customer’s Interruptible Storage Service Agreement;

4.7.2.1.2 The storage of Gas in amounts up to Customer’s MSQ, as stated in Customer’s Interruptible Storage Service Agreement, provided that all higher priority requests for storage have been satisfied; and

4.7.2.1.3 The withdrawal from storage on any Day of Customer’s Gas, upon nomination and confirmation, up to Customer’s Maximum Daily Withdrawal Quantity (“MDWQ”), as stated in Customer’s Interruptible Storage Service Agreement, and the delivery of such Gas to the Point(s) of Delivery, provided that all higher priority withdrawals have been satisfied and Customer has a quantity of Gas in Customer’s ISS Storage Inventory account not less than the quantity Customer shall have nominated for withdrawal on such Day.

4.7.2.2 To the extent storage capacity which is being utilized by an Interruptible Customer hereunder is needed by LA Storage in order to satisfy LA Storage’s higher priority obligations or to meet system needs, LA Storage may at LA Storage’s reasonable judgment and upon giving notice to Customer, interrupt the continuation of any or all services hereunder and LA Storage shall require Customer to withdraw all, or any portion of, the ISS Storage Inventory held in storage by LA Storage for the account of Customer as specified by LA Storage. LA Storage’s notice will specify the quantity required to be withdrawn and the date by which the withdrawal must be completed. Unless LA Storage otherwise agrees, Customer shall be required to make ratable withdrawals.

4.7.2.3 If Customer fails to withdraw such ISS Storage Inventory from storage, at the agreed upon time as stated in Customer’s Interruptible Storage Service Agreement or fails to withdraw in accordance with LA Storage’s notice as set forth in Section 4.7.2.2 above, LA Storage may take, free and clear of any adverse claims, title to such ISS Storage Inventory as Customer was instructed to withdraw and LA Storage shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of GT&C Section 5.33.

4.7.2.4 LA Storage shall not be obligated to construct, modify or add any facilities to expand the capacity of its system in any manner or otherwise in order to provide storage services to Customer pursuant to this Rate Schedule; provided, however, LA Storage may, at its option, add facilities or expand capacity to provide such service, and, provided, further, LA Storage is obligated to maintain its facilities in a manner that will allow it to provide firm certificated service in accordance with the contracted obligations.

#### 4.7.3 RATES AND CHARGES

4.7.3.1 The applicable unit rates for service hereunder are set forth in Section 4.1 of this Tariff and are incorporated herein.

4.7.3.2 Customer shall pay rates and charges for service under this Rate Schedule including the rate components as described below:

4.7.3.2.1 Interruptible Storage Inventory Charge. A usage charge for each Dth of Gas in Customer's ISS Storage Inventory pursuant to Section 4.7.2.1.2 of this Rate Schedule at the end of each Day, for each Day during a given Month, as set forth in Customer's Interruptible Storage Service Agreement.

4.7.3.2.2 Interruptible Storage Injection Charge. A usage charge for each Dth of Customer's Gas tendered for injection pursuant to Section 4.7.2.1.1 of this Rate Schedule for each Day in a given Month, as set forth in Customer's Interruptible Storage Service Agreement.

4.7.3.2.3 Interruptible Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn pursuant to Section 4.7.2.1.3 of this Rate Schedule for each Day in a given Month, as set forth in Customer's Interruptible Storage Service Agreement.

4.7.3.2.4 Fuel Reimbursement. A usage charge or an in-kind percentage, stated in Customer's Interruptible Storage Service Agreement, for each Dth of Gas tendered for injection or withdrawal for each Day during a given Month.

4.7.3.2.5 Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by FERC, or any federal, state or local governmental agency having jurisdiction that are related to service provided under this Rate Schedule.

4.7.3.2.6 Taxes. Customer shall either pay directly to the taxing authority or reimburse LA Storage for all applicable taxes as may be assessed against LA Storage, in accordance with GT&C Section 5.15.

4.7.3.2.7 Facilities. All costs, including reasonable overheads and taxes, actually incurred by LA Storage in the construction and installation, modification, acquisition of facilities, and/or acquisition of an ownership interest in capacity for the receipt, measurement, or transportation or storage of gas for Customer's account which Customer requests and LA Storage, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities. Title and ownership of such facilities, however, shall remain in LA Storage. Customer shall pay LA Storage for such costs within ten (10) days of receipt of LA Storage's invoice detailing the amount of such costs or as otherwise agreed.

#### 4.7.4 IMBALANCES

Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to GT&C Section 5.39.

#### 4.7.5 SYSTEM INTEGRITY

LA Storage reserves the right to take action as may be required to preserve the integrity of LA Storage's system, including maintenance of service to other Customers. LA Storage shall endeavor to identify those Customers making a significant contribution to the event or condition and to contact such Customers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

#### 4.7.6 FACILITIES

In order for LA Storage to receive, measure, transport, store, and/or deliver the gas under this Rate Schedule, it may become necessary for LA Storage to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should Customer request the installation or modification of said facilities and agree to reimburse LA Storage for the cost thereof, and should LA Storage agree to install said facilities or to modify its existing facilities pursuant to LA Storage's request, it is agreed that LA Storage will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event Customer does not agree to pay the costs of installing or modifying said facilities, LA Storage may agree in its sole judgment to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated Customers. The question of whether costs of said facilities should be included in LA Storage's rates under this Rate Schedule will be determined in the certificate proceeding or in the rate proceeding in which LA Storage proposes to include such costs in under this rate schedule. It is understood and agreed that title to and ownership of said facilities shall remain in LA Storage, and LA Storage shall operate such facilities as part of its system.

#### 4.7.7 TERM; EXPIRATION

4.7.7.1 The term for service under this Rate Schedule shall be stated in Customer's Interruptible Storage Service Agreement.

4.7.7.2 Except as provided for herein, upon expiration or termination of Customer's Interruptible Storage Service Agreement, title to any quantity of Customer's Gas remaining in Customer's ISS Storage Inventory shall automatically transfer to LA Storage, free and clear of any adverse claims, and shall be sold pursuant to an auction held in accordance with GT&C Section 5.33.

4.7.7.3 If Customer was unable to withdraw Customer's Gas remaining in Customer's ISS Storage Inventory due to an interruption of Customer's withdrawal service by LA Storage on any Day during the last ten (10) Days prior to expiration or termination, Customer shall be allowed to maintain title to the interrupted quantity as long as the interrupted quantity is withdrawn within a period of time equal to the period of interruption immediately after the contract has terminated or expired.

#### 4.7.8 GOVERNMENTAL AUTHORIZATIONS

Storage service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or FERC-approved program. The Interruptible Storage Service Agreement and the respective obligations of the Parties thereunder 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 LA Storage to construct and operate the facilities necessary to provide the storage service contemplated herein and for any interconnected pipeline to transport Gas to the Point(s) of Receipt or from the Point(s) of Delivery.

#### 4.7.9 GENERAL TERMS AND CONDITIONS

4.7.9.1 All of the GT&C, including from and after their effective date any further modifications and additions to the GT&C, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. These GT&C are incorporated in and are part of LA Storage's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern.

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

## 4.8 RATE SCHEDULE IP – INTERRUPTIBLE PARKING SERVICE

### 4.8.1 AVAILABILITY

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

- (a) LA Storage has determined that it has sufficient operationally available capacity to perform the parking service Customer has requested;
- (b) LA Storage has determined that the parking service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (c) Customer and LA Storage have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the parking service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested services.

### 4.8.2 APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible parking service rendered by LA Storage to Customer through use of LA Storage's facilities pursuant to an executed Hub Services Agreement.

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

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

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

(c) The delivery of Customer's Gas per Customer's nomination to the Point(s) of Delivery located on LA Storage's system up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") stated in Exhibit B of the Hub Services Agreement with Customer, provided that all Higher Priority Service nominations have been satisfied, and that Customer has a quantity of Gas stored in Customer's Park Balance not less than the quantity the Customer shall have nominated for withdrawal on such Day.

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

In the event that LA Storage retains and takes title to any of Customer's Gas pursuant to this Section, LA Storage shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 5.33 of the General Terms and Conditions of this FERC Gas Tariff.

Customer shall be permitted to combine the Interruptible injection or withdrawal and delivery of Gas available under this Rate Schedule with any service available under any other Rate Schedule set forth in this FERC Gas Tariff; provided, however, that such combined services shall be subject to Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff.

#### 4.8.3 RATES AND CHARGES

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

(a) Interruptible Parking Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each day's balance of gas in Dth parked by Customer;

(b) Interruptible Parking Injection Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each Dth injected into storage for parking;

- (c) Interruptible Parking Withdrawal Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each Dth withdrawn from storage for delivery to Customer;
- (d) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 5.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Exhibit B of Customer's Hub Services Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Hub Services Agreement.
- (f) Taxes. Customer shall reimburse LA Storage for all applicable taxes as may be assessed LA Storage, as set forth in Exhibit B of Customer's Hub Services Agreement.

#### 4.8.4 INVOICE

Each invoice for Interruptible parking service shall reflect the applicable charges set forth under Section 4.8.3 of this Rate Schedule at rates and terms set forth in Exhibit B of Customer's Hub Services Agreement.

#### 4.8.5 TERM

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

#### 4.8.6 AUTHORIZATION, RATES, TERMS AND CHANGES

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

4.8.6.2 LA Storage shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the Hub Services Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided, however, that any rates negotiated between

LA Storage and its Customer(s) shall remain in effect during the term of Exhibit B of the Hub Services Agreement(s) specifying such rates.

#### 4.8.7 CURTAILMENT

If, due to any cause whatsoever, LA Storage's capability to receive or deliver quantities is impaired so that LA Storage is unable to receive or deliver the quantities provided for in Exhibit B of its Hub Services Agreement with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff.

#### 4.8.8 EXPIRATION OF TERM

At least ten (10) Business Days prior to the end of the term as specified in Exhibit B of Customer's Hub Services Agreement, LA Storage shall notify Customer to withdraw all of the IP Gas quantities held by LA Storage for the account of Customer; provided, however, any Exhibit B of Customer's Hub Services Agreement that has a term of ten (10) Business Days or less shall not require such foregoing notice but shall be deemed to have been given upon the first Day of the primary term or the renewed term of such Hub Services Agreement. LA Storage's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer. Before the end of the term of Exhibit B of Customer's Hub Services Agreement, the Customer must either physically withdraw Gas or indicate to LA Storage in writing that it desires to have LA Storage cash out the Gas on mutually agreeable terms. If, by midnight on the last Day of the term of Exhibit B of Customer's Hub Services Agreement, the Customer neither has withdrawn the Gas nor indicated in writing to LA Storage that it desires to exercise the cash out option, then LA Storage may take, free and clear of any adverse claims, title to such IP Park Balance as Customer was required to withdraw or cash out; provided, however, that if Customer was unable to withdraw its IP Park Balance due to an interruption of Customer's withdrawal service during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

In the event that LA Storage retains and takes title to any of Customer's Gas pursuant to this Section, LA Storage shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 5.33 of the GT&C of this FERC Gas Tariff.

#### 4.8.9 GENERAL TERMS AND CONDITIONS

Applicable provisions of the GT&C of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this IP Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein.

## 4.9 RATE SCHEDULE IW – INTERRUPTIBLE WHEELING SERVICE

### 4.9.1 AVAILABILITY

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

- (a) LA Storage has determined that it has sufficient operationally available Interruptible wheeling, receipt and delivery capacity to perform service Customer has requested;
- (b) LA Storage has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (c) Customer and LA Storage have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any upstream and/or downstream transportation service required for utilization of the wheeling service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested services.

### 4.9.2 APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible wheeling service rendered by LA Storage to Customer through use of LA Storage's facilities pursuant to an executed Hub Services Agreement.

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

LA Storage shall, on an Interruptible basis, receive for Customer at Point(s) of Receipt located on LA Storage's system and shall transport and deliver at the Point(s) of Delivery located on LA Storage's system daily quantities of Gas up to Customer's Interruptible Maximum Daily Wheeling Quantity; provided, however, LA Storage shall not be obligated to receive, transport and/or deliver quantities of Gas on any Day in excess of the quantity nominated and scheduled for that Day.

Customer shall be permitted to combine the Interruptible wheeling service available under this Rate Schedule with any service available under any other Rate Schedule set forth in

this FERC Gas Tariff; provided, however, that such combined service shall be subject to Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff.

The transportation of Gas in amounts up to the Customer's Maximum Daily Wheeling Quantity, as specified in Exhibit B of the Customer's Hub Services Agreement, shall be available only in the event that all Higher Priority Service needs have been satisfied.

#### 4.9.3 RATES AND CHARGES

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

- (a) Interruptible Wheeling Charge. A charge for each Dth wheeled by LA Storage.
- (b) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 5.19 of this FERC Gas Tariff and as set forth in Exhibit B of Customer's Hub Services Agreement.
- (c) Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in the Hub Services Agreement.
- (d) Taxes. Customer shall reimburse LA Storage for all applicable taxes as may be assessed, as set forth in Exhibit B of the Hub Services Agreement.

#### 4.9.4 INVOICE

Each invoice for Interruptible wheeling service shall reflect the applicable charges set forth under Section 4.9.3 of this Rate Schedule at rates and terms set forth in Exhibit B of Customer's Hub Services Agreement.

#### 4.9.5 TERM

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

#### 4.9.6 AUTHORIZATION, RATES, TERMS AND CHANGES

4.9.6.1 The Hub Services Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and

any state or local governmental agency having jurisdiction, of requisite authorization for LA Storage to provide the wheeling service contemplated hereby and to construct and operate the Gas wheeling facilities necessary to provide such wheeling service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the wheeling service provided for herein.

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

#### 4.9.7 CURTAILMENT

If, due to any cause whatsoever, LA Storage's capability to receive or deliver quantities is impaired so that LA Storage is unable to receive or deliver the quantities provided for in its Exhibit B of the Hub Services Agreement(s) with Customers, then wheeling capacity will be allocated according to the priority of service as set forth in Section 5.5 of the GT&C of this FERC Gas Tariff.

#### 4.9.8 GENERAL TERMS AND CONDITIONS

Applicable provisions of the GT&C of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this IW Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein.

#### 4.10 RATE SCHEDULE IL – INTERRUPTIBLE LOAN SERVICE

##### 4.10.1 AVAILABILITY

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

- (a) LA Storage has determined that it has sufficient operationally available capacity to perform service Customer has requested;
- (b) LA Storage has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (c) Customer and LA Storage have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the loan service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested services.

##### 4.10.2 APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible loan service rendered by LA Storage to Customer through use of LA Storage's facilities pursuant to an executed Hub Services Agreement.

Interruptible loan service rendered by LA Storage to Customer under this Rate Schedule shall consist of the advancement to Customer, upon nomination and subsequent confirmation, of daily quantities of Gas up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ") as stated in Exhibit B of the Hub Services Agreement with Customer, provided that all Higher Priority Service nominations for withdrawal have been satisfied and system needs allow. Customer agrees to replace the borrowed quantities of Gas to LA Storage at a time to be agreed upon as set forth in Exhibit B of the Hub Services Agreement. If Customer fails to replace or replenish Gas advanced by LA Storage to Customer under this Rate Schedule at the agreed upon time, LA Storage may purchase replacement Gas and Customer shall pay LA Storage the cost of the replacement Gas, which shall include the actual cost of replacement supplies and any costs or penalties incurred by LA Storage or its Customers as a result of Customer's failure to deliver replacement Gas, plus all other costs incurred by LA Storage to secure such replacement Gas, including, but not limited to, third-party marketing fees, transportation by third-party pipeline companies, and all other costs for securing replacement Gas.

To the extent LA Storage Gas which is advanced to an Interruptible Customer hereunder is needed by LA Storage in order to satisfy LA Storage's obligations to Higher Priority Services or to meet system needs, LA Storage may at its sole 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 IL Gas quantities borrowed by Customer at a time to be agreed upon. Unless LA Storage otherwise agrees, Customer shall be required to make ratable injections. If Customer fails to replace or replenish borrowed Gas to LA Storage at the agreed upon time, LA Storage may purchase replacement Gas and Customer shall pay LA Storage the cost of the replacement Gas, which shall include the actual cost of replacement supplies and any costs or penalties incurred by LA Storage or its Customers as a result of Customer's failure to deliver replacement Gas, plus all other costs incurred by LA Storage to secure such replacement Gas, including, but not limited to, third-party marketing fees, transportation by third-party pipeline companies, and all other costs for securing replacement Gas.

Customer shall be permitted to combine the Interruptible loan service available under this Rate Schedule with any service available under any other Rate Schedule set forth in this FERC Gas Tariff; provided, however, that such combined services shall be subject to Section 5.5 of the GT&C of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5.5 of the GT&C of this FERC Gas Tariff.

#### 4.10.3 RATES AND CHARGES

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

- (a) Interruptible Loan Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each day's balance of gas in Dth loaned to Customer;
- (b) Interruptible Loan Injection Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each Dth of gas injected into storage for return of gas loaned to Customer;
- (c) Interruptible Loan Withdrawal Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each Dth of gas withdrawn from storage to loan to Customer;
- (d) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 5.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Exhibit B of Customer's Hub Services Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by the Commission or any other regulatory body, that

are related to service provided under this Rate Schedule, as set forth in the Hub Services Agreement.

(f) Taxes. Customer shall reimburse LA Storage for all applicable taxes as may be assessed LA Storage, as set forth in Exhibit B of the Hub Services Agreement.

#### 4.10.4 INVOICE

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

#### 4.10.5 TERM

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

#### 4.10.6 AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

#### 4.10.7 CURTAILMENT

If, due to any cause whatsoever, LA Storage's capability to receive or deliver quantities is impaired so that LA Storage is unable to receive or deliver the quantities provided for in its Exhibit B of the Hub Services Agreements with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 5.5 of the GT&C of this FERC Gas Tariff.

#### 4.10.8 GENERAL TERMS AND CONDITIONS

Applicable provisions of the GT&C of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this IL Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein.

#### 4.11 RATE SCHEDULE IBT – INTERRUPTIBLE IMBALANCE TRADING SERVICE

##### 4.11.1 AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible imbalance trading service from LA Storage, provided that:

- (a) LA Storage has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Services;
- (b) Customer and LA Storage have executed a Hub Services Agreement under this Rate Schedule;
- (c) Customer accepts responsibility for arranging any transportation service required for utilization of the imbalance trading service provided under this Rate Schedule; and
- (d) Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested services.

##### 4.11.2 APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible imbalance trading service rendered by LA Storage to Customer through use of LA Storage's facilities pursuant to an executed Hub Services Agreement.

Interruptible imbalance trading service rendered by LA Storage to Customer under this Rate Schedule shall consist of the trading of imbalance quantities by LA Storage for Customer at agreed upon Point(s) of Receipt and Delivery on LA Storage's system upon nomination by Customer, and shall also permit the trading of imbalance quantities among Customers.

LA Storage shall, on an Interruptible basis, accept nominations from Customer for Point(s) of Receipt and Point(s) of Delivery located on LA Storage's system for quantities of Gas up to the quantities set forth in Exhibit B of Customer's Hub Services Agreement ("Maximum Imbalance Trading Quantity"), in order to permit Customer to trade imbalances created under Rate Schedules set forth in this FERC Gas Tariff. Further, LA Storage, on an Interruptible basis, shall permit Customer with imbalance quantities, upon prior notification to LA Storage, to trade such imbalance quantities with another Customer, up to the quantities set forth in Exhibit B of Customer's Hub Services Agreement.

Customer shall be permitted to combine the Interruptible imbalance trading service available under this Rate Schedule with any service available under any other Rate Schedule set forth in this FERC Gas Tariff; provided, however, that such combined

services shall be subject to Section 5.5 of the GT&C of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5.5 of the GT&C of this FERC Gas Tariff.

#### 4.11.3 RATES AND CHARGES

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

- (a) Interruptible Imbalance Trading Charge. A charge for each Dth scheduled and confirmed with LA Storage as an imbalance trade, including imbalance quantities traded between Customers.
- (b) Fuel Reimbursement. No fuel is required to perform LA Storage's imbalance trading service.
- (c) Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Hub Services Agreement.
- (d) Taxes. Customer shall reimburse LA Storage for all applicable taxes as may be assessed LA Storage, as set forth in Exhibit B of Customer's Hub Services Agreement.

#### 4.11.4 INVOICE

Each invoice for Interruptible imbalance trading service shall reflect the applicable charges set forth under Section 4.11.3 of this Rate Schedule at rates and terms set forth in Exhibit B of Customer's Hub Services Agreement.

#### 4.11.5 TERM

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

#### 4.11.6 AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

#### 4.11.7 CURTAILMENT

If, due to any cause whatsoever, LA Storage's capability to receive or deliver quantities is impaired so that LA Storage is unable to receive or deliver the quantities provided for in its Exhibit B of Hub Services Agreements with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff.

#### 4.11.8 GENERAL TERMS AND CONDITIONS

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

## 4.12 RATE SCHEDULE IB – INTERRUPTIBLE BALANCING SERVICE

### 4.12.1 AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of Interruptible balancing service from LA Storage, provided that:

- (a) LA Storage has determined that it has sufficient operationally available Gas capacity to perform service Customer has requested;
- (b) LA Storage has determined that service Customer has requested will not interfere with efficient operation of its system or with Higher Priority Service;
- (c) Customer and LA Storage have executed a Hub Services Agreement under this Rate Schedule;
- (d) Customer accepts responsibility for arranging any transportation service required for utilization of the balancing service provided under this Rate Schedule; and
- (e) Service under this Rate Schedule may not be available to the extent that LA Storage would be required to construct, modify, expand or acquire any facilities to enable LA Storage to perform the requested services.

### 4.12.2 APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible balancing service rendered by LA Storage to Customer through use of LA Storage's facilities pursuant to an executed Hub Services Agreement.

Interruptible balancing service rendered by LA Storage to Customer under this Rate Schedule shall consist of the receipt and delivery of quantities of Gas in order to manage imbalances created by Customer under Rate Schedules set forth in this FERC Gas Tariff. Service under this Rate Schedule includes:

- (a) The receipt on any Day of Customer's Gas per Customer's nomination which is in excess of the quantity of Gas delivered to any Point(s) of Delivery per Customer's nomination under Interruptible Rate Schedules set forth in this FERC Gas Tariff, provided that all Higher Priority Service nominations for injection have been satisfied, that Customer has sufficient capacity available as part of its Interruptible Maximum Balancing Quantity to accommodate the nominated injection quantity and Customer delivers the nominated quantity, plus Fuel Reimbursement, to the Point(s) of Receipt located on LA Storage's system.

(b) The receipt of Gas in amounts up to Customer's Interruptible Maximum Balancing Quantity, provided that all Higher Priority Service and system needs have been satisfied; or

(c) The delivery of LA Storage's or Customer's Gas per Customer's nomination to the Point(s) of Delivery located on LA Storage's system which is in excess of the quantity of Gas received by LA Storage at any Point(s) of Receipt per Customer's nomination under Interruptible Rate Schedules set forth in this FERC Gas Tariff, provided that all Higher Priority Service nominations for withdrawal and system needs have been satisfied, and that Customer or LA Storage has a quantity of Gas stored on the system not less than the quantity the Customer shall have nominated for withdrawal on such Day.

To the extent Interruptible capacity or Gas which is being utilized by an Interruptible Customer hereunder is needed by LA Storage in order to satisfy LA Storage's obligations to firm Customers and/or secondary firm Customers, LA Storage shall require Customer to withdraw or repay all, or any portion of, the IB Gas quantities held or loaned by LA Storage for the account of Customer as specified by LA Storage. Unless LA Storage otherwise agrees, Customer shall be required to make ratable injections or withdrawals. If Customer fails to inject or withdraw such IB Gas, then LA Storage may take, free and clear of any adverse claims, title to such IB Storage Inventory as Customer was instructed to withdraw. If Customer fails to inject such IB Gas, then LA Storage may purchase replacement Gas and Customer shall pay LA Storage the cost of the replacement Gas, which includes the actual cost of replacement supplies and any costs or penalties incurred by LA Storage or its Customers as a result of Customer's failure to deliver replacement Gas, plus all other costs incurred by LA Storage to secure such replacement Gas, including, but not limited to, third-party marketing fees, transportation by third-party pipeline companies, and all other costs for securing replacement Gas. LA Storage's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer.

In the event that LA Storage retains and takes title to any of Customer's Gas pursuant to this Section, LA Storage shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 5.33 of the General Terms and Conditions of this FERC Gas Tariff.

Customer shall be permitted to combine the Interruptible receipt and delivery of Gas available under this Rate Schedule with any service available under any other Rate Schedule set forth in this FERC Gas Tariff; provided, however, that such combined services shall be subject to Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff; and, provided, further, that priority for each service shall be determined by the respective priority of that service as set forth in Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff.

#### 4.12.3 RATES AND CHARGES

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

- (a) Interruptible Balancing Charge. A charge, specified in Exhibit B of the Hub Services Agreement for each Dth of imbalance (the cumulative difference between nominated and actual received and delivered quantities) of Gas under LA Storage Rate Schedules;
- (b) Interruptible Balancing Injection Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each Dth of Gas injected into storage to reduce Customers cumulative imbalance;
- (c) Interruptible Balancing Withdrawal Charge. A charge, specified in Exhibit B of the Hub Services Agreement, for each Dth of Gas withdrawn for storage to reduce Customers cumulative imbalance;
- (d) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 5.19 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Exhibit B of Customer's Hub Services Agreement.
- (e) Regulatory Fees and Charges. Customer shall reimburse LA Storage for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Hub Services Agreement.
- (f) Taxes. Customer shall reimburse LA Storage for all applicable taxes as may be assessed LA Storage, as set forth in Exhibit B of Customer's Hub Services Agreement.

#### 4.12.4 INVOICE

Each invoice for Interruptible balancing service shall reflect the applicable charges set forth under Section 4.12.3 of this Rate Schedule at rates and terms set forth in Exhibit B of Customer's Hub Services Agreement.

#### 4.12.5 TERM

The term for service under this Rate Schedule shall be as set forth in Exhibit B of the Hub Services Agreement.

#### 4.12.6 AUTHORIZATION, RATES, TERMS AND CHANGES

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

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

#### 4.12.7 CURTAILMENT

If, due to any cause whatsoever, LA Storage's capability to receive or deliver quantities is impaired so that LA Storage is unable to receive or deliver the quantities provided for in Exhibit B of the Hub Services Agreement with Customers, then receipts and deliveries will be allocated according to the priority of service as set forth in Section 5.5 of the General Terms and Conditions of this FERC Gas Tariff.

#### 4.12.8 EXPIRATION OF TERM

At least ten (10) Business Days prior to the end of the term as specified in Exhibit B of Customer's Hub Services Agreement, LA Storage shall notify Customer to withdraw all of the IB Gas quantities held by LA Storage for the account of Customer; provided, however, any Exhibit B of Customer's Hub Services Agreement that has a term of ten (10) Business Days or less shall not require such foregoing notice but shall be deemed to have been given upon the first Day of the primary term or the renewed term of such Hub Services Agreement. LA Storage's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer. Before the end of the term of Exhibit B of Customer's Hub Services Agreement, the Customer must either physically withdraw the Gas or indicate to LA Storage in writing that it desires to have LA Storage cash out the Gas on mutually agreeable terms. If, by midnight on the last Day of the term of Exhibit B of Customer's Hub Services Agreement, the Customer neither has withdrawn the Gas nor indicated in writing to LA Storage that it desires to exercise the cash out option, then LA Storage may take, free and clear of any adverse claims, title to such IB balance quantity as Customer was required to withdraw or cash out; provided, however, that if Customer was unable to withdraw its IB balance quantity due to an interruption of Customer's withdrawal

service during the last ten Days before termination, Customer shall be allowed to withdraw its Gas within a reasonable period following the end of the contract term.

In the event that LA Storage retains and takes title to any of Customer's Gas pursuant to this Section, LA Storage shall dispose of such Gas by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 5.33 of the General Terms and Conditions of this FERC Gas Tariff.

#### 4.12.9 GENERAL TERMS AND CONDITIONS

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

## 5.0 GENERAL TERMS AND CONDITIONS

## 5.1 INTRODUCTORY STATEMENT

Except where expressly stated otherwise, the General Terms and Conditions of LA Storage's currently effective FERC Gas Tariff shall apply to all Gas services rendered by LA Storage under any Service Agreement, including, but not limited to, service under Rate Schedules FSS, NNSS, FW, ISS, IP, IW, IL, IBT and IB.

## 5.2 DEFINITIONS

5.2.1 “Action Alert” shall have the meaning set forth in Section 5.5.5(f).

5.2.2 “Bcf” means one billion (1,000,000,000) cubic feet.

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

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

5.2.5 “Contract Year” means the twelve (12) month period beginning on the date service under a Service Agreement commences and each subsequent twelve month period thereafter during the term of the Service Agreement.

5.2.6 “Critical Notices” shall mean information pertaining to conditions that affect scheduling or adversely affect scheduled Gas flow.

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

5.2.8 “Customer” means the party that has entered into a Service Agreement with LA Storage or a party requesting service from LA Storage.

5.2.9 “Daily Gas Index Price” shall mean the simple average of: (1) Natural Gas Intelligence Gas Price Index, “Louisiana”, “Average”, “Transco St. 65” for the week in which the Gas Day occurs, (2) Platts Gas Daily, “Louisiana-Onshore South”, “Midpoint”, “Transco, Zone 3”, for the Gas Day (3) Natural Gas Intelligence Gas Price Index, “Louisiana”, “Average”, “Trunkline W. LA” for the week in which the Gas Day occurs, and (4) Platts Gas Daily, “Louisiana-Onshore South”, “Midpoint”, “Trunkline, WLA” for the Gas Day. If no index for a Gas Day is published, the price will be computed as the average of the applicable indices on the Index Publication Date preceding and the Index Publication Date following such Gas Day. The Index Publication Date is the date on which the publication is published. In the event that an index ceases to be published, the parties shall agree on a replacement index.

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

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

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

5.2.13 “FERC” or “Commission” means the Federal Energy Regulatory Commission or any successor

5.2.14 “Fuel Reimbursement” shall have the meaning set forth in Section 5.19 of the General Terms and Conditions of this FERC Gas Tariff.

5.2.15 “Gas” means natural gas in its natural state, produced from wells, including casing head gas produced with crude oil, natural gas from gas wells and residue gas resulting from processing both casing head gas, gas well gas and natural gas received from the regasification facilities of a LNG terminal.

5.2.16 “Higher Priority Service” means any firm or secondary firm service.

5.2.17 “Internet Web Site” means LA Storage’s HTML site accessible via the Internet’s World Wide Web and located at <http://www.LAStorage.com>.

5.2.18 “Interruptible” means the Hub Services (parking, wheeling, loaning, imbalance trading, or balancing service) and Interruptible Storage Service, which are subject to interruption at any time by LA Storage. A Customer may be required to withdraw Gas from the system, or provide Gas to LA Storage, should such capacity or quantities be required by a Higher Priority Service.

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

5.2.20 “Loan Balance” means the quantity of Gas, expressed in Dth, that LA Storage has loaned to Customer, provided that the Loan Balance shall never exceed Customer’s Maximum Loan Quantity specified in Exhibit B of Customer’s Hub Services Agreement.

5.2.21 “Maximum Balancing Quantity” means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in LA Storage’s facilities at any given time as specified in Exhibit B of Customer’s Hub Services Agreement.

5.2.22 “Maximum Daily Delivery Quantity” or “MDDQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Service Agreement, that Customer may nominate and that LA Storage shall deliver at a Point of Delivery located on its system at

constant hourly rates of flow over the course of such Day (excluding Fuel Reimbursement). As determined by LA Storage in its sole and reasonable judgment, the maximum quantity may be delivered at rates of flow which deviate from constant hourly rates over the course of such Day.

5.2.23 “Maximum Daily Firm Wheeling Quantity” or “MDFWQ” means the maximum quantity of Gas, expressed in Dth, specified in Customer’s Service Agreement, that Customer may nominate and that LA Storage shall transport on a firm basis from a Point of Receipt to a Point of Delivery located on LA Storage’s system each Day at constant hourly rates of flow over the course of such Day (excluding Fuel Reimbursement). As determined by LA Storage in its sole and reasonable judgment, the maximum quantity may be wheeled at rates of flow which deviate from constant hourly rates over the course of such Day.

5.2.24 “Maximum Daily Imbalance Trading Quantity or “MDITQ” means the maximum quantity of Gas, expressed in Dth, specified in Exhibit B to Customer’s Hub Service Agreement, that Customer may nominate for trading pursuant to the terms and conditions of Rate Schedule IBT.

5.2.25. “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 LA Storage shall receive at all Point(s) of Receipt located on its system for injection into storage each Day at constant hourly rates of flow over the course of such Day (excluding Fuel Reimbursement). As determined by LA Storage in its sole and reasonable judgment, the maximum quantity may be injected at rates of flow which deviate from constant hourly rates over the course of such Day.

5.2.26 “Maximum Daily Receipt Quantity” or “MDRQ” means the maximum quantity of Gas, expressed in Dths specified in Customer’s Service Agreement, that Customer may nominate and that LA Storage shall receive at each Point of Receipt located on its system at constant hourly rates of flow over the course of such Day (excluding Fuel Reimbursement). As determined by LA Storage in its sole and reasonable judgment, the maximum quantity may be received at rates of flow which deviate from constant hourly rates over the course of such Day.

5.2.27 “Maximum Daily Wheeling Quantity” means the maximum quantity of Gas, expressed in Dths, specified in Exhibit B of Customer’s Hub Services Agreement that Customer may nominate and that LA Storage shall transport on an interruptible basis from a Point of Receipt to a Point of Delivery located on LA Storage’s system each Day at constant hourly rates of flow over the course of such Day (excluding Fuel Reimbursement). As determined by LA Storage in its sole and reasonable judgment, the maximum quantity may be wheeled at rates of flow which deviate from constant hourly rates over the course of such Day.

5.2.28 “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 LA Storage shall withdraw from storage and tender to Customer at all Point(s) of Delivery located on LA Storage's system each Day at constant hourly rates of flow over the course of such Day. As determined by LA Storage in its sole and reasonable judgment, the maximum quantity may be withdrawn at rates of flow which deviate from constant hourly rates over the course of such Day.

5.2.29 "Maximum Loan Quantity" means the maximum quantity of Gas, expressed in Dth, that LA Storage is obligated to loan to Customer at LA Storage's facilities as specified in Exhibit B of Customer's Hub Services Agreement.

5.2.30 "Maximum Park Quantity" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in LA Storage's facilities, at any given time as specified in Exhibit B of Customer's Hub Services Agreement.

5.2.31 "Maximum Storage Quantity" or "MSQ" means the maximum quantity of Gas, expressed in Dth, that Customer is permitted to have in storage in LA Storage's facilities at any given time as specified in the Service Agreement.

5.2.32 "Month" means the period beginning at 9:00 a.m. Central Clock Time on the first Day of a calendar month and ending at 9:00 a.m. Central Clock Time on the first Day of the next succeeding month.

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

5.2.34 "Park Balance" means quantity of Gas, expressed in Dth, that Customer has in LA Storage's facilities for Customer's account, provided that the Park Balance shall never exceed Customer's Maximum Park Quantity specified in Exhibit B of Customer's Hub Services Agreement.

5.2.35 "Point(s) of Delivery" means the point or points located on LA Storage's system specified in Customer's Service Agreement at which LA Storage shall tender Gas to Customer.

5.2.36 "Point(s) of Receipt" means the point or points located on LA Storage's system specified in Customer's Service Agreement at which LA Storage shall receive Gas from Customer.

5.2.37 "Psig" means pounds per square inch gauge.

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

5.2.39 “Replacement Customer” means a Customer who has assumed any released rights to capacity of a Releasing Customer.

5.2.40 “Service Agreement” means a Firm Storage Service Agreement, a No-Notice Storage Service Agreement, an Interruptible Storage Service Agreement, a Firm Wheeling Service Agreement, a Hub Services Agreement or a Capacity Release Umbrella Agreement.

5.2.41 “Storage Inventory” means the quantity of working Gas, expressed in Dths, that a Customer has in place in LA Storage’s Hackberry Storage Facilities for Customer’s account, provided that the Storage Inventory shall never exceed Customer’s Maximum Storage Quantity.

5.2.42 “Transporter” means the Customer’s transporter designated to deliver Gas to the Point(s) of Receipt or Customer’s transporter designated to receive Gas from the Point(s) of Delivery.

## 5.3 REQUESTS FOR SERVICE

### 5.3.1 SERVICE REQUEST

5.3.1.1 Customer seeking service from LA Storage must submit a request for service in the form set forth herein and containing the information described herein. No bids will be accepted for any open season, or for capacity posted on LA Storage's Internet Web Site, no Service Agreement will be tendered by LA Storage, and gas will not be scheduled for receipt and delivery until Customer has completed a Service Request form and Customer's credit evaluation pursuant to GT&C Section 5.32 is found to be satisfactory to LA Storage. In the event LA Storage determines that Customer's request for service does not comply with this Section 5.3 or that Customer's credit evaluation does not comply with GT&C Section 5.32, LA Storage shall notify Customer of the deficiencies and the additional information or changes required to complete the Service Request. Customer shall have the right for a period of ten days after such notice to supplement Customer's Service Request as required to comply with this Section 5.3. If Customer's Service Request, as supplemented within said ten days after such notice, is satisfactory, then Customer's original Service Request date shall be utilized. If Customer's Service Request, as supplemented within said ten days, remains incomplete and deficient, then Customer's Service Request shall be deemed void.

5.3.1.2 If Customer's Service Request and credit evaluation comply with these GT&C, LA Storage will tender a Service Agreement to Customer. In the event the Service Agreement is not executed by Customer and returned within fifteen days after LA Storage tendered the Service Agreement, LA Storage shall consider the Service Request invalid and the Service Agreement shall be void and LA Storage shall refund any prepayment paid or return any security given by Customer pursuant to GT&C Section 5.3.

5.3.1.3 All Service Requests shall be subject to the following conditions:

(a) No Service Request shall be considered valid or be granted if to do so would impair LA Storage's ability to render existing services pursuant to LA Storage's firm service rate schedules.

(b) Subject to the provisions of (a) above, amendments to any firm Service Agreement or exhibit to add any additional Primary Receipt Point(s) or Primary Delivery Point(s) pursuant to an applicable firm rate schedule will not be considered a new transaction for purposes of complying with this Section 5.3. Any Customer receiving permission from LA Storage to use any new Primary Receipt Point(s) or new Primary Delivery Point(s) shall be deemed to have complied with the requirements of this Section 5.3 for purposes of receiving priority in contracting for such new Receipt Primary Point(s) or new Primary Delivery Point(s) for a firm MDRQ or MDDQ over any third party subsequently requesting firm transportation under a firm rate schedule at such Primary Receipt Point(s) or Primary Delivery Point(s) if, at the time of Customer's request, said third party's request has not been

accepted by LA Storage. The priority for such new Primary Receipt Point(s) or Primary Delivery Point(s) shall be determined in accordance with this Section 5.3.

(c) LA Storage shall have no obligation to construct new facilities to provide transportation service to any new Delivery Point(s) or from any new Receipt Point(s).

5.3.1.4 If requesting firm service, Customer shall make a prepayment by wire transfer in an amount equal to the maximum reservation rate as stated in Section 4.1 of this Tariff for one Month's service at the levels specified in Customer's Service Request. The prepayment shall be applied to the first Month's invoice or refunded in accordance with the applicable rate schedule. A successful bidder shall pay the applicable reservation payment for firm service awarded through an open season.

## 5.3.2. PROCESS FOR POSTING EXISTING FIRM CAPACITY

5.3.2.1 Generally. In the event a firm service agreement is not extended pursuant to the provisions of Section 5.3.3 below, or if existing capacity becomes available for any other reason, such capacity will initially be made available in an open season provided that it has not been previously committed and capacity remains available. Capacity that remains unsubscribed after an open season shall be posted as available unsubscribed capacity on LA Storage's Internet Website. LA Storage will have the authority to accept a valid request for service for such capacity on a first-come, first-served basis without reposting that capacity in an open season or to conduct any additional open seasons to solicit interest in the unsubscribed capacity.

5.3.2.2 Request for Capacity Not Previously Posted and Contents of Open Season Posting. If LA Storage receives an otherwise valid request for service for capacity that has or will become available but has not been posted on its Internet Website as available unsubscribed capacity, before LA Storage may award that capacity to the Customer who submitted the request, LA Storage shall post that capacity in an open season pursuant to the open season procedures set forth in the applicable provisions of Section 5.3.2 and Section 5.3.4 through Section 5.3.7, including but not limited to a Prearranged Open Season procedure under Section 5.3.2.7. All postings for an open season will contain:

- (a) the type of service that is available,
- (b) the dates and duration that the service will be available,
- (c) the Receipt and Delivery Point(s) of the available capacity and available capacity at each such point,
- (d) any other information that LA Storage determines to be relevant, and
- (e) the first and last day of the open season.

5.3.2.3 General Limitation on Commencement of Service. Unless otherwise agreed to by LA Storage as specified in this Section 5.3.2.3 or as agreed to by LA Storage as specified in Section 5.3.2.4, a Customer can request available capacity for a future start date only within the following periods:

- (a) For service for one year or longer, the requested service must commence no later than ninety (90) days from the date the request is granted;
- (b) For service for greater than ninety-two (92) days but less than one year, the requested service must commence no later than thirty (30) days from the date the request is granted; and
- (c) For service for ninety-two (92) days or less, the request must be for service starting no later than five (5) days from the date the request is granted.

Notwithstanding the foregoing, a request for firm service (including requests to amend any firm Service Agreement or exhibit to add any additional Primary Receipt Point(s) or Primary Delivery Point(s) pursuant to GT&C Section 5.3.1.3(b), and Section 4.4.4 of Rate Schedule FSS and 4.5.4 of Rate Schedule NNSS) may be received and processed more than 90 days prior to the commencement of service if such request for firm service is associated with: (i) an open season, (ii) new supply being attached to LA Storage's system, (iii) termination of an existing contract on another pipeline, (iv) a Customer that is currently served by a third party through facilities directly connected to LA Storage who now desires instead to contract for firm service directly with LA Storage at the direct-served primary Delivery Point, (v) construction of new facilities is required to serve a new Receipt or Delivery point (including construction requested pursuant to GT&C Section 5.30), or (vi) the construction and/or modification of facilities that will result in a material increase in gas usage or production. A Customer submitting a request for firm service more than 90 days before service commences pursuant to this Section 5.3.2.3 shall submit to LA Storage written evidence that one of the above conditions exist or will exist.

Regarding requests involving the construction of new facilities that will interconnect with LA Storage, examples of acceptable written evidence shall include a written certification from Customer, interconnecting transporters, or natural gas seller(s) to Customer, as applicable, that: (x) Customer (or a party acting on behalf of Customer) has or will pay for all or a portion of a new interconnect or an expansion of an existing interconnect to LA Storage's system; or (y) Customer (or a party acting on behalf of Customer) is or will be a transportation customer or a term buyer of natural gas from a third party that is or will be a transportation customer on an existing or new interconnecting pipeline adding a new or expanded interconnection to LA Storage's system. A request to change either primary receipt and/or delivery point(s) under an existing firm service agreement must be effective through the end of the current term of such agreement.

5.3.2.4 Sales of Capacity Commencing Outside of General Timeframe. LA Storage may conduct an open season that allows service to commence at dates later than those set forth in Section 5.3.2.3. Any such open season, including an open season conducted pursuant to Sections 5.3.2.7 and 5.3.2.8, will define permissible commencement dates. LA Storage may, but is not required to, accept a future commencement of service date that varies from the periods specified in the open season notice. In addition, unless otherwise agreed to by LA Storage, all awards of capacity must be for continuous service for the entire term of the service agreement. Any deviations from these time periods or minimum terms shall be done in a not unduly discriminatory manner consistent with Commission regulations.

5.3.2.5 Length of Open Season Postings. For capacity posted under an open season, the open season shall be posted for at least the following periods:

- (a) Five (5) Business Days for firm capacity that will be available for a term of twelve (12) months or longer;
- (b) Three (3) Business Days for firm capacity that will be available for a term of at least five (5) but less than twelve (12) months;
- (c) One (1) Business Day for firm capacity that will be available for a term of less than five (5) months but greater than thirty-one (31) days; and
- (d) Four (4) hours for firm capacity that will be available for a term of thirty-one (31) days or less.

5.3.2.6 Priority of Flexible Point Requests in an Open Season. With regard to the newly available capacity subject to bidding under the terms of this Section 5.3.2, acceptable bids under this Section that satisfy LA Storage's stated minimum terms and conditions shall have priority over any potential claims for that capacity under the flexible receipt and delivery point authority described at Section 4.4.4 of Rate Schedule FSS, Section 4.5.4 of Rate Schedule NNSS, and GT&Cs Section 5.3.1.3(b).

5.3.2.7 Prearranged Sales of Capacity. LA Storage may, on a not unduly discriminatory basis, enter into a prearranged service agreement with a Customer for any capacity that is or becomes available ("Prearranged Agreement"). LA Storage will post any Prearranged Agreement on its Internet Website for bidding prior to finalizing any award of capacity ("Prearranged Open Season"). Prearranged Agreements will be deemed binding on Customers. The NPV of any bids in a Prearranged Open Season will be determined in accordance with Section 5.3.4. If LA Storage receives a bid that exceeds the NPV of the Prearranged Agreement, LA Storage will notify the Customer with the Prearranged Agreement within one (1) hour after the close of the open season. The Customer under the Prearranged Agreement must notify LA Storage within one (1) Business Day of its election to either match the bid with the highest NPV or terminate the Prearranged Agreement. The highest rate that Customer under the Prearranged Agreement must match to receive service under the Prearranged Agreement is the recourse rate. If the Customer with the

Prearranged Agreement elects to match the bid, all of the capacity will be awarded to the Customer with the Prearranged Agreement. If the Customer with the Prearranged Agreement elects not to match a higher competing bid, the capacity will be awarded to the Customer with the highest bid in the Prearranged Open Season and LA Storage will have no further obligations under the Prearranged Agreement. In accordance with Section 5.3.6, all bids in a Prearranged Open Season are binding and a Customer with an unmatched higher bid must execute a Service Agreement consistent with the terms of its bid within three (3) Business Days of receiving notice of its award of capacity under this provision.

5.3.2.8 Future Sales of Capacity and Interim Capacity. Consistent with Section 5.3.2.4, LA Storage may conduct an open season to sell the following types of capacity with a service commencement date that begins immediately or at any time in the future: (i) any available unsubscribed capacity; (ii) any capacity under expiring or terminating service agreements; or (iii) any capacity that becomes available due to modification, construction, or acquisition of facilities in accordance with the Commission's blanket certificate regulations. If LA Storage sells such capacity in a Prearranged Open Season pursuant to Section 5.3.2.7 with a future service commencement date, the posting provisions of this Section 5.3.2 will apply to the sale of capacity on an interim basis.

### 5.3.3 EXTENSION OF LONG-TERM SERVICE AGREEMENT

5.3.3.1 Negotiation of Extensions and Restructuring of Contracts Prior to Expiration. On a not unduly discriminatory basis, LA Storage and Shipper may agree to contract extension rights, including a right of first refusal, in a long-term firm service agreement. In addition, before the expiration of the term of any Service Agreement for firm service, LA Storage and Customer may: (1) mutually agree to an extension of the term of the Service Agreement (the exact length and rate of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner) or (2) mutually agree to renegotiate the terms of such Service Agreement(s) in exchange for Customer's agreement to extend the use of at least part of its existing service under a restructured Service Agreement(s) (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner).

### 5.3.4 NET PRESENT VALUE STANDARD.

LA Storage shall award capacity for bids received during the open season to Customers that meet LA Storage's creditworthiness standards set forth in GT&C Section 5.32 and whose bids, based upon LA Storage's determination, have the highest NPV. The NPV is the discounted cash flow of total incremental revenues to LA Storage produced, lost or affected by the requests for service and shall be based upon such factors as the rate, term, quantity, date on which the requested service is requested to commence, and other factors determined to be relevant by LA Storage and specified in the open season notice. The NPV for all open seasons shall also include only revenues generated by the reservation rate, or other form of revenue guarantee, as proposed by the bidder(s). For bidders proposing a reservation rate or other form of revenue guarantee which exceeds the recourse rate during

all or any portion of the term proposed by the bidder, the NPV calculated for the bid may not exceed an NPV that is calculated assuming that the recourse rate shall be in effect during the full term proposed by the bidder, in place of the reservation rate(s) or other revenue guarantee(s) proposed by the bidder. For purposes of its NPV evaluation, LA Storage will consider the aggregate NPV of two or more bids for minimum bid packages, provided that the combined quantity of capacity under those packages do not exceed the maximum capacity available for subscription. Within three (3) Business Days after the close of the open season, LA Storage shall post a notice on its Interactive Website identifying the successful bidders, if any, along with the NPV analysis that it employed in determining the successful bid.

#### 5.3.5 REJECTED BIDS

LA Storage reserves the right to reject any bid lower than the minimum acceptable bid for the capacity that is subject to the open season. LA Storage may set a reserve price which will be the minimum rate for the minimum acceptable bid; provided, however, if LA Storage elects to do so it will: (a) set such reserve price prior to the time of posting; and (b) present such reserve price to a trustee to be held in escrow confidentially until the conclusion of the bidding process so as to demonstrate that such reserve price was established at the time of posting.

Irrespective of whether a bid has the highest NPV of the bids received, LA Storage may reject bids for service that: (a) may detrimentally impact the operational integrity of LA Storage's system; (b) do not satisfy all the terms of the specified posting; (c) contain terms and conditions other than those set forth in this Tariff; (d) do not satisfy the LA Storage's creditworthiness criteria as set forth in GT&C Section 5.32; (e) contain contingencies that cannot be removed within a time frame acceptable to LA Storage; or (f) result in incremental costs.

#### 5.3.6 BINDING NATURE OF BIDS

All bids received during the open season remain binding on all bidders through the end of the open season unless withdrawn by the bidder through the same medium on which its bid was submitted; provided, however, a bidder may withdraw its previous bid and submit a bid with a higher NPV during the open season, but neither bidder (nor an affiliate of bidder) may submit a bid with a lower NPV. At the end of the open season, all bids either withdrawn by the bidder or not accepted by LA Storage shall become null and void.

#### 5.3.7 BID TIEBREAKER.

If LA Storage determines that two or more bidders have both submitted bids with the highest NPV, the tied bidders shall submit another round of bids within a timeframe established by LA Storage. The successful bidder shall be the bidder with the highest NPV after one additional round of bids. Additional bids shall not be lower than the original bids. If bids are still tied after a second round of bids, then the capacity shall be shared pro rata.

#### 5.3.8 OPEN SEASON FOR PROPOSED EXPANSIONS

LA Storage may hold open seasons in connection with construction of facilities and may also conduct periodic open seasons for the purpose of evaluating market interest in expanding and/or extending LA Storage's system. In conjunction with possible expansion of LA Storage's system, LA Storage will also solicit offers for the permanent relinquishment of firm capacity, which would reduce the need for additional facilities required for such expansion. Procedures and criteria for such solicitations of capacity will be developed prior to the event and posted on the LA Storage's Internet Web Site.

#### 5.3.9 ABANDONMENT AUTHORITY

Subject to this Section 5.3.9, upon the termination of a Service Agreement for firm or interruptible service, LA Storage will have all necessary authority to abandon or terminate such service without any requirement to make application with the Commission for such authority.

#### 5.3.10 RESERVATION OF CAPACITY FOR FUTURE EXPANSIONS

(a) LA Storage may elect to reserve for future expansion projects any available unsubscribed capacity or capacity under expiring or terminating service agreements.

(b) To reserve capacity for future expansion projects, LA Storage shall first make such capacity generally available to any Customer or potential Customer by posting such capacity for bidding through a "Capacity Reservation Open Season" for a time period of at least five (5) business days. The Capacity Reservation Open Season posting shall also conform to the bidding and capacity award procedures of the applicable provisions of Section 5.3.2 and Section 5.3.4 through Section 5.3.7. This Capacity Reservation Open Season posting shall clearly state LA Storage's intention to reserve the capacity for the expansion project and shall contain the following information with respect to the capacity:

- (i) the daily and other applicable quantity of service available from each receipt point to each market area;
- (ii) the Recourse Rate as set forth in this Tariff;
- (iii) any applicable restrictions;
- (iv) any minimum price or other terms applicable to the capacity; and
- (v) the date when bids are due to LA Storage.

(c) When the Capacity Reservation Open Season is held prior to the expansion project open season conducted pursuant to Section 5.3.8, LA Storage shall have the

right to state in the Capacity Reservation Open Season posting minimum terms and conditions for bids that would be acceptable for consideration that are the same as the minimum terms and conditions anticipated for the future expansion project open season. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the preceding Capacity Reservation Open Season, LA Storage shall hold another Capacity Reservation Open Season for the capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the Capacity Reservation Open Season, LA Storage shall use the same minimum terms and conditions as used for the expansion project open season. If LA Storage receives no bids meeting the minimum terms and conditions set forth in the Capacity Reservation Open Season, LA Storage may reserve the capacity for use in the expansion project.

(d) Capacity may be reserved under this Section 5.3.10 for up to one year prior to the LA Storage filing for Natural Gas Act Section 7(c) certificate approval or prior notice authorization pursuant to LA Storage's blanket construction certificate for construction of the proposed expansion and thereafter until such expansion is placed into service. LA Storage may only reserve capacity for a future expansion project for which an open season has been held or will be held within one (1) year of the date that LA Storage posts such capacity as being reserved. Any Reservation Capacity reserved pursuant to this section for an expansion project that does not go forward because LA Storage does not file any required application with the Commission within one (1) year from such reservation date, or because LA Storage ultimately does not receive authorization, shall be posted as unsubscribed capacity within 30 days of the date the capacity becomes available subject to then-existing interim commitments for the capacity.

(e) LA Storage's posting for any capacity reserved under this Section shall include the following information and will make reasonable efforts to update the reservation posting to reflect material changes in the expansion project up to the in-service date of the expansion project:

- (i) a description of the expansion project for which the capacity will be reserved;
- (ii) the total quantity of capacity to be reserved;
- (iii) the location of the proposed reserved capacity on the pipeline system;
- (iv) whether, and if so, when LA Storage anticipates that an open season for the capacity will be held or it will otherwise be posted for bids under the expansion;

(v) the projected in-service date of the expansion projects; and

(vi) on a rolling basis, how much of the reserved capacity has been sold on a limited-term basis.

(f) Any capacity reserved under this Section shall be made available for storage service pursuant to LA Storage's General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s).

## 5.4 CAPACITY RELEASE

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

### 5.4.1 Notice of Offer

A Customer offering to release firm or secondary firm service entitlements shall notify LA Storage via the Internet Web Site of the terms of its offer by the posting deadline as determined pursuant to Section 5.4.3 herein. LA Storage will post this information on the Internet Web Site. The Customer may propose a pre-arranged designated Replacement Customer to which the capacity would be released. Offers shall be binding unless written or electronic notice of withdrawal is received by LA Storage prior to the close of the applicable bid period; provided, however, such withdrawal shall only be valid if such Customer has an unanticipated requirement for such capacity and no minimum bid has been made. The notice must contain the reason for withdrawal which LA Storage shall post on the Internet Web Site. The offer shall contain the following minimum information:

- (a) Customer's legal name and the name/title of individual who has authorized the offer to release;
- (b) LA Storage's Service Agreement number;
- (c) A description of the capacity to be released, including, as applicable the Maximum Daily Receipt Quantity, the Maximum Daily Withdrawal Quantity, the Maximum Daily Injection Quantity, the Maximum Storage Quantity, the Maximum Daily Delivery Quantity, the Maximum Daily Quantity, the Maximum Daily Firm Wheeling Quantity and the associated Point(s) of Receipt and Point(s) of Delivery (Replacement Customer may request changes to such Receipt and Delivery Point(s) subject to the proposed release and subject to the daily quantity limitations described in Section 5.4.2 below);
- (d) The proposed effective date and term of the release;
- (e) The identity of any pre-arranged designated Replacement Customer and the full terms of such pre-arranged release;
- (f) The method to be applied in evaluating bids, allocating capacity and breaking ties, as described below;
- (g) Whether, to what extent, and the conditions pursuant to which capacity will be subject to recall for a full Day or a partial Day; if recallable, (1) whether the Releasing Customer's recall notification must be provided exclusively on a

Business Day, and (2) any reput methods and rights associated with returning the previously released capacity to the Replacement Customer;

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

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

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

(k) Whether Releasing Customer desires to utilize the first-come, first-served option for short-term releases described in Section 5.4.6 below and any minimum terms applicable thereto;

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

(m) Whether to specify dollars and cents or percents of rates in the denomination of bids;

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

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

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

(q) The recall notification period(s), as identified in Section 5.4.13(e) below, that will be available for use by the parties;

(r) If the release is to an asset manager exempt from bidding pursuant to Section 5.4.4, the term during which the gas purchase or sale obligation applicable under an asset management arrangement will apply.

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

- (a) the quantity contained in the offer submitted by the Releasing Customer; or
- (b) a quantity equal to 1/24th of the Releasing Customer's MDIQ, MDWQ, MDRQ, MDDQ, or MDFWQ for the contract to be released multiplied by the number of hours between the effective time of the release and the end of the Day.

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

The MSQ 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 the Releasing Customer's Storage Inventory.

#### 5.4.3 Posting and Bidding Timeline

For the Capacity Release business process timing model, only the following methodologies shall be supported by LA Storage and provided to Releasing Customers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) can be accorded similar timeline evaluation treatment at LA Storage's discretion; however, LA Storage is not required to offer other choices or similar timeline treatment for other choices. Further, LA Storage shall not be held to the timeline specified in Sections 5.4.3(a) and 5.4.3(b) below should the Releasing Customer elect another method of evaluation. Should the Releasing Customer elect another method of evaluation, the timeline specified in Section 5.4.3(c) below shall apply. The proposed duration of Customer's release determines the minimum bid period for the Customer's offer pursuant to this Section 5.4. 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.

LA Storage adopts NAESB WGQ Standard 5.3.2 and supports the following Capacity Release timeline (all times are in CCT pursuant to NAESB WGQ Standard No. 0.3.17):

- (a) For biddable releases (1 year or less):
  - Offers shall be tendered such that they can be posted by 9:00 a.m. on a Business Day;
  - Open season ends at 10:00 a.m. on the same or a subsequent Business Day;
  - Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken;
  - If no match is required, the evaluation period ends and Award is posted by 11:00 a.m.;

- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon;
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable);
- Nomination is 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 5.8 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

(b) For biddable releases (more than 1 year):

- Offers shall be tendered such that they can be posted by 9:00 a.m. on a Business Day;
- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days;
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken;
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.;
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon;
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable);
- Nomination is 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 5.8 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

(c) Timeline for Non-standard Releases. If Customer specifies a bid evaluation methodology other than those stated in Section 5.4.7 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 Day later than under the standard timelines set forth in Sections 5.4.3(a) and 5.4.3(b).

(d) For non-biddable releases. The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

Timely Cycle: 12:00 Noon

Evening Cycle: 5:00 p.m.

Intraday 1 Cycle: 9:00 a.m.

Intraday 2 Cycle: 1:30 p.m.

Intraday 3 Cycle: 6:00 p.m.

- The contract is issued within one hour of the Award posting (with a new contract number, when applicable);
- Nomination is 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 5.8 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer. A Prearranged Customer may not consummate a release with any Customer that utilizes the same capacity or overlaps such capacity without such release being subject to the bidding requirement if such Customer has, within the prior twenty-eight (28) consecutive Days, released capacity to such Prearranged Customer, which prior release was not subject to the bidding requirements.

LA Storage shall post offers and bids, including pre-arranged deals, upon receipt, unless Releasing Customer requests otherwise. If Releasing Customer requests a posting time, LA Storage 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.

#### 5.4.4 Pre-arranged Releases

Customer may designate an entity (a 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 prior posting and bidding procedures described in Sections 5.4.5 and 5.4.6, 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 designated Replacement Customer is: (a) for a period of thirty-one (31) Days or less; (b) for a period of more than one year at the Recourse Rate; or (c) to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations; or (d) to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commissions regulations, the Releasing Customer shall provide notice to LA Storage

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 5.4.3 herein.

#### 5.4.5 Posting

Following receipt of a notice of offer to release capacity which satisfies the requirements set forth in this Section, LA Storage will post such information on its Internet Web Site in accordance with the timeline set forth in Section 5.4.3 herein. LA Storage shall also post offers to purchase capacity from those who desire current Customers to release capacity upon receipt of the applicable information as set forth in this Section.

#### 5.4.6 Bidding and Selection of Replacement Customer

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 LA Storage 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 LA Storage, 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 LA Storage 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. LA Storage 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 5.4.3 herein. LA Storage shall notify Releasing Customer, the best bidder, and any pre-arranged designated Replacement Customer of such determination in accordance with the timelines set forth in Section 5.4.3 herein. If there is a pre-arranged designated Replacement Customer, it may exercise its right to match such best bid by providing written notice of such exercise to LA Storage and Releasing Customer in accordance with the timelines set forth in Section 5.4.3 herein. After the Replacement Customer is selected, LA Storage will finalize an appropriate Addendum to the Capacity Release Umbrella Agreement in the form contained in this FERC Gas Tariff. LA Storage will provide a copy of this Addendum to the Replacement Customer via facsimile, at which time the Replacement Customer will have the same rights and obligations as any other existing Customer on LA Storage's system. Following implementation of the release, LA Storage shall post notice of the winning bidder on the Internet Web Site.

#### 5.4.7 Best Bid

When LA Storage makes awards of capacity for which there have been multiple bids meeting minimum conditions, LA Storage shall award the bids, best bid first, until all offered capacity is awarded. For firm storage services, the capacity being awarded

represents the Maximum Daily Injection Quantity, the Maximum Daily Withdrawal Quantity, and the Maximum Storage Quantity, as applicable, which 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. LA Storage shall evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by the Releasing Customer as follows:

(a) LA Storage 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 LA Storage in applying such standard to exercise no more than a ministerial function. The Releasing Customer shall indemnify and hold LA Storage harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by LA Storage 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, LA Storage shall determine the bid or bids generating the highest net present value, using a 10% discount factor, based on the rate bid (reservation or demand component), the applicable quantity(ies) and term or period bid upon. In default of Releasing Customer specifying a method to break ties priority will be given first to the bid with the shortest term, and next to the bid submitted first in time.

#### 5.4.8 Qualification of Prospective Replacement Customer

A prospective Replacement Customer must be on LA Storage’s approved bidders list before bids may be posted on the Internet Web Site, must satisfy all requirements of the applicable Rate Schedule and the GT&C of this FERC Gas Tariff and must have executed a Capacity Release Umbrella Agreement. To be on the approved bidders list, the prospective Replacement Customer must satisfy LA Storage’s credit requirements as outlined in Section 5.32 of the GT&C, and provide the information required by Section 5.32 of the GT&C. Such credit appraisal shall be reevaluated and updated every three (3) months. The prospective Replacement Customer shall remain on the approved bidders list until such prospective Replacement Customer (i) notifies LA Storage to the contrary, (ii) no longer meets the credit qualifications established in Section 5.32 of the GT&C, or (iii) is suspended from the approved bidders list in the event, and for such time as, such Replacement or Prearranged Customer fails to pay part or all of the amount of any bill for service in accordance with Section 5.14 of the GT&C.

LA Storage will apply its creditworthiness criteria to assess the submission. LA Storage will waive the creditworthiness requirement on a non-discriminatory basis for Replacement Customers and permit them to submit bids, if the Releasing Customer provides LA Storage with a guarantee or other form of credit assurance in form and

substance satisfactory to LA Storage of all financial obligations of the Replacement Customer with respect to the capacity being released by Releasing Customer prior to the commencement of service to the Replacement Customer.

#### 5.4.9 Nominations

Following its selection, and prior to the flow of Gas, the Replacement Customer shall be permitted to submit nominations pursuant to the terms and conditions of the applicable Rate Schedule and the GT&C of this FERC Gas Tariff.

#### 5.4.10 Billing

The Replacement Customer shall be billed and make payments to LA Storage in accordance with 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. LA Storage 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 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, LA Storage shall pursue payment from the Replacement Customer by notifying such Customer by registered letter, return receipt requested, that it has five (5) days from receipt of such letter to pay the amount due including any applicable interest. If the Replacement Customer fails to pay such amount by the end of the fifth day, LA Storage shall reverse the credit and bill the Releasing Customer for such past due amounts, plus applicable interest.

#### 5.4.11 Rights and Obligations of the Parties

(a) The Storage Service Agreement between the Releasing Customer and LA Storage shall remain in full force and effect with the Releasing Customer to receive a credit to its invoice as described in Section 5.4.10 above. If the Replacement Customer fails to pay all or part of the amounts credited to the Releasing Customer after the five Day notification period specified in Section 5.4.9, LA Storage 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) LA Storage 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 LA Storage's FERC Gas Tariff and their respective Storage Service Agreements. In the event that instructions or nominations from the Releasing Customer and Replacement Customer are, in LA Storage's opinion, inconsistent or conflicting, LA Storage shall comply with the instructions of the Releasing Customer; provided, however, that such instructions must not be inconsistent with LA Storage's FERC Gas Tariff or the terms of either the Releasing Customer's or Replacement Customer's Service Agreement, in LA Storage's opinion. The Releasing Customer will indemnify LA Storage against any claim or suit by the Replacement Customer, its successors or assigns, arising from any action taken by LA Storage in reliance upon the Releasing Customer's nominations and instructions and will hold LA Storage harmless for any action taken by LA Storage 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 LA Storage against any claim or suit by the Releasing Customer, its successors or assigns, arising from any action taken by LA Storage in reliance upon the nominations and scheduling instructions of the Replacement Customer and will hold LA Storage harmless for any actions taken by LA Storage in reliance upon the instructions of the Releasing Customer.

#### 5.4.12 Marketing Fee

If LA Storage and the Releasing Customer so agree, LA Storage may receive a negotiated fee for its marketing efforts.

#### 5.4.13 Limitations

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

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

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

(d) A Releasing Customer may re-release to the same Replacement Customer, where such first release was not subject to posting and bidding pursuant to Section 5.4.4, for a term of 31 Days or less, only if: 1) a period of 28 Days has elapsed after the first release for 31 Days or less has expired or 2) the Point(s) of Receipt and/or Point(s) of Delivery for the re-release is different from the Point(s) of Receipt and/or Point(s) of Delivery of the first release or 3) the Releasing Customer causes the posting of an offer to release capacity or of a pre-arranged transaction to be made, and capacity is allocated on the basis of bids submitted.

(e) Recall Provisions. If the Releasing Customer retains recall rights, Releasing Customer's offer to release capacity shall clearly specify the conditions precedent to such recall and whether the recall right retained by Releasing Customer is on a full Day or partial Day basis. The Releasing Customer shall provide capacity recall notification to LA Storage via the Internet Web Site. The recall notification shall specify the recall notification period for the specified effective Day, as well as any other information needed to uniquely identify the capacity being recalled. LA Storage shall support the following recall notification periods for all released capacity subject to recall rights:

(1) Timely Recall Notification

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

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

(2) Early Evening Recall Notification

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

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

(3) Evening Recall Notification

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

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

(4) Intraday 1 Recall Notification

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

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

(5) Intraday 2 Recall Notification:

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

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

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

LA Storage 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 5.4.6 of these GT&C. Such notices shall contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from LA Storage, 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 5.8.2(f) of these GT&C.

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

- (1) The quantity specified in the Releasing Customer's notice to recall capacity;  
or
- (2) The difference between the quantity released by the Releasing Customer and the Elapsed-prorated-scheduled Quantity.

In the recall notification provided to LA Storage by the Releasing Customer, the quantity to be recalled shall be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed-prorated-scheduled Quantity. In the event of an intraday capacity recall, LA Storage shall determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the Elapsed-prorated-scheduled Quantity.

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

(g) Reput Provisions. LA Storage 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 5.4.1(g). When capacity is recalled, such capacity may not be reput for the same Day. The deadline for the Releasing Customer to notify LA Storage of a reput of capacity is 8:00 A.M. CCT to allow the Replacement Customer to submit timely nominations for gas to flow on the next Day.

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

(i) The offer to release by a Customer under Rate Schedules FSS, NNSS and FW must specify the quantities of MDDQ, MDRQ, MSQ, MDIQ, MDWQ, NNMDQ, MDFWQ, as applicable or rights offered, and actually available on the effective date of the assignment,

and the exercise of which rights, in conjunction with Releasing Customer's exercise of its retained rights, will not violate any maximum or minimum quantity requirements or limitations applicable under the Rate Schedule or the respective Service Agreements. 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 shall be responsible for arranging transportation to and from the Point(s) of Receipt and Point(s) of Delivery consistent with its rights and obligations under its Service Agreement and applicable Rate Schedule. A Replacement Customer Rate Schedule FSS, NNSS or FW Agreement must comply with all obligations imposed under such Rate Schedules and its rights to store, withdraw and/or inject Gas will be subject to the provisions thereof. If the Releasing Customer proposes to, or requires a transfer-in-place of the portion of its Storage Inventory in conjunction with its release and assignment of storage capacity rights, it shall so specify in its offer to release and such transfer shall be implemented contemporaneously with the release and assignment subject to compliance with the provisions of these General Terms and Conditions. The Replacement Customer must withdraw the portion of its Maximum Storage Quantity by the end of the term of the release. In lieu of withdrawing the portion of its Storage Inventory, the Replacement Customer can also attempt to effect a transfer of the portion of its Storage Inventory to another storage service Customer as provided in these General Terms and Conditions. If the Replacement Customer fails to withdraw or transfer the portion of its Storage Inventory by the end of the term of its release, title to the portion of Customer's remaining Storage Inventory will be vested, at no cost, in the Releasing Customer which released its capacity to the Replacement Customer on a temporary basis.

#### 5.4.14 LA Storage's Rights to Terminate Temporary Capacity Releases

(a) In the event of a temporary release for which (1) LA Storage has given notice of termination of the Releasing Customer's Service Agreement pursuant to Section 5.29 of LA Storage's GT&C and (2) the reservation charge specified in the effective Addendum to the Replacement or Prearranged Customer's Capacity Release Umbrella Agreement is less than the level of the reservation charge which the Releasing Customer was obligated to pay LA Storage, then LA Storage shall be entitled to terminate the Addendum, upon 30 days' written notice to the Replacement or Prearranged Customer, unless the Replacement or Prearranged Customer agrees prior to the end of said 30-day notice period to pay for the remainder of the term of the Addendum either (i) the reservation and commodity charges at levels which the Releasing Customer was obligated to pay LA Storage, or (ii) such rate as mutually agreed by LA Storage and Replacement or Prearranged Customer. Customer may elect to pay the lesser of the two foregoing options. LA Storage's right to terminate the Addendum is subject to LA Storage providing written notice of termination to the Replacement or Prearranged Customer within 30 days of the determination by LA Storage that the Releasing Customer no longer satisfies LA Storage's credit requirements.

Termination of the Addendum shall not occur prior to termination of the Releasing Customer's contract.

(b) In the event that a Customer has received 30 days' notice of termination of the Addendum to Customer's Capacity Release Umbrella Agreement pursuant to Section 5.4.13(a) above for service and there is Gas in Customer's account at the end of such 30-day period, the Addendum shall continue in force and effect for the sole purpose of withdrawal of said Gas by Customer until a zero-balance is achieved. LA Storage shall require Customer to withdraw each Day a quantity equal to the MDDQ, or such other lesser quantity acceptable to LA Storage. The requirement to withdraw quantities shall be suspended on any Day to the extent that LA Storage cannot accommodate a nomination or withdraw such storage quantities on such Day. In the event Customer fails to withdraw all remaining Gas within the time required by this Section, LA Storage shall auction any remaining Gas and credit the proceeds of such sale to Customer, net of withdrawal charges and fuel, if applicable. Customer shall indemnify LA Storage and hold it harmless from all costs, damages and liabilities arising out of the failure of Customer to remove such Gas and the disposal of such Gas by sale by LA Storage. LA Storage shall post such quantities on the Internet Web Site on the fifth Business Day following the fifteenth of the month. LA Storage shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the seventh Business Day following the fifteenth of the month. Prior to 4:00 p.m., CCT of the same Day, LA Storage shall notify the Customer submitting the highest bid. When the Gas is purchased at auction, Customer purchasing the Gas must provide identification of the existing Service Agreement with LA Storage under which Customer shall store all such Gas purchased. Customer purchasing the Gas agrees to pay the applicable rate on the Gas purchased beginning on the date the bid was accepted at auction.

#### 5.4.15 Requests to Purchase Capacity

(a) Any party desiring to acquire firm capacity pursuant to the capacity release procedures of this Section must submit the following information to LA Storage:

- (1) The Replacement Customer's name and contact information;
- (2) The Maximum Storage Quantity, Maximum Daily Injection Quantity, the Maximum Daily Withdrawal Quantity, Maximum Daily Delivery Quantity, the Maximum Daily Receipt Quantity and Maximum Daily Firm Wheeling Quantity for service, as applicable;
- (3) The desired commencement date and term of the service;
- (4) The desired primary receipt and delivery points and the associated Maximum Daily Receipt Obligation and Maximum Daily Delivery Obligation for the service;
- (5) The maximum rate(s) that Replacement Customer will pay for the service;

(6) Whether Replacement Customer will accept a release with recall rights, and if so, what recall rights would be acceptable; and

(7) Whether Replacement Customer's request is contingent, and if so, the basis for the contingency.

The foregoing information shall be submitted through Replacement Customer's submittal of a completed Request to Purchase Releasable Capacity Form, which can be found on LA Storage's informational website at <<https://www.gasnom.com/ip/lastorage/>>

LA Storage will post such information on its informational website for a period of one month or until a transaction is effected, whichever is shorter.

## 5.5 PRIORITY, INTERRUPTION OF SERVICE AND OPERATIONAL FLOW ORDERS

### 5.5.1 Priority of Service

Any Customer executing a Service Agreement with LA Storage shall be entitled to the, storage, parking, wheeling, loaning, imbalance trading, or balancing of Gas in the following order of declining priority:

- (a) Firm Service under Rate Schedules FSS, NNSS, and/or FW at primary Point(s) of Receipt, not in excess of Customer's firm rights, and at primary Point(s) of Delivery, not in excess of firm rights located on LA Storage's system.
- (b) Firm Service under Rate Schedule FSS, NNSS, and/or FW at secondary Point(s) of Receipt or Delivery located on LA Storage's system; provided, however, that if LA Storage is restricting service at a particular Receipt or Delivery Point then a Customer utilizing that point as a primary point, regardless of the status at the corresponding Delivery or Receipt Point, should have priority over a Customer using that restrained as a Secondary Receipt or Delivery Point.
- (c) Interruptible services, including storage, parking, wheeling, loaning, imbalance trading, balancing, AIO, AWO, and/or balancing service pursuant to Section 5.5.1.2 below.
- (d) Make-up volumes to correct prior variances between (i) Transporter and the counterparty to a balancing agreement (pursuant to such agreement), (ii) Customer and LA Storage, and (iii) Customer and Transporter if the variance was due to LA Storage's failure to receive or deliver Customer's scheduled volumes.

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

5.5.1.2 The order of priority relating to service requests service under Rate Schedules IP, IW, IL, IBT, IB, AIO and AWO shall be allocated to each Customer by rate charged from highest to lowest; provided that priority will be given on a pro rata basis among Customers proposing the same rate.

### 5.5.2 Interruption

- (a) If on any Day LA Storage's capability to receive or deliver quantities is impaired so that LA Storage is unable to receive or deliver all the quantities which are scheduled, then interruption of service shall be generally implemented in the reverse order of priority set forth in Section 5.5.1. However, to the extent that scheduled secondary firm storage service must be interrupted, it shall be allocated pro rata with primary firm storage service. Interruption of service to Interruptible

Customers under Rate Schedules ISS, IP, IW, IL, IBT, IB, AIO and AWO shall be by rate charged from lowest to highest; provided that interruption will be pro rata based on scheduled quantities among Customers paying the same rate.

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

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

#### 5.5.4 Interruption Liability

LA Storage 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 LA Storage's gross negligence or willful misconduct.

#### 5.5.5 Interruption Reservation Charge Crediting

5.5.5.1 General Rule. In the event LA Storage is unable to inject, withdraw, or wheel the volumes of gas nominated by Customer at Primary Receipt and Primary Delivery Points to which Customer has firm entitlements on any Day under a firm Rate Schedule, LA Storage shall provide a credit applicable to the volume of gas that was nominated and confirmed by Customer's supplier, but not delivered; provided, however, LA Storage shall not be relieved of the obligation to provide credits for failure to confirm a nomination for reasons within its control. For clarification, if LA Storage is unable to receive, inject, or wheel volumes of gas nominated from a Secondary Receipt Point or to withdraw gas from storage or deliver gas at a Secondary Delivery Point, Customer shall have the ability to renominate to the applicable Primary Point and, if such nomination cannot be scheduled or such service is not provided, LA Storage shall provide credits pursuant to this General Rule. LA Storage shall not provide the reservation charge credits described above to the extent that the Customer re-nominates and LA Storage receives and/or delivers quantities pursuant to Customer's firm service agreement at a point other than Customer's Primary Receipt and/or Delivery Point(s), provided that the Customer will not be obligated to submit nominations for another receipt or delivery point other than its Primary Receipt and/or Delivery Point(s). The volume of gas to which the credit shall apply shall be the lesser of the following:

(a) the quantity Customer has nominated, and which has been confirmed, for the Gas Day less the quantity measured as injected into storage for the account of Customer (injection shortfall) or less the quantity delivered at Customer's Primary Delivery Point (withdrawal shortfall or wheeling shortfall);

- (b) when LA Storage has given advance notice of the unavailability of service, (A) the average of the preceding seven (7) days' daily quantities, immediately preceding the service interruption, nominated and confirmed to the Customer's Primary Receipt Point less the quantity measured as injected into storage for the account of Customer (injection shortfall) or (B) the average of the preceding seven (7) days' daily quantities, immediately preceding the service interruption, nominated and confirmed to Customer's Delivery Point less the quantity measured as delivered at Customer's Primary Delivery Point (withdrawal shortfall or wheeling shortfall, as applicable); provided, however, that if LA Storage's notice of a non-force majeure service interruption is not provided until after the Timely Nomination cycle then the seven days' average will not be applicable; or
- (c) the applicable MDIQ (as adjusted for applicable injection ratchets) less the quantity measured as injected into storage for the account of the Customer (injection shortfall) or the MDWQ (as adjusted for applicable withdrawal ratchets) less the quantity measured as delivered at Customer's Primary Delivery Point (withdrawal shortfall).

5.5.5.2 Credit Calculation. The amount of credit owed to Customer daily shall be as follows:

- (A) For Rate Schedule FSS: the injection shortfall or the withdrawal shortfall, whichever is applicable, as determined in Section 5.5.5.1 above, multiplied by the daily equivalent of the Firm Injection Reservation Charge or the Firm Withdrawal Reservation Charge as provided for in the Customer's FSS Service Agreement, plus the Firm Storage Reservation charge multiplied by the injection shortfall or the withdrawal shortfall, whichever is applicable for the day;
- (B) For Rate Schedule NNSS: the injection shortfall or the withdrawal shortfall, whichever is applicable, as determined in Section 5.5.5.1 above, multiplied by the No-Notice Reservation Charge as provided for in the Customer's NNSS Service Agreement;
- (C) For Rate Schedule FW: the wheeling shortfall, as determined in Section 5.5.1 above, multiplied by the Firm Wheeling Reservation Charge provided in the Customer's FW Service Agreement.

5.5.5.3 Exception. LA Storage shall not be obligated to credit the Reservation Charge when LA Storage's failure to deliver gas to Customer as provided above in (a) results from:

- (a) the conduct or operations of Customer or solely from the conduct or operations of the downstream point operator of the facilities at a Primary Delivery Point (if such downstream point operator is a party that is not controlled by LA Storage), including, but not limited to:

(1) damage or malfunction of the downstream point operator's facilities; or

(2) the inability of the downstream point operator to receive gas at Customer's contract delivery pressure (if any) or LA Storage's mainline pressure;

provided, however, that if damage or malfunction of the point operator's facilities where LA Storage's facilities also incurred damage and are inoperable, and such damage or inoperability results in an inability to deliver, a credit shall apply under the terms hereof, except for the period provided in (b) (1) and (2) below, until such time that LA Storage's facilities are ready to be placed back in service.

(b) such failure occurring within the earlier of:

(1) ten (10) days following a force majeure event under Section 5.17 of this Tariff; or

(2) the date LA Storage should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (1).

(c) such failure occurring within the earlier of:

(1) ten (10) days following an outage occurring prior to March 1, 2018, resulting from orders related to LA Storage's maximum allowable operating pressure issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") pursuant to Section 60139(c) of Chapter 601 of Title 49 of the United States Code, provided that when LA Storage issues notice of such an outage it will identify in such notice the specific PHMSA order with which it is complying; or

(2) the date LA Storage should have, in exercise of due diligence, alleviated such outage, if earlier than the period set forth above in (1).

#### 5.5.6 Action Alerts and Operational Flow Orders

(a) Circumstances Warranting Issuance: As specified in this Section 5.5.5, LA Storage shall have the right to issue Action Alerts or Operational Flow Orders ("OFOs") that require actions by Customers in order (1) to alleviate conditions that threaten to impair reliable service, (2) to maintain operations at the pressures required to provide efficient and reliable services, (3) to have adequate Gas supplies in the system to deliver on demand, (4) to maintain service to all firm Customers and for all firm services, and (5) to maintain the system in balance for the foregoing purposes.

- (b) LA Storage shall lift any effective Action Alert or OFO promptly upon the cessation of operating conditions that caused the relevant system problem.
- (c) **Actions to be Taken to Avoid Issuance:** LA Storage shall, to the extent reasonably practicable, take all reasonable actions necessary to avoid issuing an Action Alert or OFO. Such actions shall include, in order of priority (1) working with point operators to temporarily adjust receipts and/or deliveries at relevant Point(s) of Receipt or Point(s) of Delivery, (2) working with Customers and point operators to adjust scheduled flows on the system, or (3) taking any other reasonable action designed to mitigate the system problem. After taking all such reasonable actions to avoid issuing an Action Alert or OFO, LA Storage will have the right to issue Action Alerts or OFOs, if necessary, in the circumstances described in Section 5.5.5(a).
- (d) **Preliminary Notifications/Follow-up Reports:** LA Storage shall provide, via posting on the Internet Web Site and to affected parties through the affected party's choice of electronic notice delivery mechanism(s), prior notice to all Customers and point operators of upcoming system events such as anticipated weather patterns and operational problems that may necessitate the issuance of an Action Alert or OFO.
- (e) **Applicability of Action Alert or OFO:** LA Storage shall make an Action Alert or OFO as localized as is reasonably practicable based on LA Storage's good faith and reasonable judgment concerning the situations requiring remediation such that an Action Alert or OFO will be directed first to Customers and point operators causing the problem necessitating the Action Alert or OFO and second, if necessary, to all Customers and point operators. LA Storage will tailor the Action Alert or OFO to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsections 5.5.5(f) and 5.5.6(g). The declaration to the affected parties of OFOs, critical periods and/or Critical Notices shall describe the conditions and the specific responses required from the affected parties.
- (f) **Notice:** All Action Alerts and OFOs will be issued via telephone to be followed by a facsimile to the affected Customer(s) or point operator(s), with subsequent posting on the Internet Web Site, and notification to the affected parties through the affected party's choice of electronic notice delivery mechanism(s). LA Storage 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 LA Storage's Internet Web Site, e-mail notification of Critical Notices issued by LA Storage. The Action Alert or OFO will set forth (1) the time and date of issuance, (2) the actions Customer or point operator is required to take, (3) the time by which Customer or point operator must be in compliance with the Action Alert or OFO, (4) the anticipated duration of the Action Alert or OFO, and (5) any other terms that LA Storage may reasonably require to ensure the effectiveness of the Action Alert or OFO. In addition to the other information contemplated by this Section 5.5.6(e), such notice shall also include information about the status of operational variables that determine when an Action Alert or OFO will begin and end, and LA Storage shall post periodic updates of such information, promptly upon occurrence of any material change in the information. LA Storage will post

a notice on the Internet Web Site informing the Customers and point operators when any Action Alert or OFO in effect will be lifted and specifying the factors that caused the Action Alert or OFO to be issued and then lifted, to the extent such factors are known.

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

(1) Issuance of Alerts: Action Alerts will be noticed in accord with the procedures set forth in Section 5.5.6(e) and LA Storage will endeavor to provide a minimum of four hours notice.

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

(A) restriction of Interruptible services;

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

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

(h) OFOs: In the event that, in LA Storage's judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain operations at the pressures required to provide efficient and reliable service, to have adequate Gas supplies in the system to deliver on demand, to maintain services to all firm Customers and for all firm services, and to maintain the system in balance for the foregoing purposes, LA Storage may forgo the action described in Section 5.5.5(f) and immediately issue an OFO. In the event that (1) Customer or point operator does not respond to an Action Alert, (2) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or (3) there is insufficient time to carry out the procedures with respect to Action Alerts, LA Storage may issue an OFO pursuant to this Section 5.5.5(g) or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of LA Storage's system. For purposes of this Section, the operational integrity of LA Storage's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered. LA Storage shall post a notice on its Internet Web Site specifying the factors that caused

the Action Alert or OFO to be issued to the extent such factors are known. LA Storage 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 LA Storage's Internet Web Site to receive e-mail notification of Critical Notices issued by LA Storage.

(i) Termination of an Action Alert or OFO: LA Storage shall lift any effective Action Alert or OFO promptly upon the cessation of operating conditions that caused the relevant system problem. After LA Storage has lifted the Action Alert or the OFO, LA Storage shall post a notice on its Internet Web Site specifying the factors that caused the Action Alert or OFO to be issued and then lifted to the extent such factors are known. LA Storage 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 LA Storage's Internet Web Site to receive e-mail notification of Critical Notices issued by LA Storage.

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

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

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

(3) Any penalty revenue collected by LA Storage pursuant to this Section 5.5.5(j) shall be credited to those firm and Interruptible Customers that did not incur Action Alert or OFO penalties pursuant to this Section 5.5.5(j) in the Month for which Action Alert or OFO penalty revenues were received ("Non-Offending Customers"), based on the ratio of the total charges paid during that Month by the Non-Offending Customer to the sum of the total charges paid during that Month by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month following the date of the final Commission order approving LA Storage's penalty disbursement report. LA Storage will file with the Commission a penalty disbursement report within sixty days of July 31. 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.

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

(l) **Unilateral Action:** In the event that (1) Customer(s) or point operator(s) does (do) not respond to an OFO, or (2) the actions taken thereunder are insufficient to correct the system problem for which the OFO was issued, or (3) there is insufficient time to carry out the procedures with respect to OFOs, LA Storage may take unilateral action, including the curtailment of firm service, to maintain the operational integrity of LA Storage's system. For purposes of this Section, the operational integrity of LA Storage's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance, the overall operating performance of the entire physical system, as an entity, and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered.

## 5.6 RATE AND TARIFF CHANGES AND DESCRIPTIVE HEADINGS

5.6.1 Rate and Tariff Changes. LA Storage shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act or otherwise, to make changes to its rates, charges, and GT&Cs. Customer shall have the right to intervene and protest any such filing, and to exercise any rights available under Section 5 of the Natural Gas Act.

5.6.2 Descriptive Headings. The descriptive headings of the provisions of this FERC Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

## 5.7 STORAGE AND WHEELING OPERATIONS

### STORAGE OPERATIONS

5.7.1 Customer shall tender or cause to be tendered to LA Storage at the Point(s) of Receipt located on its system any Gas which Customer desires to have injected into storage plus applicable Fuel Reimbursement volumes. Customer shall also receive or cause to be received Gas requested to be withdrawn from storage at the Point(s) of Delivery located on LA Storage's system.

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

5.7.3 Due to certain limitations of LA Storage's facilities, LA Storage shall not be obligated to receive at any Point of Receipt for injection, or deliver at any Point of Delivery, any quantity of Gas when the quantity of Gas tendered for delivery to LA Storage or Customer has requested to be delivered, together with all other quantities of Gas tendered for delivery to LA Storage at any such Point of Receipt or requested for delivery at any such Point of Delivery, results in a net metered flow which is less than or equal to 10,000 Dth per Day.

5.7.4 In the event that batch flowing nominated volumes of less than 10,000 Dth per Day is deemed operationally impractical by Transporter or LA Storage, and should LA Storage receive nominations for the injection or withdrawal of Gas, which after aggregation with other nominations commencing at the same time and same meter, results in a net metered volume less than or equal to 10,000 Dth per Day, LA Storage will attempt, but shall not be required, to schedule such nominations. However, if any single nomination or combination of nominations is scheduled such that the aggregated nominated volumes result in a net metered volume less than or equal to 10,000 Dth per Day, all nominations may be curtailed on a pro-rata basis such that the net metered volume will be zero. LA Storage will orally notify the affected Customer(s) within four (4) hours of being notified of changes to nominations which would result in curtailment as provided herein.

### WHEELING OPERATIONS

5.7.5 Customer shall tender or cause to be tendered to LA Storage at the Point(s) of Receipt located on its system any Gas which Customer desires to have wheeled plus applicable Fuel Reimbursement volumes. Customer shall also receive or cause to be received Gas requested to be wheeled at the Point(s) of Delivery located on LA Storage's system.

5.7.6 Due to certain limitations of LA Storage's facilities, LA Storage shall not be obligated to receive at any Point of Receipt located on its system for wheeling, or deliver at any Point of Delivery located on its system, any quantity of Gas when the quantity of Gas tendered for delivery

to LA Storage or Customer has requested to be delivered, together with all other volumes of Gas tendered for delivery to LA Storage at any such Point of Receipt or requested for delivery at any such Point of Delivery, results in a net metered flow which is less than or equal to 10,000 Dth per Day.

5.7.7 In the event that batch flowing nominated volumes of less than 10,000 Dth per Day is deemed operationally impractical by Transporter or LA Storage, and should LA Storage receive nominations for the injection or withdrawal of Gas, which after aggregation with other nominations commencing at the same time and same meter, results in a net metered volume less than or equal to 10,000 Dth per Day, LA Storage will attempt, but shall not be required, to schedule such nominations. However, if any single nomination or combination of nominations is scheduled such that the aggregated nominated volumes result in a net metered volume less than or equal to 10,000 Dth per Day, all nominations may be curtailed on a pro rata basis such that the net metered volume will be zero. LA Storage will orally notify the affected Customer(s) within four (4) hours of being notified of changes to nominations which would result in curtailment as provided herein.

## 5.8 NOMINATIONS AND SCHEDULING AND HOURLY FLOW RATE AND FLOW CONTROL

### 5.8.1 NOMINATION

LA Storage adopts NAESB WGQ Version 1.3.2 (i – vi) and supports the following standard nomination cycles (all times are in Central Clock Time (CCT) pursuant to NAESB WGQ Standard No. 0.3.17).

#### 5.8.1.1 Timely Nomination Cycle.

The standard nomination timeline is as follows: 1:00 p.m. for nominations leaving control of the nominating party; 1:15 p.m. for receipt of nominations by LA Storage (including from Title Transfer Tracking Service Providers (“TTTSPs”)); 1:30 p.m. to provide Quick Response; 4:30 p.m. for receipt of completed confirmations by LA Storage from upstream and downstream connected parties; 5:00 p.m. for receipt of scheduled quantities by Customer and point operator (on the Gas Day prior to flow). Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

LA Storage shall have the right to refuse to receive or deliver any gas not timely and properly nominated. A standing nomination may be specified by Customer to be effective for one or more Gas Days or months provided the nomination beginning and ending dates are within the term of Customer’s applicable Service Agreement. LA Storage shall not be liable to Customer or any other person as a direct or indirect consequence of such refusal and Customer shall indemnify LA Storage from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal unless such refusal was due to LA Storage’s negligence

#### 5.8.1.2 Evening and Intraday Nomination Cycles

Subsequent to the Timely Nomination Cycle, nominations will be scheduled in one of four “Cycles” and will be processed according to the following timelines:

- (a) Evening Nomination Cycle. Subsequent to the Timely Nomination Cycle, as described in GT&Cs Section 5.8.1.1, Customer may alter its nominations provided that the nomination given by Customer to LA Storage for deliveries starting at 9:00 a.m. on the following Gas Day shall be submitted to LA Storage no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to LA Storage. Any scheduling nomination submitted after the Timely Nomination Cycle described in GT&Cs Section 5.8.1.1 shall contain Customer’s anticipated service requirements for one Gas Day only and shall include the effective date and time. Evening Cycle nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day prior to gas flow.

The Evening Nomination Cycle deadlines are: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the LA Storage (including from TTTSPs); 6:30 p.m. to provide Quick Response; 8:30 p.m. for receipt of completed confirmations by LA Storage from upstream and downstream connected parties; 9:00 p.m. for LA Storage to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CCT on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another service requester on LA Storage to receive notice that it is being bumped should be effective at the start of the next Gas Day; and when an Evening Nomination causes another service requester on LA Storage to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on Gas Day.

- (b) Intraday 1 Nomination Cycle. Subsequent to the Evening Nomination Cycle, as described in GT&Cs Section 5.8.1.2(a), Customer may alter its nominations provided that the nomination given by Customer to LA Storage for deliveries starting at 2:00 p.m. during the current Gas Day shall be submitted to LA Storage no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to LA Storage. Any scheduling nomination submitted after the Timely Nomination Cycle described in GT&Cs Section 5.8.1.1 shall contain Customer's anticipated service requirements for one Gas Day only and shall include the effective date and time. Intraday 1 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day of gas flow.

The Intraday 1 Nomination Cycle deadlines are: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by LA Storage (including from TTTSPs); 10:30 a.m. to provide Quick Response; 12:30 p.m. for receipt of completed confirmations by LA Storage from upstream and downstream connected parties; 1:00 p.m. for LA Storage to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CCT on the Gas Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on Gas Day.

- (c) Intraday 2 Nomination Cycle. Subsequent to the Intraday 1 Nomination Cycle, as described in GT&Cs Section 5.8.1.2(b), Customer may alter its nominations provided that the nomination given by Customer to LA Storage for deliveries starting at 6:00 p.m. during the current Gas Day shall be submitted to LA Storage no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to LA Storage. Any scheduling nomination submitted after the Timely Nomination Cycle shall contain Customer's anticipated service requirements for one Gas Day only and shall include the effective date and time.

Intraday 2 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day of gas flow.

The Intraday 2 Nomination Cycle deadlines are: 2:30 p.m. for nominations leaving control of the nominating party; 2:45 p.m. for receipt of nominations by LA Storage (including from TTTSPs); 3:00 p.m. to send Quick Response; 5:00 p.m. for receipt of completed confirmations by LA Storage from upstream and downstream connected parties; 5:30 p.m. for LA Storage to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CCT on the Gas Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on Gas Day.

For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv), and (v), the word “provide” shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (d) Intraday 3 Nomination Cycle. Subsequent to the Intraday 2 Nomination Cycle, as described in GT&Cs Section 5.8.1.2(c), Customer may alter its nominations provided that the nomination given by Customer to LA Storage for deliveries starting at 10:00 p.m. during the current Gas Day shall be submitted to LA Storage no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to LA Storage. Any scheduling nomination submitted after the Timely Nomination Cycle shall contain Customer’s anticipated service requirements for one Gas Day only and shall include the effective date and time. Intraday 3 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. No scheduled Customers shall be bumped during the Intraday 3 Nomination Cycle. The nomination timeline shall be CCT on the day of gas flow.

The Intraday 3 Nomination Cycle deadlines are: 7:00 p.m. for nominations leaving control of the nominating party; 7:15 p.m. for receipt of nominations by LA Storage (including from TTTSPs); 7:30 p.m. to send Quick Response; 9:30 p.m. for receipt of completed confirmations by LA Storage from upstream and downstream connected parties; 10:00 p.m. for LA Storage to provide scheduled quantities to affected Customers and point operators (CCT on the Gas Day). Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (e) Quick Response. LA Storage will provide a Quick Response, as defined by NAESB, to Customer for each nomination received. Such Quick Response will serve only as notification of the receipt and validation of nomination information in accordance with NAESB Standards, but will not indicate whether the nomination will be confirmed or scheduled.

For Timely Nominations, the Quick Response will be provided to the nominating party by 1:30 p.m. CCT on the Gas Day the nomination is received. For Evening and Intraday Nominations, the Quick Response will be provided according to the following schedule: Evening Nomination Cycle – 6:30 p.m. CCT on the Gas Day; Intraday 1 Nomination Cycle – 10:30 a.m. CCT on the Gas Day; Intraday 2 Nomination Cycle – 3:00 p.m. CCT on the Gas Day; Intraday 3 Nomination Cycle – 7:30 p.m. CCT on the Gas Day.

- (f) Once all or a portion of the nomination of a Customer that is paying for firm deliveries is accepted and scheduled for any Gas Day, said daily scheduled service shall not be interrupted unless curtailment is necessary pursuant to the provisions of GT&Cs Sections 5.5 and 5.17.
- (g) If LA Storage bumps an interruptible Customer's flowing nomination at a Receipt Point and/or Delivery Point, as a direct result of LA Storage's acceptance of an intraday nomination increase by a firm Customer, then LA Storage will not also bump said Customer's corresponding flowing delivery or receipt nominations for the remainder of that Gas Day even though an imbalance may be created; provided, however, that any imbalance penalty shall be waived for the interruptible Customer whose scheduled volumes are bumped by a firm intraday nomination, but shall be waived only for the Gas Day that such bumping occurs.
- (h) If Customer submits a reduced intraday nomination below the level of gas that has already been received in LA Storage's system on a Gas Day, then Customer has created an unauthorized daily overrun and imbalance subject to the allowable daily dispatching variations, and shall pay the applicable charges and penalties.
- (i) LA Storage's Internet Web Site shall provide the available capacity for each nomination cycle.

5.8.1.3 Nomination Information. With respect to Customer's desired levels of service under firm and interruptible storage Rate Schedules, a nomination made through electronic data interchange shall include all mandatory Commission-approved data elements; Customer shall furnish LA Storage the following:

- (a) Customer's Contract number and Package ID numbers. Package ID differentiates between discrete business transactions under a contract;
- (b) the desired Receipt Point(s) and Delivery Point(s), the corresponding daily quantities, and the schedule ranks;
- (c) the upstream contract and party who will deliver gas to Customer, if applicable;
- (d) the begin and end dates upon which such service is desired, provided the nomination begin and end dates are within the term of Customer's contract; and

- (e) the sum of the quantities nominated at Receipt Point(s) less applicable Fuel Retainage Percentages shall equal the sum of the Quantities of gas nominated at Delivery Point(s) during the nomination period.

All nominations should be considered original nominations and should be replaced to be changed. Intraday nominations can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled gas. When a nomination for a date range is received, each Gas Day within that range is considered an original nomination. When a subsequent nomination is received for one or more Gas Days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the Gas Days specified. The Gas Days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

All nominations for service must be made electronically through the LA Storage's Internet Web Site or by electronic data interchange in the format set forth in the NAESB Standards. However, in the event of a failure of electronic nomination communication equipment, Internet, or third-party service provider, or other similar emergency event which constitutes an event of force majeure pursuant to GT&Cs Section 5.17, Customer may submit and LA Storage will accept written nominations, provided that such force majeure events are documented by an affidavit provided by Customer to LA Storage within 24 hours of such event. Any such requests by Customer for emergency treatment shall be handled on a not unduly discriminatory basis.

- 5.8.1.4 Customer Prioritization of Nominated Quantities. If Customer elects to nominate quantities of gas to be received by LA Storage from one or more upstream parties at one or more Receipt Point(s) for delivery by LA Storage to one or more downstream parties at one or more Delivery Point(s) for the account of Customer, Customer shall provide the priority, method, and extent to which each nominated receipt quantity from a particular upstream party at a particular Receipt Point should be reduced in the event that any downstream operator verifies and confirms deliveries that are less than the Customer's nominated deliveries or, in the event that, due to LA Storage's allocation of available capacity for services, all nominated receipts cannot be scheduled. Likewise, if Customer elects to nominate quantities of gas to be delivered by LA Storage to one or more downstream parties at one or more Delivery Point(s) for the account of Customer, Customer shall provide the priority, method, and extent to which each nominated delivery quantity to a particular downstream party at a particular Delivery Point should be reduced in the event that any upstream operator verifies and confirms receipts that are less than the Customer's nominated receipts or, in the event that, due to LA Storage's allocation of available capacity for services, all nominated deliveries cannot be scheduled.
- 5.8.1.5 Upstream Confirmation Reductions. In the event that an upstream operating entity's confirmation, pursuant to GT&Cs Sections 5.8.1.1 and/or 5.8.1.2, reduces the scheduled quantities and such reductions are made in aggregate for the Receipt Point(s), LA Storage shall reduce such quantities in a corresponding amount on LA Storage's system based upon

Customer's ranking. To the extent reductions in the confirmation process are applicable to a contract (or to transactions within a contract that are charged the same percentage of the maximum rate), LA Storage will use Customer's provided schedule ranks (in accordance with NAESB defined data sets), or pro-rata if no ranks are provided by Customer, to effectuate such reductions to the scheduled quantities.

LA Storage shall not allow reductions below the elapsed pro-rata scheduled quantity without the express consent of the affected party(s). Elapsed-prorated-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. Elapsed-pro-rata scheduled quantity will apply to all nomination decreases submitted in the Intraday Nomination cycles.

## 5.8.2 SCHEDULING PROCEDURE

Service is deemed scheduled after Customer submits a nomination in accordance with GT&C Section 5.8.1 and LA Storage confirms the nominated receipt of gas into the system and the nominated delivery of gas to Customer, or for Customer's account. Until LA Storage has informed Customer that its nomination, whether monthly, daily, or intraday, is confirmed, such gas quantities will not be deemed scheduled. All scheduled quantities shall be timely posted on LA Storage's Internet Web Site.

5.8.2.1 The quantities nominated by Customer shall be scheduled by LA Storage for receipt and delivery or injection or withdrawal from storage in the following order:

- (a) Firm service utilizing Primary Receipt Points and Primary Delivery Points;
- (b) Firm service utilizing Secondary Receipt Points and/or Secondary Delivery Points; provided, however, that if LA Storage is restricting service at a particular Receipt or Delivery Point then a Customer utilizing that point as a primary point, regardless of the status at the corresponding Delivery or Receipt Point, should have priority over a Customer using that restrained point as a Secondary Receipt or Delivery Point;
- (c) AIO and AWO and interruptible service shall have equal priority and shall be scheduled in sequence starting with the highest rate;
- (d) Among LA Storage's firm service, Customers scheduling excess receipts or deliveries for the purpose of resolving a prior imbalance in scheduled receipts or deliveries; and
- (e) Among LA Storage's interruptible service, Customers scheduling excess receipts or deliveries for the purpose of resolving a prior imbalance in scheduled receipts or deliveries.

5.8.2.2 In the event a tie for capacity exists among Customers within the categories of services described in Sections 5.8.2.1(b), 5.8.2.1(c), 5.8.2.1(d) or 5.8.2.1(e) of these GT&C (which are all services other than primary firm Service), the quantities will be scheduled pro rata within each category.

5.8.2.3 Should Customer be unable to accept the quantities of gas tendered at the Delivery Points on any Gas Day, then LA Storage may refuse to receive gas at the Receipt Points on such day. Should Customer be unable to tender quantities of gas at the Receipt Points on any Gas Day, then LA Storage may refuse to deliver gas at the Delivery Points on such Gas Day.

5.8.2.4 LA Storage shall have the unqualified right to commingle gas transported hereunder with gas from other sources and other Customers, and to treat and handle all such gas as under its possession and control. It is recognized that gas delivered by LA Storage may not be the same molecules as those received at the Receipt Points.

5.8.2.5 Entitlement Limitation applicable to Service Agreements. After LA Storage confirms, and, if necessary, reduces Customer's nomination pursuant to GT&C Section 5.8.2, LA Storage may further reduce such nomination to the extent the combined nominations of Releasing Customers and Replacement Customers at Receipt Points and Delivery Points exceed the entitlement of the original firm capacity holder.

### 5.8.3 FLOW RATE

5.8.3.1 Hourly Flow Rate. All gas delivered to or by LA Storage under its Rate Schedules shall be delivered at rates as constant as operationally feasible throughout the Gas Day, and except as provided in GT&C Section 5.8.3.2, LA Storage shall not be obligated to deliver gas under its Rate Schedules in excess of uniform hourly rates.

5.8.3.2 Authorized Fluctuations in Flow Rates. Scheduled quantities will be received and delivered at a uniform hourly rate of confirmed quantity divided by 24, unless as determined by LA Storage, variance from the hourly rate will not be detrimental to the operation of the LA Storage or adversely affect other LA Storage Customers.

### 5.8.4 FLOW CONTROL

LA Storage may elect to construct, install, and operate flow control equipment at any location on its LA Storage system whenever it determines in its reasonable judgment that such equipment will contribute to the safe, reliable, efficient and orderly operation of its LA Storage system in a manner that is consistent with its obligation to provide service under all of its rate schedules.

## 5.9 POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

### 5.9.1 Point(s) of Receipt

Customer shall tender all Gas for storage or wheeling to LA Storage at the Point(s) of Receipt located on LA Storage's system as specified in Customer's Service Agreement. The quantity of Gas tendered by Customer to LA Storage for storage or wheeling shall not exceed at each Point of Receipt the MDRQ, MDIQ, MDFWQ, Maximum Balancing Quantity or Maximum Daily Wheeling Quantity, as applicable, for such Point of Receipt in effect from time to time, plus the applicable Fuel Reimbursement at all Point(s) of Receipt in effect from time to time, without the consent of LA Storage.

### 5.9.2 Point(s) of Delivery

LA Storage shall tender all Gas to be stored or wheeled to Customer at the Point(s) of Delivery located on LA Storage's system as specified in Customer's Service Agreement. The quantity of Gas delivered to Customer shall not exceed at each Point of Delivery the MDWQ, MDDQ, MDFWQ, maximum Balancing Quantity or Maximum Daily Wheeling Quantity, as applicable, for such Point of Delivery in effect from time to time without the consent of LA Storage.

### 5.9.3 Maximum Daily Delivery Quantity ("MDDQ")

5.9.3.1 Applicability. This Section of the GT&C applies to each Customer for which LA Storage renders or delivers firm service at one or more Delivery Points. This Section specifies the MDDQ at each such Delivery Point.

5.9.3.2 Where LA Storage, provides Customer with deliveries at an individual Delivery Point in excess of Customer's otherwise applicable MDDQ ("excess deliveries"), the MDDQ for that Delivery Point shall be adjusted upward to reflect the increased deliveries LA Storage has agreed to provide and the Customer's MDDQ at its remaining Delivery Points shall be reduced by a like amount in a manner as mutually agreed upon by Customer and LA Storage for the period LA Storage has agreed to make such excess deliveries. The MDDQ for each Gas Day at each Delivery Point, which represents a limitation applicable to the combined deliveries under all rate schedules under which LA Storage delivers firm service to Customer, shall not exceed one hundred percent (100%) of Customer's MDDQ

5.9.3.3 More than One Customer. If the quantity of gas delivered at a single Delivery Point is applicable to gas delivered by LA Storage to more than one Customer, then the total measured quantity shall be allocated in accordance with the PDA methodology chosen by the Delivery Point operator in accordance with GT&C Section 5.38.3.

5.9.3.4 In the event Customer, without prior authorization by LA Storage, takes on any Gas Day at any individual Delivery Point a quantity of gas which is greater than Customer's applicable MDDQ then the quantity in excess of the MDDQ shall be Customer's Delivery

Point unauthorized daily overrun for such Gas Day and GT&C Sections 5.38.5 through 5.38.7 shall apply.

5.9.3.5 Updating Delivery Quantity. LA Storage shall amend each affected Customer's delivery quantity at any Delivery Point(s) to reflect any additional flexibility provided by incremental capacity expansion projects after: (1) Customer and LA Storage have executed the Service Agreement for such incremental service; and (2) the incremental facilities related thereto have been constructed and are ready for service.

#### 5.9.4 Transportation Guidelines

The Transporter(s)' rules, guidelines, operational procedures and policies set forth in LAS's FERC Gas Tariff, 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(s) of Delivery and Receipt. LA Storage 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, LA Storage will not be required to begin wheeling, injections or withdrawals for a Customer's account unless and until the data required for nominations, provided for in Section 5.8, have been confirmed by the applicable Transporter to LA Storage's Gas dispatcher.

#### 5.9.5 Transportation Imbalance

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

#### 5.9.6 Measurement

Customer and LA Storage agree that the quantity of Gas delivered hereunder shall be measured by LA Storage in accordance with LA Storage's tariff, and, as such, may be allowed to fluctuate within the applicable measurement or flow tolerances on a daily and Monthly basis.

5.9.7 Costs and Penalties

Customer shall hold LA Storage harmless for all costs and penalties which may be assessed by Transporter under Customer's transportation agreement with Transporter, unless the costs and penalties are due to the negligence of LA Storage. Customer and LA Storage 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.

5.9.8 Downstream and Upstream Transportation

Customer shall be responsible for transportation from the Point(s) of Delivery located on LA Storage's system and payment of all transportation charges relating thereto. Customer shall be responsible for transportation to the Point(s) of Receipt located on LA Storage's system and payment of all transportation charges relating thereto.

5.9.9 Code of Compliance by Customer.

It shall be the Customer's sole responsibility to purchase, install, operate, and maintain Customer's facilities or equipment used for odorizing, handling, manufacturing, storing, transporting or distributing natural gas delivered to or received from LA Storage in compliance with all applicable local, State, and federal codes, rules, and regulations. LA Storage shall not be held responsible for any damages resulting from Customer's noncompliance even if such is known to LA Storage.

## 5.10 QUALITY

### 5.10.1 Specifications

The Gas delivered by either party to the other hereunder shall meet the quality specifications of the Transporter then having the most stringent quality specifications which receives or delivers such Gas at the Point(s) of Receipt or Delivery located on LA Storage's system, as applicable, and, unless such Transporter's quality specifications are more stringent, shall be of such quality that it shall meet at least the following specifications:

- (a) Be commercially free from objectionable odors, dirt, dust, iron particles, gums, gum-forming constituents, gasoline, PCBs, and other solid and/or liquid matter, including but not limited to water, Gas treating chemicals and well completion fluids and debris, which may become separated from the Gas during the transportation thereof.
- (b) Contain not more than one fourth (1/4) of one grain of hydrogen sulfide per one hundred (100) cubic feet, as determined by the cadmium sulfate quantitative test, nor more than twenty (20) grains of total sulfur per one hundred (100) cubic feet.
- (c) The Gas delivered hereunder shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, shall not contain more than three percent (3%) by volume of carbon dioxide, shall not contain more than three (3%) by volume of nitrogen, and shall not contain a combined total of carbon dioxide and nitrogen components of more than four (4%) by volume.
- (d) Have a heating value of not less than nine hundred and sixty-seven (967) Btus per cubic feet and not more than eleven hundred (1100) Btus per cubic feet.
- (e) Have a temperature of not more than 120 degrees Fahrenheit (120 degrees F), nor less than forty degrees Fahrenheit (40 degrees F).
- (f) Have been dehydrated by the tendering party, by any method other than the use of a calcium chloride as desiccant, for removal of entrained water in excess of seven (7) pounds of water per million (1,000,000) cubic feet of Gas as determined by dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon.

### 5.10.2 Rejection of Gas

Either party shall be entitled to reject any Gas tendered to it by the other party which does not meet the minimum specifications of Section 5.9.1 hereunder. Acceptance of such Gas

does not constitute any waiver of LA Storage's right to refuse to accept similarly nonconforming Gas.

## 5.11 PRESSURE AND RECEIPT/DELIVERY RATES

### 5.11.1 Receipt and Delivery Pressures

#### 5.11.1.1 Delivery Pressure.

LA Storage shall deliver Gas to Customer at pressures sufficient to enter the LA Storage facilities at the Point(s) of Delivery located on LA Storage's system against the operating pressures maintained by Transporter(s) from time to time. LA Storage shall not be required to deliver Gas at pressures in excess of those required by Transporter(s) or in excess of Transporter(s) maximum allowable operating pressure (MAOP), not to exceed 1,300 psig. The acceptable pressure conditions at Point(s) of Delivery may be set forth in Customer's Service Agreement on Exhibit B. In addition, LA Storage and Customer may specify in the Service Agreement a minimum delivery pressure obligation at any Point(s) of Delivery, and LA Storage shall not reduce the pressures in its facilities at such Point(s) of Delivery below such minimum delivery pressure obligation. If no pressure conditions or obligations are specified in the effective Service Agreement(s), LA Storage shall deliver gas to Customer at the pressure then prevailing on LA Storage's system at the applicable Point(s) of Delivery.

#### 5.11.1.2 Receipt Pressure.

Customer shall deliver or cause to be delivered gas to LA Storage at the Point(s) of Receipt located on LA Storage's system at pressures not less than 800 psig and not in excess of the MAOP of LA Storage's facilities at the Point(s) of Receipt. Customer shall deliver gas or cause gas to be delivered to Pipeline for Customer's account at the Point(s) of Receipt at the pressure conditions specified in the effective Service Agreement(s); provided, that LA Storage shall not be obligated to reduce the pressures in its facilities at such Point(s) of Receipt below the pressures which it determines, in its sole judgment, are required from time to time for the operation of its facilities. If no Point of Receipt pressure conditions are specified in the effective Service Agreement(s), Customer shall deliver gas to LA Storage at the pressure then prevailing on Pipeline's system at the applicable Point(s) of Receipt. LA Storage shall be responsible for maintaining facilities at such Point(s) of Receipt to permit Customer to deliver Gas to LA Storage at such allowed pressures.

#### 5.11.1.3 Over-Pressure Protection.

In no event shall LA Storage be responsible for over-pressure protection on any facilities of Customer(s).

### 5.11.2 Receipt and Delivery Rates

LA Storage has designed the facilities based on "normal" operating pressures maintained by the Transporter(s) at the Point(s) of Receipt/Delivery located on LA Storage's system with allowances for reasonable fluctuations. In the event that conditions on the

Transporter's system vary substantially from this "normal" design condition coincident with high levels of Customer receipt or delivery activity, LA Storage's capability to receive or deliver the quantities set forth in its Service Agreements may be impaired, resulting in an interruption in service. If this happens, capacity will be allocated pursuant to Section 5.5 of the GT&C of this FERC Gas Tariff. Customer agrees to release LA Storage from, and LA Storage shall have no liability of any nature to Customer or any third party with respect to, any such interruption in service.

## 5.12 TITLE AND RISK OF LOSS

- 5.12.1 Customer warrants for itself, its successors and assigns, that it will have at the time of delivery of Gas for storage, parking or wheeling hereunder either good title to or the right to have the Gas transported or stored. Customer warrants for itself, its successors and assigns, that the Gas it delivers hereunder shall be free and clear of all liens, encumbrances, or claims whatsoever; and that it will indemnify LA Storage and save it harmless from all claims, suits, actions, damages, costs and expenses arising directly or indirectly from or with respect to the title and/or right to Gas tendered to LA Storage hereunder.
- 5.12.2 As between Customer and LA Storage: Customer shall be deemed to be in control and possession of the Gas prior to delivery to LA Storage for storage, wheeling, or parking at the Point(s) of Receipt located on LA Storage's system and after redelivery by LA Storage to Customer at the Point(s) of Delivery located on LA Storage's system, and shall indemnify and hold LA Storage harmless from any damage or injury caused thereby. LA Storage shall be deemed to be in control and possession of the Gas after the receipt of the same at the Point(s) of Receipt and until redelivery by LA Storage to Customer at the Point(s) of Delivery, and shall indemnify and hold Customer harmless from any damage or injury caused thereby, except for damages and injuries caused by the sole negligence of Customer. The risk of loss for all Gas transported, wheeled, or parked shall remain with Customer, and LA Storage shall not be liable to Customer for any loss of Gas, except as may be occasioned due to the intentional or negligent acts or omissions by LA Storage. Any losses of Gas, unless due to the intentional or negligent act or omissions of LA Storage, shall be shared proportionally by all Customers, based on each Customer's MDTQ, Park Balance and/or Loan Balance, as applicable.

### 5.13 MEASUREMENT & MEASUREMENT EQUIPMENT

5.13.1 Determination of Quantity. The quantity of gas received and delivered by LA Storage for Customer's account hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying pressures and temperatures with deviations therefrom provided in GT&C Section 8.16.1(i) and shall be determined as follows:

- (a) The unit of measurement for the purpose of service under any of LA Storage's rate schedules shall be one (1) Dth. The number of Dths delivered shall be determined by multiplying the number of Cubic Feet of gas received or delivered, measured on the measurement basis hereinafter specified, by the Total Heating Value of such gas, in Dths per Cubic Foot.
- (b) The unit of quantity for the purpose of measurement shall be 1 Cubic Foot of gas at a temperature of 60° Fahrenheit, at a pressure of thirty-three hundredths pounds per square inch (0.03 PSI) gauge and an atmospheric pressure of 14.7 PSI, resulting in an absolute pressure of 14.73 pounds per square inch.
- (c) The unit of weight for the purpose of measurement shall be one (1) pound mass of gas.
- (d) The average absolute atmospheric pressure shall be assumed to be 14.7 pounds per square inch.
- (e) The temperature of the gas passing through the meters shall be determined by the use of electronic transducers, recording thermometer or other temperature measuring devices. The instantaneous measurement from the electronic measurement equipment or the arithmetic average of the temperature recorded each Gas Day shall be used in computing gas quantities.
- (f) The specific gravity of the gas flowing through the meters shall be determined by gas chromatographic analysis, recording gravitometer, or continuous or spot sampling methods, unless otherwise mutually agreed upon by Customer and LA Storage. The arithmetic average of the specific gravity recorded during each Gas Day shall be used in computing gas quantities or other periodic measurements within a shorter time frame or instantaneous specific gravity measurements may be applied to metering instruments to provide the quantity computation.
- (g) When orifice meters are used, the computation of quantities of gas delivered shall be in accordance with the recommendations as published by the American Gas Association's Report No. 3, "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids" (ANSI/API 2530), and any subsequent modifications or amendments thereof as may be mutually agreed upon by Customer and LA Storage.

(h) The arithmetic average of the Total Heating Value recorded each Gas Day and as adjusted to conditions as specified in the definition of Total Heating Value in GT&C Section 5.10.4, or other periodic measurements within a shorter time frame as LA Storage shall select, shall be used for computations.

(i) The deviation of the gas delivered hereunder from Boyle's and Charles' Laws shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association's Report No. 3, Revised 1994 and the American National Standards Institute as LA Storage deems to be in accordance with accepted industry practice.

5.13.2 Measurement Operations and Equipment. Measurement operations shall include, but not be limited to, the operation, calibration and testing of the Remote Terminal Unit ("RTU"), transducers, chart recorders, meter runs, gas quality monitoring devices, control valves and responsibility for quantity calculations for the measurement facility. LA Storage may allow Customer or third parties the right to perform measurement operations, provided, however, such Customer or third party shall furnish to LA Storage all data required for flow computation and meet LA Storage's measurement and operating standards; and provided, further, such Customer or third party which performs such measurement operations shall be responsible for any and all associated costs of such measurement operations unless otherwise agreed by LA Storage and Customer or third party. Measurement equipment shall consist of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association or as mutually agreed upon by Customer and LA Storage. Measurement equipment shall be installed, operated and maintained at or on each interconnection of LA Storage's facility with facilities of third parties; provided, however, LA Storage shall have the right to require and may install or cause to be installed electronic gas measurement and control equipment at all points.

(a) Where orifice measurement equipment is to be used, it shall utilize "Flange Tap Connections" and the static pressure shall be measured at the downstream flange tap connection.

(b) An electronic temperature transducer, a recording thermometer or other mutually acceptable device shall be installed at the measuring station to measure the flowing gas temperature.

5.13.3 Access to Equipment and Records. Each party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's equipment used in measuring receipts and deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) Days after receipt thereof.

5.13.4 Pressure Protection. Pressure regulation, pressure override and pressure relief valve or other pressure limiting devices installed and operated by LA Storage at the measuring station or at or near each interconnection of LA Storage's facilities with facilities of third parties shall only be for the purpose of operation and protection of LA Storage's measurement equipment and LA Storage's facilities.

5.13.5 Test of Meters. The accuracy of the LA Storage's and Customer's measurement equipment shall be verified by LA Storage and Customer at reasonable intervals and, if requested, in the presence of representatives of the LA Storage and Customer.

(a) LA Storage and Customer shall not be required to verify the accuracy of orifice meter equipment more frequently than once in any thirty (30) Gas Day period.

(b) LA Storage and Customer shall not be required to verify the accuracy of measurement equipment, other than orifice meter equipment, more frequently than once in any ninety (90) Gas Day period.

(c) LA Storage and Customer shall not be required to verify the accuracy of the gas chromatograph or other heating value measurement device more frequently than once in any thirty (30) Gas Day period.

(d) Any errors or discrepancies found when testing shall be corrected immediately whenever possible or as soon thereafter as procurement of repair parts, materials and tools can be arranged.

5.13.6 Measurement Equipment Inaccuracy and Failure. The quantity of gas received and delivered by LA Storage and delivered to Customer or for Customer's account hereunder during periods when the measurement equipment is out of service or registering inaccurately shall be estimated as follows:

(a) If, upon test, any measurement equipment, the readings of which are used in the registration, integration or computation of quantities of gas hereunder, is found to be in error to the extent that it introduces measurement error in the individual measurement equipment affected, as set forth below, previous records of such equipment shall be considered accurate:

(i) 1% for measuring equipment utilized to determine volume;

(ii) 1% for measuring equipment utilized to determine relative density;  
and

(iii) 0.5% for measuring equipment utilized to determine gross heating value.

(b) If, upon test, any such measurement equipment is found to be in error, to the extent that it causes the registered or computed quantities of the instrument(s) so affected to be in error, by an amount exceeding the percentages set forth above at a recording corresponding to the average hourly rate of flow through the instrument(s) in the period since the last preceding test, then any registrations, integration or computed quantities of such instrument(s) affected shall be corrected to zero (0) error for any part of the period since the last test in which such error is known to have existed or which may be agreed upon by representatives of the parties. In case the period of such error is not known definitely or agreed upon, such correction shall be for a period of one-half (1/2) of the elapsed time since the date of the last test, but not exceeding a correction period of sixteen (16) Gas Days where orifice measurement equipment is used in the computation of quantity and not exceeding forty-five (45) Gas Days where other measurement equipment is used; and

(c) Where the quantity of gas for a period cannot be corrected with accuracy, the quantity of gas shall be estimated:

(i) By using the registration of any existing and agreed upon check equipment considered by parties concerned to be registering accurately, or in the absence of such facilities,

(ii) By correcting the error, if the quantity or percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither of the two foregoing procedures are applicable,

(iii) By relating the quantity of receipt or delivery to receipts or deliveries during periods under similar conditions when the measurement equipment was deemed to have been registering accurately.

5.13.7 Preservation of Records. Each party shall preserve for a period of at least two (2) years all test data, charts and other similar records or such longer period as may be required by any duly constituted authority having jurisdiction.

5.13.8 Flow Control. The LA Storage shall control flow of gas into and out of its facilities at all measurement facilities, but may allow the following if all of LA Storage's operating standards and requirements are met: (a) LA Storage may allow third parties to control flow into the LA Storage's facilities, but reserves the right to override the third party's flow control equipment, and (b) LA Storage may allow third parties to control flow out of the LA Storage's facilities, but reserves the right to override the third party's flow control equipment.

5.13.9 Maintenance.

- (a) Major Maintenance shall include, but not be limited to, the repair or replacement of major components and equipment required to support the Measurement Operations.
- (b) Routine Maintenance shall be the normal day-to-day maintenance required to support the measurement operations or necessary to upkeep the measurement facility and shall include, but not be limited to, replacement of minor replacement parts for instrumentation, measurement equipment (including the RTU) and minor valves and piping.
- (c) LA Storage, which performs the measurement operations for the measurement facility, shall be responsible for such Major Maintenance and Routine Maintenance.

## 5.14 BILLINGS AND PAYMENTS

### 5.14.1 Rendering of bills for service under LA Storage's Rate Schedules.

On or before the 10th day of each Month LA Storage shall render its bill for charges payable for gas service rendered during the preceding calendar Month. Such bill shall include reservation and usage charges, all surcharges, any cash out payments owed by Customer for Transportation Imbalances and any penalty applicable to the Month for which the bill is rendered.

The charges as so billed for service rendered during the preceding Month shall be adjusted as set forth in GT&C Section 5.5.5 for failure to deliver due to force majeure or for other causes.

### 5.14.2 Billing Adjustments.

Prior period adjustments shall not be made any later than 7 Months from the date of the initial bill with a 3-Month rebuttal period, excluding government required rate changes. The standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

### 5.14.3 Supporting Data.

Upon written request, LA Storage and Customer shall each deliver to the other for examination such pertinent records and charts as shall be necessary to verify the accuracy of any statement, chart or computation made by either of them under or pursuant to any of the provisions hereof, of the applicable rate schedule or of the Service Agreement.

### 5.14.4 Payment of Bills for Service under LA Storage's Rate Schedules.

Except as otherwise hereinafter provided in this Section, Customer shall pay to Pipeline by wire transfer of immediately available funds, on or before the 10th day after LA Storage's bill is rendered, provided, however, Customer may make payment by check (in accordance with the aforementioned payment due dates) rather than by wire transfer if LA Storage's bill(s) for the preceding calendar Month does not exceed \$50,000.00.

If the normal payment date is a non-Business Day, then payment is due the following Business Day.

The Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment. The statement of account should report outstanding balances by invoice.

#### 5.14.5 Failure to Pay.

Should Customer fail to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of such amount shall accrue at the rate equal to the rate set forth in Section 154.501 of the Commission's Rules and Regulations from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, LA Storage, in addition to any other remedy it may have, may notify a Customer in writing of its nonpayment, allowing Customer thirty days to make payment of any unpaid amount and to provide assurances satisfactory to LA Storage that such nonpayment will not recur, and/or may suspend service under this Section 5.14.5 upon written notice to Customer and the Commission.

If Customer in good faith disputes the amount of any such bill or any part thereof, Customer shall provide written notice of its dispute including documentation identifying the basis of dispute and shall either: (1) pay to LA Storage the full amount of such bill, subject to refund as described in GT&C Section 5.14.6, or (2) pay to LA Storage such amount as it concedes to be correct, and at any time thereafter within 30 days of a demand made by LA Storage, shall furnish good and sufficient surety bond from a surety on the U.S. Treasury approved list or from another source reasonably acceptable to LA Storage guaranteeing payment to LA Storage of the amount finally determined to be due. In the event Customer pays such bill by wire transfer of funds, then Customer shall provide LA Storage with the remittance detail in writing within two Business Days of payment. If, under option (2) as set forth in this paragraph, Customer, at LA Storage's demand, posts a surety bond and the amount finally determined to be due is that amount which Customer asserted in its written notice of its dispute as being the correct amount due, then LA Storage shall reimburse Customer for the amount of the premium paid for the surety bond obtained by Customer. Upon (1) payment of such bill in full in the manner hereinabove described or (2) the furnishing of such bond by Customer (unless and until default be made in the conditions of such bond), LA Storage shall not be entitled to suspend service pending a determination of the final amount due. If Customer provides notice of its dispute and fails to (1) pay all or any part of such bill or (2) furnish a bond, LA Storage may take action to suspend service in the manner hereinabove described. A final, non-appealable determination of the amount due may be reached either by agreement between the parties, FERC, or arbitration.

#### 5.14.6 Over or Under Charges.

If within 7 Months from the date of the initial bill with a 3-Month rebuttal period, it is found that Customer has been overcharged or undercharged in any form whatsoever under the provisions hereof, and Customer paid the bills containing such overcharge or undercharge, then within 30 days after the final determination thereof, LA Storage shall refund the amount of any such overcharge, or Customer shall pay the amount of any undercharge, with interest thereon at the rate equal to the rate set forth in Section 154.501 of the Commission's Rules and Regulations from the time such overcharge was paid, or the payment due date in respect of the invoice containing such undercharge, to the date of refund.

5.14.7 Delayed Bills.

If rendition of a bill by LA Storage to Customer is delayed beyond the date specified in GT&C Section 5.14.1, the Customer shall pay such bill by within 10 days after rendition thereof.

5.14.7 Right to Audit.

Both LA Storage 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 LA Storage for audit purposes any relevant records of the Transporters to which Customer has access. A formal audit of accounts shall not be made more often than once each Contract Year. Any inaccuracy will be promptly corrected when discovered; provided, however, that neither LA Storage 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 LA Storage 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.

## 5.15 TAXES

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

## 5.16 INSURANCE

Customer shall be responsible for providing its own insurance coverage with respect to Gas it tenders for service in the LA Storage facilities.

## 5.17 FORCE MAJEURE

### 5.17.1 Relief from Liability.

A party shall not be liable in damages to the other to the extent its performance is affected by an event of force majeure. Force majeure is defined to mean any act, omission or circumstance, occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy or terrorism, wars, blockades, insurrections, riots, epidemics, landslides, land subsidence, lightning, earthquakes, hurricanes, fires, storms, floods, washouts, and evacuation due to the threat of any of the foregoing arrests and restraints of rules and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze ups, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, that is unexpected and not within the control of the party claiming suspension and which by the exercise of Good Utility Practice, reasonable care and due diligence such party is unable to prevent or overcome. An event of force majeure shall not include lack of finances, the price or loss or disturbance to natural gas supply, fuel supply or energy produced, or lack of markets. An event of force majeure shall include outages resulting from one-time, non-recurring government requirements, including special, one-time testing requirements after a LA Storage failure, but shall not include outages necessitated by compliance with government standards concerning the regular, periodic maintenance activities LA Storage must perform in the ordinary course of business to ensure the safe operation of LA Storage's facilities, including the LA Storage and Hazardous Materials Safety Administration's integrity management regulations.

Good Utility Practice means any of the practices, methods, and acts engaged in or approved by a significant portion of the natural gas industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice does not require use of the optimum practice, method, or act, but only requires use of reasonable practices, methods, or acts generally accepted in the region where LA Storage's facilities are located.

### 5.17.2 Liability Not Relieved.

Force majeure affecting performance by either party, however, shall not relieve it of liability to the extent of contributory negligence or misconduct or to the extent of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts as provided in the applicable Rate Schedule, except as provided in GT&C Section 5.5.5.

#### 5.17.3 Scheduling of Maintenance.

LA Storage shall have the right to interrupt, or discontinue service in whole or in part on all or a portion of its system from time to time to perform routine or major repair and maintenance on LA Storage's system as necessary to maintain the operational capability of LA Storage's system or to comply with applicable regulatory requirements. LA Storage shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Customers and shall provide reasonable notice of the same to Customers.

#### 5.17.4 Compliance with Directives of Governmental Agencies.

Whenever in order to comply with orders, directives or regulations of duly constituted state, local or federal authorities, including, but not limited to, the Commission, the Department of Defense, the Department of Transportation, and the Environmental Protection Agency, LA Storage must curtail deliveries to Customer and is unable to deliver to Customer the quantities of gas which Customer may then require up to the quantities of gas LA Storage is then obligated to deliver to Customer, LA Storage shall not be liable in damages or otherwise to Customer or any other person or entity for any such failure to deliver such quantities of gas to Customer except to the extent the orders or directives were issued as a result of LA Storage's negligence.

#### 5.17.5 Customer Warranty.

Customer warrants that all upstream and downstream transportation and/or service arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream operators of the Receipt Point(s) and Delivery Point(s) under Customer's Service Agreement(s) and any quantity and quality limitations for each point as specified on Exhibits A and B attached to the effective Service Agreement(s) or elsewhere in LA Storage's Tariff. Customer agrees to indemnify and hold LA Storage harmless for refusal to transport gas hereunder in the event any upstream or downstream operator fails to receive or deliver gas as contemplated by this Tariff, except where such failure is caused by LA Storage's negligence. Customer agrees to indemnify and hold LA Storage harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorney's fees) arising from or out of breach of any warranty by Customer herein, except where such actions are caused by LA Storage's negligence. LA Storage shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

#### 5.17.6 Effect of Interconnecting Operations.

In the event that any upstream entity involved in handling Customer's gas refuses or is unable to deliver gas to LA Storage, LA Storage shall not be required to continue deliveries of gas on behalf of Customer to the extent of such refusal or inability to deliver gas to LA Storage. In the event that any downstream entity involved in handling Customer's gas refuses or is unable to receive gas from LA Storage, LA Storage shall have the right to

reduce deliveries of gas on behalf of Customer to the extent of such refusal or inability by the downstream entity to receive gas.

## 5.18 NOTICES

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

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

#### 5.19 FUEL REIMBURSEMENT

Fuel reimbursement, to be paid in kind or in dollars per Dth, shall be stated in Customer's applicable Service Agreement.

## 5.20 GAS TITLE TRANSFERS

### 5.20.1 Title Transfers of Gas in Storage

(a) A Customer that has executed a Service Agreement under Rate Schedules FSS, NNSS, ISS, IL, or IP and a Hub Services Agreement may sell Storage Inventory to any other Customer that has executed a Service Agreement under Rate Schedules FSS, NNSS, ISS, IL, or IP if:

(1) Customer selling Storage Inventory provides notification to LA Storage's dispatcher prior to the nomination deadline and provides LA Storage with written verification of the transfer within three (3) Business Days; and

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

(b) LA Storage will recognize the transfer for purposes of computing available Storage Inventory on a prospective basis within 24 hours after receiving the notification. In the event the required written verification 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 Gas title transfer rate set forth in Customer's Service Agreement.

### 5.20.2 Title Transfer of Wheeled Gas

(a) Transfers of title between Customers and/or Service Agreements under which Gas is wheeled on LA Storage's system may be permitted by LA Storage at Point(s) of Receipt and Point(s) of Delivery located on LA Storage's system on an Interruptible basis.

(b) Requests for such transfers shall be made in accordance with the nomination procedures set forth in Section 5.8, Nominations and Scheduling, of the General Terms and Conditions herein. LA Storage shall not unreasonably withhold approval of such transfers.

(c) For each title transfer nominated by Customer under Section 5.20 herein, the transferring Customer shall pay the Gas title transfer rate set forth in Exhibit B of Customer's Hub Services Agreement.

## 5.21 PENALTIES

5.21.1 A Customer shall be liable for and shall be required to reimburse LA Storage for all penalties, charges and fees which LA Storage 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.

5.21.2 In addition to the payment of the penalties set forth in Section 5.21.1 herein, the responsible Customer shall also be liable for, and shall reimburse LA Storage, for all costs incurred by LA Storage as a consequence of such Customer's actions.

## 5.22 TRANSMISSION PROVIDER STANDARDS OF CONDUCT

### 5.22.1 Informational Postings

LA Storage shall post on its Internet Web site its procedures for implementation of and compliance with the Commission's Standards of Conduct regulations. All information required to be posted pursuant to such regulations, including, but not limited to, organizational charts, information on shared facilities and shared operating personnel, and notices of waivers and/or exercises of discretion in the application of tariff provisions, will be provided on LA Storage's Internet Web site under Informational Postings. Such information will be updated as required by applicable regulation(s) issued by the Commission.

5.22.2 All terms and conditions set forth in this FERC Gas Tariff shall be applied in a non-discriminatory manner without preference to LA Storage's marketing and energy affiliates.

5.22.3 LA Storage shall provide service under all rate schedules on a basis that is equal in quality for all gas supplies transported, parked, loaned, balanced, imbalance traded and/or wheeled by LA Storage under such rate schedules.

5.22.4 Complaints regarding LA Storage's compliance with LA Storage's Standards of Conduct compliance procedures in providing storage or wheeling services pursuant to any of the rate schedules set forth in this FERC Gas Tariff shall be communicated to LA Storage with a designation that it is a Standards of Conduct regulation complaint, and shall contain a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any. Information regarding the appropriate contact personnel shall be posted on LA Storage's Internet Web site. Within forty-eight (48) hours of receipt of such information, an officer of LA Storage shall orally respond to the complaint, and within thirty (30) days of the receipt of the complaint, an officer of LA Storage shall provide a written response to the complaint. In the event the required date of LA Storage's response falls on a Saturday, Sunday or a holiday that affects LA Storage, LA Storage shall respond by the next business day.

## 5.23 FORM OF SERVICE REQUEST

### LA STORAGE, LLC SERVICE REQUEST

Send to:

LA STORAGE, LLC  
c/o Sempra LNG  
1500 Post Oak Blvd, Suite 1000,  
Houston, TX 7705 Telephone: (281) 423-2730  
Email: FrontOffice@sempraglobal.com

NOTE: A check, as required by Section 5.3.3 of the GT&C, must accompany each firm service request to be valid.

### INFORMATION REQUIRED FOR VALID SERVICE REQUEST

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

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

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Attention \_\_\_\_\_  
Telephone \_\_\_\_\_

5.23.2 This request is for: (check one)

- ☐ Firm storage service under Rate Schedule FSS
- ☐ Firm no-notice storage service under Rate Schedule NNSS
- ☐ Firm wheeling service under Rate Schedule FW
- ☐ Interruptible parking service under Rate Schedule IP
- ☐ Interruptible wheeling service under Rate Schedule IW
- ☐ Interruptible loan service under Rate Schedule IL
- ☐ Interruptible balancing service under Rate Schedule IB
- ☐ Interruptible imbalance trading service under Rate Schedule IBT

5.23.3 Requested FSS Service:

(a) Request Quantities:

Maximum Storage Quantity (MSQ) \_\_\_\_\_

Maximum Daily Receipt Quantity (MDRQ) \_\_\_\_\_  
Maximum Daily Injection Quantity (MDIQ) \_\_\_\_\_  
Maximum Daily Withdrawal Quantity (MDWQ) \_\_\_\_\_  
Maximum Daily Delivery Quantity (MDDQ) \_\_\_\_\_  
Primary Receipt Point(s) and MDRQ at each point \_\_\_\_\_  
Primary Delivery Point(s) and MDDQ at each point \_\_\_\_\_  
Election of Injection Ratchet (from Exhibit A to FSS Storage Agreement)  
\_\_\_\_\_  
Election of Withdrawal Ratchet (from Exhibit A to FSS Storage Agreement)  
\_\_\_\_\_

Transporter Names: \_\_\_\_\_

- (b) Rate prospective Customer proposes to pay for service under Rate Schedule FSS:

Firm Storage Reservation Charge \_\_\_\_\_  
Firm Injection Reservation Charge \_\_\_\_\_  
Firm Withdrawal Reservation Charge \_\_\_\_\_  
Firm Storage Injection Charge \_\_\_\_\_  
Firm Storage Withdrawal Charge \_\_\_\_\_  
Authorized Injection Overrun Charge \_\_\_\_\_  
Authorized Withdrawal Overrun Charge \_\_\_\_\_  
Fuel Reimbursement \_\_\_\_\_

5.23.4 Requested NNSS Service:

- (a) Request Quantities:

Maximum Storage Quantity (MSQ) \_\_\_\_\_  
Maximum Daily Receipt Quantity (MDRQ) \_\_\_\_\_  
Maximum Daily Injection Quantity (MDIQ) \_\_\_\_\_  
Maximum Daily Withdrawal Quantity (MDWQ) \_\_\_\_\_  
Maximum Daily Delivery Quantity (MDDQ) \_\_\_\_\_  
Primary Receipt Point(s) and MDRQ at each point \_\_\_\_\_  
Primary Delivery Point(s) and MDDQ at each point \_\_\_\_\_  
Election of Injection Ratchet (from Exhibit A to FSS Storage Agreement)  
\_\_\_\_\_  
Election of Withdrawal Ratchet (from Exhibit A to FSS Storage Agreement)  
\_\_\_\_\_

Transporter Names: \_\_\_\_\_

- (b) Rate prospective Customer proposes to pay for service under Rate Schedules NNSS:

No-Notice Storage Reservation Charge \_\_\_\_\_  
No-Notice Storage Injection Charge \_\_\_\_\_  
No-Notice Storage Withdrawal Charge \_\_\_\_\_  
Authorized Injection Overrun Charge \_\_\_\_\_  
Authorized Withdrawal Overrun Charge \_\_\_\_\_  
Fuel Reimbursement \_\_\_\_\_

5.23.5 Requested FW Service:

- (a) Requested Quantities:

Maximum Daily Firm Wheeling Quantity \_\_\_\_\_  
Transporter Names \_\_\_\_\_

- (b) Rate Customer proposes to pay for service under Rate Schedule FW:

Firm Wheeling Reservation Charge \_\_\_\_\_  
Firm Wheeling Charge \_\_\_\_\_  
Fuel Reimbursement \_\_\_\_\_

5.23.6 Requested ISS Service:

- (a) Requested Quantities

Maximum Storage Quantity (MSQ) \_\_\_\_\_  
Maximum Daily Injection Quantity (MDIQ) \_\_\_\_\_  
Maximum Daily Withdrawal Quantity (MDWQ) \_\_\_\_\_  
  
Transporter Names: \_\_\_\_\_

- (b) Rate Customer proposes to pay for services under Rate Schedule ISS:

Interruptible Storage Inventory Charge \_\_\_\_\_  
Interruptible Storage Injection Charge \_\_\_\_\_  
Interruptible Storage Withdrawal Charge \_\_\_\_\_  
Fuel Reimbursement \_\_\_\_\_

5.23.7 Request for IP Service:

- (a) Requested Quantities:

Maximum Park Quantity \_\_\_\_\_  
Maximum Daily Injection Quantity \_\_\_\_\_

Maximum Daily Withdrawal Quantity \_\_\_\_\_

Transporter Names: \_\_\_\_\_

- (b) Rate Customer proposes to pay for services under Rate Schedule IP:

Interruptible Parking Charge \_\_\_\_\_

Interruptible Parking Injection Charge \_\_\_\_\_

Interruptible Parking Withdrawal Charge \_\_\_\_\_

Fuel Reimbursement \_\_\_\_\_

5.23.8 Request for IW Service:

- (a) Requested Quantities:

Maximum Daily Wheeling Quantity \_\_\_\_\_

Transporter Names \_\_\_\_\_

- (b) Rate Customer proposes to pay for service under Rate Schedule IW:

Interruptible Wheeling Charge \_\_\_\_\_

Fuel Reimbursement \_\_\_\_\_

For Interruptible Wheeling service: Complete the information requested for the applicable pipeline. The Maximum Daily Receipt Quantity must equal the Maximum Daily Delivery Quantity. Only one Point of Receipt and one Point of Delivery per request. Use a separate request for additional wheeling service needs.

5.23.9 Request for IL Service:

- (a) Requested Quantities:

Maximum Daily Withdrawal Quantity \_\_\_\_\_

Transporter Names \_\_\_\_\_

- (b) Rate Customer proposes to pay for service under Rate Schedule IL:

Interruptible Loan Charge \_\_\_\_\_

Interruptible Loan Injection Charge \_\_\_\_\_

Interruptible Loan Withdrawal Charge \_\_\_\_\_

Fuel Reimbursement \_\_\_\_\_

5.23.10 Request for IBT Service:

(a) Requested Quantities:

Maximum Imbalance Trading Quantity \_\_\_\_\_

Transporter Names: \_\_\_\_\_

(b) Rate Customer proposes to pay for service under Rate Schedule IBT:

Interruptible Imbalance Trading Charge \_\_\_\_\_

5.23.11 Request for IB Service:

(a) Requested Quantities:

Maximum Balancing Quantities \_\_\_\_\_

(b) Rate Customer proposes to pay for service under Rate Schedule IB:

Interruptible Balancing Charge \_\_\_\_\_

Fuel Reimbursement \_\_\_\_\_

5.23.12 Is Customer affiliated with LA Storage? Yes \_\_\_\_ No \_\_\_\_

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

\_\_\_\_\_

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

\_\_\_ Local Distribution Company

\_\_\_ Intrastate Pipeline Company

\_\_\_ Interstate Pipeline Company

\_\_\_ Marketer/Broker Producer

\_\_\_ End User Other (please describe \_\_\_\_\_)

5.23.14 Customer's address for statements and invoices:

\_\_\_\_\_

Attention: \_\_\_\_\_

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

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

For all other matters:

\_\_\_\_\_

Attention: \_\_\_\_\_

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

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

5.23.15 Acceptance of a service request is contingent upon LA Storage's completion of a satisfactory credit appraisal. Prospective Customer must provide evidence of creditworthiness as outlined in Section 5.3.4 of the GT&C of LA Storage's currently effective FERC Gas Tariff.

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

THIS SERVICE REQUEST IS HEREBY SUBMITTED THIS \_\_\_\_DAY OF \_\_\_\_\_, \_\_\_\_.

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

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

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

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

Customer: \_\_\_\_\_

(Company Name)

## 5.24 NORTH AMERICAN ENERGY STANDARDS BOARD (“NAESB”)

LA Storage has adopted all of the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, 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 Within the Tariff:**

| NAESB Standard | Tariff Record                                |
|----------------|----------------------------------------------|
| 1.3.2(i-vi)    | Scheduling of Receipts and Deliveries, 0.0.0 |
| 5.3.2          | Capacity Release, 0.0.0                      |

### **Standards Incorporated by Reference:**

#### Additional Standards:

##### General:

##### Principles:

0.1.1, 0.1.2, 0.1.3

##### 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

Datasets:

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

Dataset:

0.4.4

Storage Information:

Dataset:

0.4.1\*

Nominations Related Standards:

Principles:

1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.10, 1.1.11, 1.1.12, 1.1.13, 1.1.14, 1.1.15,  
1.1.16, 1.1.18, 1.1.20, 1.1.21, 1.1.22

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12,  
1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.1, 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.8, 1.3.9, 1.3.11, 1.3.13, 1.3.14,  
1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24,  
1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 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

Datasets:

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

Flowing Gas Related Standards:

Principles:

2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6

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, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Datasets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, 2.4.18

Invoicing Related Standards:

Principles:

3.1.1, 3.1.2

Definition:

3.2.1

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 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

Datasets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Principles:

4.1.2, 4.1.3, 4.1.4, 4.1.6, 4.1.7, 4.1.10, 4.1.12, 4.1.13, 4.1.15, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22, 4.1.23, 4.1.24, 4.1.26, 4.1.27, 4.1.28, 4.1.29, 4.1.30, 4.1.32, 4.1.33, 4.1.34, 4.1.35, 4.1.36, 4.1.37, 4.1.38, 4.1.39, 4.1.40

Definitions:

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

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 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, 4.3.60, 4.3.62, 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, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Related Standards:

Principles:

5.1.1, 5.1.2, 5.1.3, 5.1.4

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.1, 5.3.3, 5.3.4, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 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, 5.3.44, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 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

Datasets:

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

Internet Electronic Transport Related Standards:

Principles:

10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.6, 10.1.7, 10.1.8, 10.1.9, 10.1.10

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26,

10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34,  
10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10,  
10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19,  
10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27,  
10.3.28, 10.3.29

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

None

## 5.25 JOINT OBLIGATIONS

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

## 5.26 DISCRETIONARY WAIVER

5.26.1 Generally. LA Storage may, on a not unduly discriminatory basis, waive any of its rights or any obligations of Customer arising under Customer's Service Agreement and/or LA Storage's Tariff where authority to grant such a waiver is not otherwise specifically granted to LA Storage under Customer's Service Agreement or LA Storage's Tariff. However, such waivers may only be granted with respect to the following circumstances:

- (a) a specific default that has already occurred; or
- (b) on a case-by-case basis, in advance as to any specific, temporary operational problem.

5.26.2 Reservation of Rights.No waiver granted by LA Storage of any one or more defaults by Customer in the performance of any provision of the Service Agreement between Customer and LA Storage or LA Storage's Tariff shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character. Nothing in this Section 8.31 shall prohibit LA Storage or Customer from seeking and obtaining from the Commission, on a case-specific basis, waiver of specific provisions of Customer's Service Agreement and/or LA Storage's Tariff.

#### 5.27 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.

## 5.28 SUCCESSORS IN INTEREST

Any company which shall succeed by purchase, merger, consolidation or otherwise to the properties substantially as an entirety, of LA Storage 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. In accordance with the capacity release procedures set forth in Section 5.4 of the GT&C, 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 consent thereto of LA Storage, in the event of any assignment by Customer, or the consent thereto of Customer, in the event of an assignment by LA Storage. 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.

## 5.29 DEFAULT AND TERMINATION

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

- (a) Customer shall fail to pay any sums due to LA Storage hereunder and such failure continues for a period of five (5) Business Days after written notice to Customer by LA Storage;
- (b) Customer fails to perform any of its material covenants or obligations under this FERC Gas Tariff or the Service Agreement, other than obligations to make payments to LA Storage, and Customer does not remedy such failure within a period of thirty (30) days after receipt of a notice from LA Storage and indemnify and hold harmless LA Storage from and against any losses resulting from such failure;
- (c) Customer or its guarantor becomes insolvent, as set forth in Section 5.32; or
- (d) A material adverse change, as described in Section 5.32.3, shall have occurred and Customer fails to provide Financial Assurances pursuant to Section 5.32.3.

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

- (a) refuse to accept any further deliveries of Gas from or on behalf of Customer pursuant to all or any transactions;
- (b) refuse to deliver Gas to or on behalf of Customer pursuant to all or any transactions;
- (c) set off any amount owing by LA Storage to Customer pursuant to any transaction(s) against amounts otherwise owing by Customer to LA Storage pursuant to any other transaction(s);
- (d) suspend performance until Customer corrects the default in full; and
- (e) terminate the Customer's Service Agreement, provided that LA Storage shall provide not less than thirty (30) days' notice of such termination to the Customer and to FERC.

### 5.29.3 In the event LA Storage shall have suspended service pursuant to Section 5.29.2, Customer may cause LA Storage to resume or continue service by providing an advance payment equal to one Month's charges for service under the Customer's Service Agreement(s) and providing Financial Assurances pursuant to Section 5.32 of these General Terms and Conditions within thirty (30) days of LA Storage's notice of suspension. LA Storage shall not charge Customer for services during any period of suspension pursuant to Section 5.29.2.

## 5.30 POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF NEW FACILITIES

- 5.30.1 Customers may request that LA Storage construct interconnect facilities to deliver or receive gas to or from one or more Customers. LA Storage will assess each request for interconnect facilities in a manner that is not unduly discriminatory. LA Storage is not required to build facilities upon Customer request or otherwise if, as determined by LA Storage in its reasonable judgment, such facilities are not operationally feasible (construction and operation of the facilities would create a significant operational problem for LA Storage, would adversely impact LA Storage's existing services or would otherwise adversely impact LA Storage's system), or would result in a violation of environmental or safety laws or right-of-way agreements. In the event LA Storage decides to construct such facilities, Customer shall reimburse LA Storage (a) for the costs of any facilities installed by LA Storage with Customer's consent to receive, measure, store or deliver Gas for Customer's account and (b) for any and all filings and approval fees required in connection with Customer's Service Agreement that LA Storage is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due LA Storage by Customer pursuant to this Section 5.30.1 shall be due and payable to LA Storage within ten (10) days of receipt by Customer of LA Storage's invoice(s) for same; provided, however, that subject to LA Storage'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 LA Storage and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both LA Storage and Customer.
- 5.30.2 LA Storage may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 5.30.1 for Rate Schedule FT if Customer provides LA Storage adequate assurances to make construction of the facilities economical to LA Storage. All requests for waiver shall be handled by LA Storage in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, LA Storage will evaluate projects on the basis of various economic criteria, which will include the estimated cost of the facilities, operating and maintenance as well as administrative and general expenses attributable to the facilities, the revenues LA Storage estimates will be generated as a result of such construction, and the availability of capital funds on terms and conditions acceptable to LA Storage. In estimating the revenues to be generated, LA Storage 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.
- 5.30.3 Nothing in this statement of policy shall require LA Storage to file an application to build or modify facilities or to render service. Further, nothing in this policy statement shall prevent LA Storage from contesting an application for service or a request to compel the rendition of service filed at the Commission. LA Storage reserves the right to seek a waiver of the policies set forth in this Section 5.30 for good cause shown during any proceeding before any duly constituted regulatory authority.

5.30.4 Nothing in this Tariff shall require LA Storage to file an application for a certificate of public convenience and necessity with the Commission. Further, nothing in this Tariff prevents LA Storage from contesting an application for service filed with the Commission.

## 5.31 OFF-SYSTEM CAPACITY

5.31.1 General. From time to time, LA Storage may enter into transportation agreements, storage agreements, and/or leases with upstream and downstream entities, including with other interstate and intrastate pipeline companies and storage providers to acquire transportation or storage capacity or rights (“Off-System Capacity”). In the event that LA Storage acquires Off-System Capacity, LA Storage will use such capacity for operational reasons or to render service for its Customers. In the event that LA Storage uses Off-System Capacity to render service for its Customers, it will only render service to the Customers on the acquired capacity pursuant to this Tariff and subject to LA Storage’s approved rates, as this Tariff and approved rates may change from time to time, as well as Third-Party Charges, as described below. For purposes of transactions entered into subject to this GT&C Section 5.31, the “Shipper-Must-Have-Title” requirement is waived. This GT&C Section 5.31 does not preclude LA Storage from seeking case specific authorization for the utilization of Off-System Capacity by LA Storage for other purposes, nor does it preclude LA Storage from releasing any capacity it holds on Off-System Capacity providers subject to LA Storage’s firm service obligations.

5.31.2 Limitation of Extension Rights. In the event that Off-System Capacity used to render service to LA Storage’s Customers is subject to renewal limitations, consistent with the applicable Off-System Capacity contract or service agreement, the Off-System Capacity provider’s tariff or operating statement, or as provided by Commission Regulations, LA Storage will indicate, in any posting of capacity available for service, any limitation to extension rights that will apply as a result of the limitation on the Off-System Capacity.

5.31.3 Interruptions on Off-System Capacity. In the event Off-System Capacity used to render service to LA Storage’s Customers is interrupted by the Off-System Capacity provider, LA Storage’s obligation to provide service utilizing that Off-System Capacity will be suspended without liability of LA Storage, until the Off-System Capacity provider recommences service to LA Storage.

5.31.4 Third Party Charges. Any Customer that schedules service under LA Storage’s Tariff that requires LA Storage to utilize Off-System Capacity to render such service will, in addition to any applicable rates and charges assessed pursuant to this Tariff, be required to pay LA Storage the rates and charges LA Storage is obligated to pay for the Off-System Capacity as set forth below (“Third-Party Charges”). Such Third-Party Charges, unless otherwise agreed, will be separately stated on the monthly invoice submitted to Customers pursuant to GT&C Section 5.14 of LA Storage’s Tariff. In addition, LA Storage will post the applicable rates and charges and fuel retention rates for all Off-System Capacity locations on its Internet Website.

(a) Third-Party Charges for Primary Firm Service. Any Customer that reserves primary firm capacity with LA Storage that requires the LA Storage to utilize the Off-System Capacity, will pay the following Third Party Charges: reservation and usage charges; applicable surcharges; fuel and power charges or retention including any lost and unaccounted for volumes; compression fees; balancing or storage fees; measurement fees; processing fees; facility charges; and/or penalties that are assessed to LA Storage by the

Off-System Capacity provider and that are attributable to activities that were within the control of the Customer. If Off-System Capacity is utilized to serve multiple primary firm Customers, any fees or charges not directly attributable to reservation and/or usage charges assigned to Customers will be allocated pro rata among those primary firm Customers based on the contract quantity of each Customer. Customer shall not be required to pay for any penalties assessed to LA Storage by the Off-System Capacity provider for activities that were beyond the control of the Customer.

(b) Third-Party Charges for Secondary Firm Service. Any Customer that nominates service under LA Storage's Tariff on a secondary firm basis, that requires LA Storage to utilize available Off-System Capacity, will pay a daily reservation rate, calculated by converting the Off-System Capacity provider's reservation rate to a daily rate out to the fifth decimal place and then rounding up or down to the fourth decimal place. In addition to the daily reservation rate, Customer shall pay any other Third-Party Charges specifically incurred by LA Storage related to the applicable Off-System Capacity as a result of the Customer's transportation on the Off-System Capacity for that Day, including all usage charges, surcharges, additional reservation charges (due for example because of a higher rate at non-primary points), out-of-zone charges, fuel and power charges or retention including any lost and unaccounted for volumes, and compression fees, balancing or storage fees, measurement fees, processing fees, facility charges, and/or penalties that are assessed to LA Storage by the Off-System Capacity provider and that are attributable to activities that were within the control of the Customer. Customer shall not be required to pay for any penalties assessed to LA Storage by the Off-System Capacity provider for activities that were beyond the control of the Customer.

(c) Third-Party Charges for Interruptible Service. Any Customer that nominates service under LA Storage's Tariff on an interruptible basis, that requires LA Storage to utilize available Off-System Capacity, will pay the following Third Party Charges for all scheduled volumes: all charges specifically incurred by LA Storage related to the applicable Off-System Capacity as a result of the Customer's transportation on the Off-System Capacity for that Day, including all usage charges, surcharges, out-of-zone charges, fuel and power charges or retention including any lost and unaccounted for volumes, compression fees, balancing or storage fees, measurement fees, processing fees, facility charges, and/or penalties that are assessed to LA Storage by the Off-System Capacity provider and that are attributable to activities that were within the control of the Customer. Customer shall not be required to pay for any penalties assessed to LA Storage by the Off-System Capacity for activities that were beyond the control of the Customer.

(d) Allocation of Third-Party Charges. If LA Storage holds more than one contract for the same Off-System Capacity, LA Storage will determine the applicable reservation and usage rates applicable to the Off-System Capacity to be billed for secondary or interruptible service by calculating a daily weighted average rate based on the monthly reservation and usage rates paid and the contract/reservation quantities invoiced LA Storage by the Off-System Capacity provider for the Off-System Capacity divided by thirty point four (30.4). This daily weighted average rate will then be multiplied by the secondary and/or

interruptible transportation/storage quantity to determine the daily reservation and usage charges

5.31.5 Refunds. If LA Storage receives refunds or credits from a provider for Off-System Capacity, which are directly related to Third-Party Charges, such refunds or credits will be flowed through to the appropriate Customer(s) to the extent that the rate(s) paid by the Customer(s) exceeds the net rate (after refund) LA Storage has actually paid and LA Storage has otherwise fully recovered its costs for such Off-System Capacity.

5.31.6 Capacity Release. For the purposes of capacity release under GT&C Section 5.4 of LA Storage's Tariff, any rights to firm service utilizing Off-System Capacity acquired by LA Storage from a third-party will be treated under the terms and conditions of LA Storage's Tariff.

5.31.7 Open Access to Off-System Capacity. LA Storage shall consider and process requests to obtain Off-System Capacity to provide service to Customers on a non-discriminatory basis subject to LA Storage's ability to recover Third-Party Charges. To the extent that LA Storage has obtained Off-System Capacity to serve a specific Customer at that Customer's request (including releases of Off-System Capacity from the requesting Customer to LA Storage), LA Storage shall be under no obligation to post such Off-System Capacity in an open season prior to offering firm service to the requesting Customer utilizing the Off-System Capacity. When Off-System Capacity is not required for operational reasons or to meet firm service commitments, LA Storage will offer the Off-System Capacity via its Internet Website to Customers on a firm and interruptible basis pursuant to the GT&C of LA Storage's Tariff.

## 5.32 CREDITWORTHINESS – FINANCIAL ASSURANCES

5.32.1 Creditworthiness. LA Storage shall not be required to (a) execute a Service Agreement providing for service under the applicable Rate Schedule for any Customer who fails to meet LA Storage's standards for creditworthiness, or (b) initiate service for a Customer who fails to meet LA Storage's standards for creditworthiness, or (c) continue service for any Customer who is or has become insolvent or who, at LA Storage's request, fails within a reasonable period to demonstrate creditworthiness pursuant to LA Storage's standards. For purposes herein, the determination of Customer's creditworthiness shall be based upon: (a) a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service, Inc. or at least "BBB-" by Fitch Ratings, Inc; and (b) if Customer is not rated by Standard & Poor's, Moody's, or Fitch's rate methodology, criteria and ratios which are generally acceptable in the natural gas industry. In the event that LA Storage determines that Customer does not have an acceptable rating as set forth above, Customer may, at its own expense, obtain a private rating from Standard & Poor's or Moody's, or as an alternative, request that an independent accountant or an independent financial consultant, mutually acceptable to Customer and LA Storage, prepare an equivalent evaluation based on the financial rating methodology, criteria and ratios generally acceptable in the natural gas industry as published by the above rating agencies from time to time.

Additionally, LA Storage may request from Customer the following information, and Customer shall provide the response in a time frame determined by LA Storage:

- (a) Customer shall provide current financial statements (balance sheet, income statement and statement of cash or cash flow), annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. LA Storage shall determine the acceptability of the Customer's overall financial condition. If audited financial statements are not available, then Customer's Chief Financial Officer should provide attestation that the information shown in the unaudited statement is true, correct and a fair representation of the Customer's financial condition.
- (b) Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in (a) above must show that Customer's obligations are being paid on a prompt basis.
- (c) Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.

(d) Customer shall confirm in writing that Customer is not aware of any current or anticipated change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency, the inability to exist as an ongoing business entity, or the inability to pay timely the rates and charges under its Service Agreement.

(e) Customers with an ongoing business relationship with LA Storage shall have had no delinquent balances outstanding during the previous twelve months for services rendered by LA Storage, and during that period Customer must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract. If Customer has an established credit history with LA Storage that meets the requirements set forth in this Section 5.32.1, no further credit appraisal shall be necessary for Customer to satisfy LA Storage's creditworthiness requirements; provided however, if Customer fails to maintain the requirements set forth in this Section 5.32.1, LA Storage may perform a full credit appraisal pursuant to this Section 5.32.1.

(f) Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which could materially affect Customer's ability to remain solvent as a business entity.

(g) Customer shall promptly notify LA Storage of any change in its financial condition, which may adversely affect its ability to pay LA Storage.

5.32.2 Additional Information. If LA Storage requests additional information to be used for credit evaluation after the initiation of service, LA Storage, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Customer and designate to whom the response should be sent. LA Storage and Customer may mutually agree to waive this requirement. Upon receipt of either an initial or follow-up request from LA Storage for information to be used for creditworthiness evaluation, Customer's authorized representative(s) shall acknowledge receipt of LA Storage's request. LA Storage and Customer may mutually agree to waive the requirements of this standard. Customer's authorized representative(s) shall respond to LA Storage's request for credit information, as allowed by these GT&C, on or before the due date specified in the request. Customer shall provide all the credit information requested by LA Storage or provide the reason(s) why any of this requested information was not provided. Upon receipt from Customer of all credit information provided hereunder, LA Storage shall notify Customer's authorized representative(s) that it has received such information. LA Storage and Customer may mutually agree to waive this requirement. Customer shall designate up to two representatives who are authorized to receive notices regarding Customer's creditworthiness, including requests for additional information, pursuant to the applicable standards and shall provide to LA Storage the internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses are to be provided via internet e-mail, unless otherwise agreed to by the parties. The obligation of LA Storage to provide creditworthiness notification is waived until the above requirement on designation of representatives has been met. Customer shall manage internal distribution of any creditworthiness notices that are received. LA Storage shall designate, on its internet website or in written notices to Customer, the internet e-mail addresses of up to two representatives who are authorized to receive notices regarding Customer's

creditworthiness. Customer's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and LA Storage shall manage internal distribution of any such confirmations. In complying with the creditworthiness-related notifications pursuant hereto, Customer and LA Storage may mutually agree to other forms of communication in lieu of internet e-mail notifications.

5.32.3 Financial Assurance. Upon notification by LA Storage that Customer has failed to satisfy or subsequently during the term of the Service Agreement no longer satisfies the credit criteria, or if guarantor fails to continue to satisfy the credit criteria, such Customer will meet LA Storage's standards for creditworthiness if it elects to provide one of the following:

- (a) an advance deposit;
- (b) a standby irrevocable letter of credit issued by a bank to LA Storage's satisfaction;
- (c) security interest in collateral found to be satisfactory to LA Storage; or
- (d) a guarantee, acceptable to LA Storage, by another person or entity which satisfies the credit appraisal criteria set forth in GT&C Section 5.32.1.

If Customer obtains credit approval by providing an advance deposit or other credit instrument and then subsequently satisfies the credit criteria, LA Storage shall return to Customer any such advance deposit with interest. Customer shall continue to provide such advance deposit or credit instrument for a period of three Months following the termination of service, unless Customer pays all of the amounts of any invoices for service as reasonably determined by LA Storage prior to that time.

For a Service Request on LA Storage's existing facilities, the amount of the advance deposit, standby irrevocable letter of credit, security interest or guarantee (credit assurance) should at all times equal (a) for firm service, three Months of reservation charges, and (b) for interruptible service, three Months of projected usage charges, at the maximum applicable unit rate hereunder. For a Service Request for which LA Storage has agreed to construct new facilities, the amount of credit assurance should at all times equal (a) where the new facilities will enable LA Storage to serve more than one Customer, a negotiated credit assurance or the lesser of the following: (i) an amount equal to the reservation rate that will be payable by Customer under its service agreement multiplied by the maximum daily quantity, as applicable, under such agreement for five years of service thereunder; (ii) an amount equal to the ratio of Customer's maximum daily quantity applicable under its service agreement to the total authorized capacity of the new facilities multiplied by the total capital expenditures with respect to such authorized storage, injection, withdrawal, or wheeling capacity; or (iii) the reservation rate payable by Customer for the number of years remaining on the term of its service agreement; and (b) where the new facilities will enable LA Storage to serve only Customer, a negotiated credit assurance or the entire cost of the new facilities.

For a Service Request for which LA Storage has agreed to acquire Off-System Capacity to provide firm service to Customer pursuant to GT&C Section 5.31, LA Storage may require credit assurance

in an amount up to Customer's proportionate share of the net present value of all future payments due to the Off-System Capacity provider for the acquired Off-System Capacity. Periodically, LA Storage will return to Customer any credit assurance Customer has provided to LA Storage for Off-System Capacity in amounts reflecting LA Storage's payment to the provider of Off-System Capacity, unless otherwise agreed by LA Storage and Customer.

Termination or suspension of service and a Service Agreement does not affect the validity or requirement of a letter of credit or guarantee in effect at the time service is terminated or suspended.

If Customer's or guarantor's credit standing ceases to meet LA Storage's credit requirements during the period of service, then LA Storage has the right to require security or a deposit as specified herein. If security or a deposit is not tendered in a timely period as reasonably determined by LA Storage, then LA Storage is not required to continue service. If LA Storage suspends service for lack of creditworthiness, Customer will remain obligated to pay reservation charges to the extent authorized by Commission policy or Commission order at that time. If Customer is unable to maintain credit approval, the executed Service Agreement shall terminate upon 30 days' written notice to Customer. LA Storage retains the right to pursue additional remedies, enforce any rights and affect any collection due to LA Storage.

5.32.4 Re-Evaluation. At any time after Customer is determined to lack creditworthiness by LA Storage, Customer may initiate a creditworthiness re-evaluation by LA Storage. Such re-evaluation shall be performed consistent with GT&C Sections 5.32.1 through 5.32.3. As part of Customer's re-evaluation request, Customer must either update or confirm in writing the prior information provided to LA Storage related to Customer's creditworthiness. Such update should include any event(s) that Customer believes could lead to a material change in Customer's creditworthiness. After LA Storage's receipt of Customer's request for re-evaluation, including all required information specified above, within five (5) Business Days, LA Storage shall provide a written response to Customer's request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for LA Storage's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed (20) Business Days from the date of the receipt of Customer's request unless specified in this tariff or if the parties mutually agree to some later date.

### 5.33 DISPOSITION OF RETAINED QUANTITIES

In the event that LA Storage holds an auction for Gas quantities retained, pursuant to any rate schedule in this FERC Gas Tariff, LA Storage shall post such quantities on the Internet Web Site on the fifth Business Day following the fifteenth day of a month. LA Storage shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the seventh Business Day following the fifteenth of the month. LA Storage shall award the Gas to the Customer submitting the highest bid, and shall notify the Customer submitting the highest bid prior to 4:00 p.m. CCT of the same Day on which LA Storage accepts bids; provided, however, LA Storage reserves the right to reject all bids. When the Gas is purchased at auction, Customer must provide identification of the existing Service Agreement with LA Storage under which Customer shall store the Gas in LA Storage's facilities.

LA Storage shall credit the net proceeds received from such auction to all Customers that did not have Gas sold during the subject auction ("Qualifying Customer") based on the ratio of the total charges paid by each Qualifying Customer for service to the total amount of such charges paid by all Qualifying Customers during the Month in which the auction of Gas occurred. For the purposes of this Section, the term "net proceeds" shall mean the total proceeds received from the auction less the accumulated charges pursuant to the applicable Rate Schedule for the Service Agreement held by the Customer winning the bid.

Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year and will be included on the Qualifying Customers' invoices for the Month following the date of the final Commission order approving LA Storage's penalty disbursement report. LA Storage will file a penalty disbursement report within sixty (60) days of July 31. Any net proceeds credited to Qualifying Customers pursuant to this Section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

#### 5.34 CONFIDENTIALITY

The contents of all transactions entered into by the Parties shall be kept confidential by each, except to the extent that any information must be disclosed to a third party as required by law, for either party's financial needs, or for the purpose of effectuating the transaction. Notwithstanding this section, LA Storage may elect to release such information when required by law, or when directed by a regulatory agency having jurisdiction, including any such directives to file to meet informational reporting requirements established by the Commission of any or all of the details concerning the provision of service to the Customer, including without limitation, the details of any transaction entered into between LA Storage and Customer. LA Storage shall take all reasonable steps to ensure that such regulatory agency treat Customer's information as commercially sensitive and confidential.

## 5.35 OPERATIONAL TRANSACTIONS

5.35.1 General Authority. LA Storage may buy, sell or borrow or tender gas for return at a later date (an “Operational Transaction”) to the extent necessary to:

- (a) maintain system pressure and line pack;
- (b) manage system imbalances;
- (c) implement the cashout provisions of the Tariff, including Section 5.39;
- (d) perform other operational functions of LA Storage in connection with storage and other similar services; or
- (e) otherwise protect the operational integrity of LA Storage’s system.

5.35.2 Terms of Operational Transactions. Any Operational Transaction will be made on an unbundled basis and the purchaser of gas sold or tendered by LA Storage will be responsible for any transportation. Sales by LA Storage will be made at Receipt Point(s), at Pooling Points established on LA Storage’s system, or at the points of interconnection with the upstream pipelines prior to receipt into LA Storage’s system. Operational Transactions other than sales by LA Storage will be made at locations where the gas may be most operationally needed from time to time. Operational Transactions will have a lower priority than firm service.

5.35.3 Posting of Operational Sales. LA Storage will post its offers to sell Operational Transaction quantities for bidding on its Internet Website in accordance with the applicable bidding provisions which will be posted at the time of the Operational Transaction sales offer. LA Storage reserves its right, in its sole discretion:

- (a) to withdraw its postings;
- (b) reject all bids due to operational changes; and
- (c) reject any bids which do not meet or which contain modifications to the terms of the posting or which contain terms that are operationally unacceptable.

5.35.4 Annual Reports. LA Storage will file a report on or before April 30 of each year reflecting the Operational Transactions for the 12-month period ending the preceding December 31. The report will indicate:

- (a) whether the Operational Transaction was a purchase, sale, borrow or tender;
- (b) the source of the gas in the Operational Transaction;

- (c) the date of the Operational Transaction; (for borrows and tenders, LA Storage will include the beginning and termination dates of the transaction);
- (d) volumes;
- (e) the Operational Transaction price, expressed as a rate per dekatherm;
- (f) the costs and revenues from the Operational Transaction;
- (g) the disposition of the associated costs and revenues, including their absorption by LA Storage; and
- (h) an explanation of the purpose of any Operational Transaction.

5.36 [Reserved for Future use]

5.37 [Reserved for Future use]

## 5.38 OPERATIONAL BALANCING AGREEMENTS, DETERMINATION OF RECEIPTS AND DELIVERIES, ALLOWABLE DAILY DISPATCHING VARIATION, OVERRUN PENALTIES, AND SCHEDULING PENALTIES

### 5.38.1 Operational Balancing Agreements (“OBA”)

(a) For the purpose of minimizing operational conflicts between various pipeline facilities with respect to the delivery of gas to and from Pipeline’s facilities, Pipeline shall enter into OBAs with interstate, or intrastate pipelines that operate natural gas facilities that directly interconnect with Pipeline’s system (herein called “OBA Party”). Such OBA shall specify the gas custody transfer procedures to be followed by LA Storage and OBA Party for the confirmation of scheduled quantities of gas to be received by LA Storage at the Receipt Point or delivered by LA Storage at the Delivery Point. Such OBA will provide that any variance between actual quantities and scheduled and confirmed quantities at the point where the OBA is in place for any Gas Day shall be cashed out or resolved in-kind promptly pursuant to the terms of the OBA and that such daily scheduling and monthly balancing variances are the responsibility of the OBA Party.

To facilitate such determination of variances on a timely basis, LA Storage and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. LA Storage shall post on its Internet Web Site those Receipt Points and Delivery Points at which an OBA is in effect. When LA Storage enters into an OBA with an interstate pipeline, or intrastate pipeline, Pipeline may waive the daily nomination and scheduling provisions in GT&C Section 5.8, to maintain operational flexibility and integrity.

(b) Pipeline shall have no obligation to negotiate and execute OBAs with any OBA Party that:

- (1) is not creditworthy as determined pursuant to GT&C Section 5.32; for purposes of such provision, references to Customer shall refer to the OBA Party;
- (2) does not maintain dispatching operations which are staffed on a continuous around-the-clock basis every day of the year;
- (3) would cause the level of regulation which LA Storage is subject to prior to the execution of the applicable OBA to increase; or
- (4) does not commit to timely determination of variances based on reasonable available measurement technology; or
- (5) has not demonstrated operational consistency commensurate with the OBA relationship over a minimum period of three years.

(c) Nothing in this Section 5.38.1 nor any executed OBA shall limit LA Storage’s rights to take action as may be required to adjust receipts and deliveries under any Service

Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of LA Storage's system, including maintenance or service of higher priority Customers and/or services.

(d) LA Storage will refund or carry forward, for each calendar year, any difference between the revenues received by LA Storage and the costs incurred by LA Storage associated with LA Storage's OBAs. To the extent the difference between such revenues and costs during any calendar year is less than Four Hundred Thousand Dollars (\$400,000), LA Storage shall carry forward the difference to the next calendar year. To the extent the difference, inclusive of carried over amounts, is greater than Four Hundred Thousand Dollars (\$400,000), LA Storage shall refund or invoice each OBA Party in proportion to such OBA Party's receipt and delivery of gas from or to LA Storage's system relative to such receipt and delivery by all OBA Parties during such calendar year, within one-hundred twenty (120) Days after the end of the calendar year.

#### 5.38.2 Determination of Receipts

A Customer's receipts shall be the scheduled quantities transported to the Receipt Point(s), plus the Fuel Retainage Percentage. Any imbalances resulting from a variation between the aggregate of Customer's receipts and measured flow at an interconnect shall be managed pursuant to an OBA with an upstream operator.

Customer shall be responsible for any imbalances that it creates on upstream facilities. Such imbalance charges and penalties on upstream facilities shall be recovered by the upstream operator directly from the Customer.

#### 5.38.3 Determination of Deliveries.

The Delivery Point operator shall have sole physical control of a Delivery Point, including access to the measured volumes and shall maintain firm contract entitlements that are sufficient to control imbalances at the Delivery Point, and that reflect Primary Delivery Point entitlements corresponding to the Delivery Point.

(a) Each Delivery Point operator which takes gas quantities from LA Storage's system shall, in accordance with the nomination and ranking deadlines set forth in GT&C Section 5.8, provide LA Storage (or Customer shall cause the interconnecting Delivery Point operator to provide Customer, if applicable) with a predetermined allocation ("PDA") at the Delivery Point(s) where Pipeline tenders gas to such Delivery Point operator by 8:00 p.m. CCT on the Gas Day. The Delivery Point operator shall select one of the following forms of PDA: (1) Swing PDA, (2) percentage PDA, (3) pro rata PDA or (4) ranked PDA.

The Delivery Point operator may elect a form of PDA annually; provided, however, LA Storage may, in its sole judgment, accept changes to a Customer's PDA election more frequently than once a year. If the Delivery Point operator elects a Swing PDA, it shall designate which services are to "take the Swing" on any Gas Day that measured quantities are greater than or less than the scheduled quantities. The PDAs provided hereunder by

such Delivery Point operator to LA Storage shall include: name of Customer, contract number and quantity (limit value) at a transaction level and shall include a ranking of all available firm services (scheduled or unscheduled) to which measured quantities shall be allocated so as to eliminate or minimize any daily unauthorized overruns under this section.

The limit value will be used, in part or in total, in conjunction with the scheduled quantity to determine the total quantity to be allocated for the specified transaction. The Delivery Point operator shall provide LA Storage with unique limit values for high quantity (measured quantities are in excess of scheduled) or low quantity (measured quantities are less than scheduled) situations. PDAs provided by the Delivery Point operator shall be consistent with LA Storage's Rate Schedule limitations and the provisions of GT&C Section 5.10. To the extent that the high quantity PDAs do not fully use all available firm services, LA Storage shall consider any measured quantities in excess of the sum of the scheduled quantities and PDAs as dispatching variations pursuant to GT&C Section 5.38 and unauthorized daily overruns, if applicable, pursuant to this Section 5.38. If sufficient PDAs are not provided by the Delivery Point operator in a low quantity situation, LA Storage reserves the right to reduce the allocated quantities to all available services of the Delivery Point operator on a pro-rata basis until the total allocated quantity is equal to the total measured quantity. If necessary, LA Storage shall reduce all remaining deliveries at the Delivery Point(s) where LA Storage tenders gas to the Delivery Point operator on a pro-rata basis until the allocated quantity is equal to the measured quantity.

Prior-period adjustments to scheduled quantities and PDAs shall be permitted by LA Storage only if all parties affected by the resulting prior period reallocation (including LA Storage) consent in writing to the adjustment; provided, however, LA Storage shall not unreasonably withhold such consent.

(b) Deliveries at Interconnects

An imbalance for an OBA Party shall be based on the difference between total actual quantities of gas received or delivered through the affected meter and the total aggregated scheduled quantities for that meter, which shall be used as the actual quantities of gas received or delivered. Imbalances will be resolved pursuant to the OBA between LA Storage and the OBA Party.

5.38.4 Determination of Make-Up Receipts and Deliveries.

Make-up quantities, including imbalance quantities that are being resolved in-kind, shall be deemed to be the "last through the meter." Imbalance quantities returned in-kind in the current Month are applied first to the previous Month imbalance until such balance is zero and then applied to the current Month imbalance.

5.38.5 Allowable Daily Dispatching Variations.

The allowable daily dispatching variation shall be established daily by LA Storage and posted on its Internet Web Site each Gas Day for which an OFO is in effect. The available

daily dispatching variation shall not be less than, the greater of: (a) 100 Dths, (b) two percent (2%) of Customer's MDDQ, MDRQ, MDIQ, MDWQ, MDFWQ, Maximum Daily Wheeling Quantity or Maximum Balancing Quantity, as applicable. The allowable daily dispatching variation shall be applicable to determining unauthorized daily overruns and unauthorized daily underdeliveries.

#### 5.38.6 Delivery Point Unauthorized Daily Overrun.

Any quantity of gas taken by a Customer from LA Storage on any Gas Day an OFO is in effect in excess of scheduled quantities plus the allowable daily dispatching variation, determined pursuant to Section 5.38.5, shall constitute unauthorized daily overrun quantities.

LA Storage shall notify Customers via its Internet Web Site that gas taken in excess of LA Storage's MDDO shall be subject to the GT&C Section 5.38.7 "Unauthorized Daily Overrun Penalties".

#### 5.38.7 Unauthorized Daily Overrun Penalties.

Customer shall pay a penalty for unauthorized daily overruns occurring at the time an OFO is in effect. The OFO penalty under this section shall be calculated as follows: If Customer takes on any Gas Day unauthorized overrun quantities in excess of the allowable daily dispatch variations set forth in GT&C Section 5.38.5, Customer shall pay the cost of such overrun gas plus a penalty of: (1) \$5.00 per Dth for unauthorized overrun quantities in excess of 2% up to 5% of that allowable variation for the particular day; (2) \$15.00 per Dth for unauthorized overrun quantities in excess of 5% up to 8% of that allowable variation for the particular Gas Day; and (3) a penalty of \$20.00 per Dth for any quantity in excess of the 8% of that allowable variation for the particular Gas Day. The cost of gas shall be the Daily Gas Index Price for the higher of: (a) the Gas Day of receipt and delivery, (b) the Gas Day preceding receipt or delivery, or (c) the Gas Day following receipt and delivery, as applicable; provided, however, if LA Storage's allowable daily dispatch variation is higher than the minimum floor set forth pursuant to GT&C Section 5.38.5, Customer will not incur a penalty for any unauthorized overrun quantities equal to or less than that particular day's posted allowable daily dispatch variation. Such penalties do not mitigate Customer's responsibility to resolve imbalances resulting from such overruns.

The payment of a penalty for such daily unauthorized overrun gas hereunder shall under no circumstances be considered as giving Customer the right to take unauthorized overrun gas or be considered as a substitute for any other remedy available to LA Storage against the offending Customer for failure to stay within Customer's applicable, allowable daily dispatching variation.

#### 5.38.8 Unauthorized Daily Underdelivery Penalties.

Customer shall pay a penalty for unauthorized daily underdeliveries occurring at the time an OFO is issued. Such OFO penalty amount under this section shall be calculated as follows: If Customer does not transport on any Gas Day its scheduled quantities minus the allowable daily dispatch variations set forth in GT&C Section 5.38.5, Customer shall pay the cost of such overrun gas plus a penalty of: (1) \$5.00 per Dth for unauthorized underdelivery quantities in excess of 2% up to 5%

of that allowable variation for the particular Gas Day; (2) \$15.00 per Dth for unauthorized underdelivery quantities in excess of 5% up to 8% of that allowable variation for the particular Gas Day; and (3) a penalty of \$20.00 per Dth for unauthorized underdelivery quantities in excess of the 8% of that allowable variation for the particular Gas Day. The cost of gas shall be the Daily Gas Index Price for the higher of: (a) the Gas Day of receipt and delivery, (b) the Gas Day preceding receipt or delivery, or (c) the Gas Day following receipt and delivery, as applicable; provided, however, if LA Storage's allowable daily dispatch variation is higher than the minimum floor set forth pursuant to GT&C Section 5.38.5, Customer will not incur a penalty for any unauthorized underdelivered quantities equal to or less than that particular Gas Day's posted allowable daily dispatching variation. Customer shall pay a penalty only for unauthorized underdelivery quantities occurring at the time an OFO is issued. Such penalties do not mitigate Customer's responsibility to resolve imbalances resulting from such underdelivery.

The payment of a penalty for such daily unauthorized underdelivered gas hereunder shall under no circumstances be considered as giving Customer the right to not transport its scheduled gas or be considered as a substitute for any other remedy available to LA Storage against the offending Customer for failure to stay within Customer's applicable MDDO.

#### 5.38.9 Scheduling Penalty.

Customer shall pay a scheduling penalty for each Dth injected into storage, withdrawn from storage, or wheeled, as applicable, in excess of 102% of scheduled quantities. The scheduling penalty shall be the applicable injection, withdrawal, wheeling or balancing charge under Customer's Service Agreement multiplied by each Dth in excess of 102% of the scheduled quantities. Customer shall pay the scheduling penalty in addition to any other applicable charges and penalties.

#### 5.38.10 Disposition of Penalties.

All overrun and underdelivery penalties collected by LA Storage during a calendar year, less the revenues received or due for services associated with that overrun gas, shall be directly refunded annually to each Non-Offending Customer, as set forth in GT&C Section 5.40 for the Month(s) in which such penalties were incurred. Such refunds shall be distributed pursuant to GT&C Section 5.40. In the event that there are no Non-Offending Customers in a given Month, 100% of such overrun and undeliveries penalties shall be carried forward to the next month.

## 5.39 RESOLUTION OF IMBALANCES AND CASHOUT PROVISION

### 5.39.1 Definition of Transportation Imbalance.

“Transportation Imbalance” shall mean the difference between a Customer’s allocated receipts at the Receipt Point(s) (adjusted for fuel) and allocated deliveries at the Delivery Point(s) under any firm or interruptible Service Agreement. All imbalances will be calculated on a daily basis.

5.39.2 Customer shall cash out Transportation Imbalances created as a result of post-Month changes to prior Month receipt or delivery allocations, measurements or other adjustments at the reference prices applicable to the Month of gas flow pursuant to GT&C Section 5.39.7.

### 5.39.3 Netting.

For each Month, all cumulative Transportation Imbalances will be netted among all Service Agreements under which the Customer, the Imbalance Agent and the billable party coincide.

### 5.39.4 Trading.

Trading of the previous Month’s netted Transportation Imbalances will be allowed between Imbalance Agents (or the Customer(s) if no Imbalance Agents exists) from the 1st calendar day until the end of the 17th Business Day following the end of the Month. Trading will be allowed when the resulting trade will reduce the Transportation Imbalances for each Customer or their Imbalance Agent. There will be no fee for trading.

### 5.39.5 Final Resolution of Transportation Imbalances.

If Customer has a Transportation Imbalance remaining after the close of the trading period, such imbalance will be cashed out in accordance with the cash out provisions set forth in GT&C Section 5.39.

5.39.6 Customer or their agents may nominate transactions (in accordance with GT&C Section 5.8) during the Month to correct Transportation Imbalances. Third parties may offer imbalance management services to Customers on LA Storage’s system. LA Storage’s ability to receive or deliver Transportation Imbalance quantities shall be dependent upon LA Storage’s physical operations, and LA Storage is under no obligation to allow receipt or delivery of such quantities for resolution of Transportation Imbalances if it determines, in its sole opinion, such activity would jeopardize pipeline operations or impede LA Storage’s ability to meet any of its service obligations to its other customers.

### 5.39.7 Resolution of Monthly Transportation Imbalances and Cashout.

- (a) All Transportation Imbalances accrued by Customer under its Service Agreements shall be resolved on a monthly basis pursuant to the provisions herein. After each Month, LA Storage will calculate the Transportation Imbalances which exist between the quantities

of gas allocated each Gas Day to Customer for its account at the Receipt Point(s) during that Month and the quantities of gas allocated each Gas Day to Customer for its account at the Delivery Point(s) during that Month. All Transportation Imbalances (over-deliveries and under-deliveries to Pipeline) accrued by Customer under all Service Agreements (or any such agreements under which Customer has been appointed imbalance aggregation agent with authority to make and receive payments under this section) will be combined to derive a “Net Monthly Imbalance” (in Dth) for purposes of the following calculations.

Customer’s Net Monthly Imbalance then will be divided by the lesser of: (i) the actual Dths of gas received or (ii) the actual Dths of gas delivered under all such agreements during the Month to produce Customer’s Net Imbalance Percentage for the Month.

(b) Subject to the provisions of GT&C Sections 5.39.3 and 5.39.4, if Customer has accrued a Net Monthly Imbalance such that the total quantities of gas received by LA Storage for Customer’s account during the Month are less than the total quantities of gas delivered by Pipeline for Customer’s account during the Month (“Negative Imbalance”) and such Net Monthly Imbalance is greater than 1,000 Dth, LA Storage shall sell Customer gas equal to such Negative Imbalance and Customer shall pay LA Storage for Customer’s Net Monthly Imbalance at the following prices specified for Customer’s Net Imbalance Percentage for the Month:

(1) Customer’s Net Imbalance Percentage

Price

|           |                          |
|-----------|--------------------------|
| 0 to 2%   | 100% of Applicable Price |
| 2 to 5%   | 105% of Applicable Price |
| 5 to 10%  | 115% of Applicable Price |
| 10 to 15% | 125% of Applicable Price |
| 15 to 20% | 140% of Applicable Price |
| 20%       | 150% of Applicable Price |

The Applicable Price shall be the High Price as defined in GT&C Section 5.39.7(d) plus the usage charge agreed upon in the Customer’s applicable Service Agreement.

For purposes of determining the tier at which a Transportation Imbalances will be cashed out, the price will apply only to quantities within a tier. For example, if there is a 6% Transportation Imbalance, quantities that comprise the first 2% of the Transportation Imbalance are priced at 100% of the Applicable Price, quantities comprising 3% of the Transportation Imbalance are priced at 105% of the Applicable Price, and quantities comprising the remaining 1% of the Transportation Imbalance are priced at 115% of the Applicable Price.

(2) Subject to the provisions of GT&C Sections 5.39.3 and 5.39.4, if Customer’s Net Monthly Imbalance is less than or equal to 1,000 Dth, Customer shall pay LA Storage for Customer Net Monthly Imbalance at the Applicable Price.

(c) Subject to the provisions of GT&C Sections 5.39.3 and 5.39.4, if Customer has accrued a Net Monthly Imbalance such that the total quantities of gas received by LA Storage for Customer's account during the Month are greater than the total quantities of gas delivered by LA Storage for Customer's account during the Month ("Positive Imbalance") and such Net Monthly Imbalance is greater than 1,000 Dth, LA Storage shall purchase such Positive Imbalance from and pay Customer for its Net Monthly Imbalance at the following prices specified for Customer's Net Imbalance Percentage for the Month:

(1) Customer's Net Imbalance Percentage

Prices

|           |                          |
|-----------|--------------------------|
| 0 to 2%   | 100% of Applicable Price |
| 2 to 5%   | 95% of Applicable Price  |
| 5 to 10%  | 85% of Applicable Price  |
| 10 to 15% | 75% of Applicable Price  |
| 15 to 20% | 60% of Applicable Price  |
| 20%       | 50% of Applicable Price  |

The Applicable Price shall be the Low Price as defined in GT&C Section 5.39.7(d).

For purposes of determining the tier at which a Transportation Imbalance will be cashed out, the price will apply only to quantities within a tier. For example, if there is a 6% Transportation Imbalance, quantities that comprise the first 2% of the Transportation Imbalance are priced at 100% of the Index Price, quantities comprising 3% of the Transportation Imbalance are priced at 95% of the Applicable Price, and quantities comprising the remaining 1% of the Transportation Imbalance are priced at 85% of the Applicable Price.

(2) Subject to the provisions of GT&C Sections 5.39.3 and 5.39.4, if Customer's Net Monthly Imbalance is less than or equal to 1,000 Dth, Customer shall pay LA Storage for Customer's Net Monthly Imbalance at the Applicable Price.

(3) In the event Customer owes LA Storage any payments under subsection (b) above from a previous Month which are past due, LA Storage shall have the right hereunder to offset payments it owes to Customer under this subsection (c) by such past due amounts (inclusive of interest).

(d) The "Low Price" is equal to the lowest of the prices among the Index Prices for the Month in which Customer's Net Monthly Imbalance was incurred.

The "High Price" is equal to the highest of the prices among the Index Prices for the Month in which Customer's Net Monthly Imbalance was incurred.

The “Index Prices” are the prices published by the following publications as determined below:

- (1) Natural Gas Intelligence Gas Price Index, “Louisiana”, “Average”, “Transco St. 65”;
- (2) Platt’s Inside F.E.R.C.’s Gas Market Report, “Transcontinental Gas Pipe Line Corp.”, “Index”, “Zone 3”;
- (3) Natural Gas Intelligence Gas Price Index, “Louisiana”, “Average”, “Trunkline W.L.A.”; and
- (4) Platt’s Inside F.E.R.C.’s Gas Market Report, “Trunkline Gas Co.”, “Index”, “Louisiana”.

With respect to Platt’s Inside F.E.R.C.’s Gas Market Report, Pipeline will use the posted prices published for only the first of the Month following the Month in which Customer’s Net Monthly Imbalance was incurred. With respect to Natural Gas Intelligence Gas Price Index, LA Storage will use the posted prices published in all of the weekly issues of Natural Gas Intelligence Gas Price Index published during the Month in which Customer’s Net Monthly Imbalance was incurred and the first issue of said publication published during the following Month.

In the event any of these publications or specific postings contained therein is discontinued, LA Storage will revise this Section 5.39.7(d) to substitute another price index generally accepted in the natural gas industry. Until LA Storage receives approval from the Commission to use such substitute index, LA Storage will continue to use the Index Prices each Month based on the remaining indices.

LA Storage shall not calculate Customer’s Net Imbalance Percentage under GT&C Section 5.39.7(a) for a Month until all trades for such Month are completed pursuant to GT&C Section 5.39.4.

#### 5.39.8 Transportation Imbalance Cash-Out Revenue.

LA Storage will refund or carry forward, for each calendar year, any difference between the revenues received by LA Storage and the costs incurred by LA Storage as a result of cashing out Transportation Imbalances. To the extent the difference between such revenues and costs during any calendar year, plus any amounts carried over from prior years, is less than Four Hundred Thousand Dollars (\$400,000), LA Storage shall carry forward the difference to the next calendar year. To the extent the difference, inclusive of carried over amounts, is greater than Four Hundred Thousand Dollars (\$400,000), LA Storage shall refund or invoice each Customer on LA Storage’s system in proportion to such Customer’s use of LA Storage’s system during such calendar year within one-hundred twenty (120) Days after the end of the calendar year.

5.39.9 The monthly cash out provisions set forth herein apply to the extent that a Transportation Imbalance is not caused by events of force majeure, as defined in Section 5.17 of the GT&C, or not caused by LA Storage's negligence.

5.39.10 Daily Imbalance Penalty and Calculations.

LA Storage shall post on its Internet Web Site, on a timely basis, the daily imbalance status of each Customer, as well as the imbalance of the system as a whole. If a daily imbalance threatens the operational integrity of LA Storage's system thus warranting the issuance of an OFO, LA Storage shall post a Critical Mode notice. During an OFO if a Customer's daily imbalance is greater than a 2% variance between the actual receipts and actual deliveries on LA Storage's system, Customer shall pay the higher of \$20.00 or two times the cost of gas for every Dth above the 2% variance. The cost of gas shall be the Daily Gas Index Price for the higher of: (a) the Gas Day of receipt and delivery, (b) the Gas Day preceding receipt or delivery, or (c) the Gas Day following receipt and delivery, as applicable. Customer shall not be obligated to also pay the \$20.00 penalty set forth in GT&C Section 5.5, the unauthorized daily overrun penalty under GT&C Section 5.38, the unauthorized daily underdelivery penalty under GT&C Section 5.38.8, or the scheduling penalty under GT&C Section 5.38, if the Section 5.39.10 penalties are imposed for the same infraction.

5.39.11 LA Storage is not providing a gas supply service under any Rate Schedule of LA Storage's Tariff. Without limiting the foregoing, LA Storage may buy and sell gas to the extent necessary to maintain system pressure and balance, to implement the cashout provisions in this Section 5.39 and to perform other functions necessary in connection with providing gas storage and wheeling services. Nothing herein will be deemed to impose on LA Storage any obligation to provide a sale or purchase of gas to any of its Customers.

#### 5.40 PENALTY REVENUE SHARING

For each Month during each calendar year, LA Storage shall determine (a) each Customer that has not incurred in that Month any of the penalties for unauthorized overruns or underdeliveries, failures to abide by an OFO or curtailment order and other misconduct (a “Non-Offending Customer”), and (b) the penalty revenue net of costs collected by LA Storage during those Months in which there was a Non-Offending Customer. Within 120 days after the end of each calendar year, LA Storage shall distribute such penalty revenue net of costs to Non-Offending Customers on LA Storage’s system. Only costs incurred as a result of a Customer’s unauthorized overrun or underdeliveries, failure to abide by an OFO and other misconduct and from the transactions that gave rise to the penalty amounts shall be deducted from the penalty revenue. LA Storage will refund such penalty revenue net of costs for a Month to a Non-Offending Customer in such Month in proportion to the Non-Offending Customer’s use of LA Storage’s system relative to the use of LA Storage’s system by all Non-Offending Customers during such Month. If such penalty revenue net of costs for a calendar year, plus any amounts carried over from prior years, is less than Four Hundred Thousand Dollars (\$400,000), then LA Storage may carry such balance of revenue forward to the next calendar year.

#### 5.41 GOVERNMENT REGULATION

The Service Agreement, and all terms and provisions contained or incorporated therein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of the Commission and any other body with jurisdiction over these matters.

## 5.42 AGENCY SERVICE

In connection with a service rendered by LA Storage pursuant to any Rate Schedule in its FERC Gas Tariff, LA Storage or a third party may agree to act as agent for its Customer to arrange for any service (under any such Rate Schedule or otherwise) and to perform any acts (including but not limited to the receipt and payment of invoice, the giving of notice, the designation of delivery and receipt points, the scheduling of volumes for storage and wheeling, and the receipt of proceeds from, or the payment of amounts due for, the monthly resolution of transportation imbalances under GT&C Section 5.39) in connection with any service so arranged. Such service as agent shall be available only on condition and to the extent that LA Storage and Customer have executed a written agency authorization agreement that contains the terms, conditions and fees applicable to such service and specifies the acts with respect to which LA Storage or a third party is to act as agent for Customer. It is provided, however, that any such Agency Authorization Agreement shall provide that any services arranged and any acts performed by LA Storage or a third party under such Agency Authorization Agreement shall be done expressly on behalf of Customer, and that Customer shall remain primarily responsible for the payment to LA Storage or other provider of the fees and charges for the services arranged and the acts performed on behalf of Customer. LA Storage is authorized to accept the actions of an agent within the scope of its authority to the same extent as it would accept the actions of Customer; provided, however, Customer shall indemnify LA Storage and hold it harmless for any loss or damage occasioned by agent's actions or LA Storage's reliance thereon.

### 5.43 ELECTRONIC COMMUNICATION AND REPORTING REQUIREMENTS

5.43.1 Internet Web Site. In compliance with Order Nos. 636, 637 and 717 LA Storage has established an electronic bulletin board to publicize information concerning its services and available storage and wheeling capacity. LA Storage's Internet Web Site is available on a nondiscriminatory basis for use by any Customer that has executed a License & Service Agreement. All Customers shall use the LA Storage's Internet Web Site to conduct daily business transactions. Certain other transactions, such as nominations, posting and bids, will be electronically confirmed on the LA Storage's Internet Web Site as they occur. Customers who have executed an Internet Web Site License & Service Agreement and agree to comply with the procedures for access to and use of the LA Storage's Internet Web Site will be assigned a user identification and password. LA Storage reserves the right to provide, to contract for, or otherwise obtain a license for enhancements to its Internet Web Site at its sole discretion. LA Storage will exercise due diligence to ensure the LA Storage's Internet Web Site operates correctly and will provide timely and equal access to Internet Web Site manuals and to any information available on the LA Storage's Internet Web Site. In circumstances when the LA Storage's Internet Web Site is not properly functioning or during emergencies, LA Storage shall contact Customer, first by email, then by telephone or by facsimile.

5.43.2 Customer who has executed a Service Agreement has the option to utilize the LA Storage's Internet Web Site for the purposes of:

- (a) requesting service, executing, tracking and amending Service Agreements under Rate Schedules FT, IT, and IP, IW, IL, IBT, and IB, and providing nominations, allocations and viewing of operational imbalances under such Rate Schedules as a Customer of LA Storage pursuant to the applicable Rate Schedule and the GT&C;
- (b) exercising its rights as a Customer of LA Storage pursuant to GT&C Section 5.4 or submitting a bid as a Replacement Customer of LA Storage under such section (which if submitted utilizing the LA Storage's Internet Web Site will be posted at that time) or submitting a bid as a Replacement or Prearranged Customer of LA Storage pursuant to such section, or posting a capacity request for capacity release pursuant to such section;
- (c) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day; and
- (d) viewing LA Storage's notice of an OFO as contemplated by GT&C Section 5.5.6.

5.43.3 LA Storage's Internet Web Site shall contain information, available for download in RTF and HTML format, regarding:

- (a) the unsubscribed capacity available on the System for firm and interruptible services, including capacity availability on the system and at Receipt Points and Delivery Points;

- (b) the operationally available capacity on the System for firm and interruptible services, including capacity availability on the system and at Receipt Points and Delivery Points;
- (c) the master Receipt Point list and the master Delivery Point list including for each the following:
  - (1) Designation of Delivery or Receipt Point;
  - (2) Location of Delivery or Receipt Point;
  - (3) Operator name and phone number; and
  - (4) Total firm capacity subscribed at the Delivery Point or Receipt Point.
- (d) the Capacity Release information described in GT&C Section 5.4 herein;
- (e) offers to purchase released storage or wheeling rights from firm Customers;
- (f) Index of Customers;
- (g) LA Storage's currently effective FERC Gas Tariff and GT&C;
- (h) Critical notices (when operational);
- (i) any other information required by Sections 284.12 and 284.13 of the Commission's regulations or the Commission's Standards of Conduct as set forth in GT&C Section 5.22.

5.43.4 For generic, system-wide notices, any provisions of this Tariff requiring that these matters be written or in writing are satisfied by LA Storage utilizing electronic transmission through the LA Storage's Internet Web Site in accordance with the procedures for utilization of the LA Storage's Internet Web Site. The provisions of this Tariff requiring that certain matters be written or in writing are satisfied by Customer utilizing electronic transmission through the LA Storage's Internet Web Site in accordance with the procedures for utilization of the LA Storage's Internet Web Site. All other provisions including Service-Agreement-specific notices requiring items or information to be written or in writing remain unchanged unless otherwise agreed to by LA Storage and Customer. Critical system-wide notices shall have a separate category from notices that are not critical.

5.43.5 LA Storage or an affiliate of LA Storage is the exclusive proprietor of the programming which generates the LA Storage's Internet Web Site and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the LA Storage's Internet Web Site under license to LA Storage) possesses a copyright or proprietary interest in such materials, but not of the files of and

the information displayed on the LA Storage's Internet Web Site. A Customer under a Service Agreement will not by virtue of this Section or the executed Service Agreement acquire any proprietary interests in the programming which generates the LA Storage's Internet Web Site.

- 5.43.6 LA Storage shall not be liable to the Customers under the Service Agreements nor any other party in damages for any act, omission or circumstance related to the LA Storage's Internet Web Site occasioned by or in consequence of an event of force majeure as defined in GT&C Section 5.17. To the extent the information displayed on the LA Storage's Internet Web Site is originated solely by LA Storage and such information is subsequently determined to be inaccurate, Customers under the Service Agreements shall not be subject to any penalties otherwise collectable by LA Storage based on Customer conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the LA Storage's Internet Web Site.
- 5.43.7 LA Storage warrants that, without the express consent of a Customer under a Service Agreement or as provided for under this Tariff, no LA Storage employee or agent will disclose to any third party any information regarding research performed through the use of the LA Storage's Internet Web Site by Customers under their Service Agreements.
- 5.43.8 Customer shall indemnify LA Storage against and hold LA Storage harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any act or omission of the LA Storage's Internet Web Site; except if such damages, claims, suits, actions or proceedings are due to LA Storage's negligence.

## 5.44 DISPUTE RESOLUTION

Any disputes, controversies or claims that arise between the Parties (the “Disputing Parties”) relating to a Service Agreement (a “Dispute”) shall be resolved by means of the following procedures:

5.44.1 FERC. Once a Dispute has been presented to the FERC, neither Disputing Party may seek relief in any other forum. In the event that FERC disclaims jurisdiction or disclaims primary jurisdiction over a Dispute, the Dispute shall be resolved through arbitration in accordance with the provisions of Section 5.44.2, below.

5.44.2 Arbitration. Any Dispute that is not resolved pursuant to Section 5.44.1, above, shall be finally settled by arbitration as follows:

(a) Any such Dispute shall be submitted to binding arbitration by the International Chamber of Commerce (“ICC”) for arbitration in New York, New York, in accordance with the ICC’s commercial arbitration rules then in effect, except as more particularly provided herein. The Disputing Parties agree that an officer or other representative with authority to resolve the Dispute for each Disputing Party shall attend the arbitration. There shall be three (3) arbitrators, with each of LA Storage and Customer, or their successor in interest if applicable, selecting one. The third arbitrator, who shall be the chairman of the panel, shall be selected by the two Disputing Party-appointed arbitrators. The claimant shall name its arbitrator in the demand for arbitration. The third arbitrator shall be named within thirty (30) days after the appointment of the second arbitrator. The ICC shall be empowered to appoint any arbitrator not named in accordance with the procedure set forth herein.

(b) The Disputing Parties will endeavor to agree on the scope of discovery in respect of any Dispute. If the Parties cannot agree, then the arbitrators shall rule on all requests for discovery and disclosure and discovery shall be completed within sixty (60) days of the date on which the third arbitrator is appointed (“Arbitration Commencement Date”). The arbitrators shall issue a final ruling within ninety (90) days of the Arbitration Commencement Date. The ruling of the arbitrators shall be in writing, signed, and shall contain a statement of findings and conclusions of law in addition to the award decision. The decision of the arbitrators shall be final and binding upon the Disputing Parties, in so far as the law allows, without the right of appeal to the FERC or the courts. The award rendered by the arbitrators shall be final in so far as the law allows, and judgment thereon may be entered by any court having jurisdiction thereof.

(c) The arbitrators shall not have the authority or power to alter, amend or modify any of the terms or conditions of a Service Agreement. The arbitrators’ powers shall be limited to enforcement of the Service Agreement as to the issues raised by the Disputing Parties, and shall not include the power to award consequential, indirect, special, punitive, or exemplary damages.

(d) Performance of the Service Agreement shall continue during arbitration proceedings or any other dispute resolution mechanism pursuant to these GT&C. Subject to the Parties' rights under GT&C Section 5.14.5, no payment due or payable by LA Storage or Customer shall be withheld on account of a pending reference to arbitration or other dispute resolution mechanism.

(e) The Disputing Parties irrevocably waive, to the fullest extent permitted by applicable law, any and all rights to trial by jury in any legal proceeding arising out of or relating to a Service Agreement or the transactions contemplated thereby.

## 6.0 SERVICE AGREEMENT FORMS

## 6.1 FORM OF SERVICE AGREEMENT – RATE SCHEDULE FSS

### FORM OF FIRM STORAGE SERVICE AGREEMENT (FOR USE UNDER RATE SCHEDULE FSS)

This Firm Storage Service Agreement including exhibits (“Agreement”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between LA Storage, LLC, a Delaware limited liability company herein called “LA Storage,” and \_\_\_\_\_, a(n)

\_\_\_\_\_, herein called “Customer,” (LA Storage and Customer may individually be referred to as “Party” or collectively referred to as “Parties”), pursuant to the following recitals and representations:

WHEREAS, LA Storage operates an underground natural gas storage facility known as the Hackberry Storage Facilities, and is authorized by the Federal Energy Regulatory Commission (“FERC”) to provide natural gas storage and hub service;

WHEREAS, Customer has requested that LA Storage provide certain firm storage service for Customer; and

WHEREAS, LA Storage has agreed to provide such firm storage service for Customer subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE, LA Storage and Customer agree as follows:

#### ARTICLE I – SCOPE OF AGREEMENT

In accordance with the terms of LA Storage’s Rate Schedule FSS, and of this Agreement, LA Storage on any Day shall receive for injection into Customer’s FSS Storage Inventory, Customer’s Gas upon nomination and confirmation, at Customer’s Point(s) of Receipt, subject to Customer’s (i) Maximum Daily Receipt Quantity (“MDRQ”); (ii) Maximum Daily Injection Quantity (“MDIQ”); (iii) injection ratchets; and (iv) Maximum Storage Quantity (“MSQ”), all set forth on Exhibit “A”. LA Storage on any Day shall deliver from Customer’s FSS Storage Inventory Customer’s Gas, upon nomination and confirmation, to Customer’s Point(s) of Delivery, subject to Customer’s (i) Maximum Daily Withdrawal Quantity (“MDWQ”); (ii) Maximum Daily Delivery Quantity (“MDDQ”); and (iii) withdrawal ratchets, all set forth on Exhibit “A”; and (iv) Customer having a quantity of Gas in Customer’s FSS Storage Inventory not less than the quantity Customer nominated for withdrawal on such Day.

#### ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to LA Storage under this Agreement shall be the point(s) set forth on Exhibit “A” and Exhibit “B” (“Point(s) of Receipt”).

The point(s) at which the Gas is to be tendered by LA Storage to Customer under this Agreement shall be the point(s) set forth on Exhibit “A” and Exhibit “B” (“Point(s) of Delivery”).

### ARTICLE III – RATES AND CHARGES

Customer agrees to pay LA Storage the charges set forth on Exhibit “A” and Exhibit “B” and all other applicable rates and charges set forth in LA Storage’s tariff on file with the FERC, as amended or supplemented from time to time (“Tariff”) and in Rate Schedule FSS.

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

### ARTICLE IV – INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement is subject to the terms and conditions specified in LA Storage’s Rate Schedule FSS and the provisions of LA Storage’s Tariff.

### ARTICLE V – TERM OF AGREEMENT

This Agreement shall be effective as of \_\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_, (“Term”). Any negotiated extension right will be specified in Exhibit A.

### ARTICLE VI – NOTICES

Notices shall be sent in accordance with General Term and Condition Section 18 of LA Storage’s Tariff, as follows:

**LA Storage, LLC**  
**COMMERCIAL**

LA Storage, LLC  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**CONTRACT ADMINISTRATION**

LA Storage, LLC

**CUSTOMER \_\_\_\_\_**  
**COMMERCIAL**

Customer  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**CONTRACT ADMINISTRATION**

Customer

Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**BILLING**

LA Storage, LLC  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**BILLING**

Customer  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

In all instances, the Parties shall use their reasonable efforts to provide notice prior to 5 p.m. Central Clock Time. Notice received before 5 p.m. Central Clock Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Central Clock Time shall be deemed effective the day following receipt.

ARTICLE VII – LAW OF AGREEMENT

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

ARTICLE VIII – LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF VALUE, LOSS OF FINANCIAL ADVANTAGE, LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER SAME MAY BE CAUSED, AND SHALL BE LIMITED, TO ACTUAL DAMAGES ONLY.

ARTICLE IX – PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following agreement(s) between the Parties hereto:

Storage Service Agreement number \_\_\_\_\_, dated \_\_\_\_\_, \_\_\_\_\_.

ARTICLE X – MISCELLANEOUS

- 10.1 This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are

superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

- 10.2 No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 10.3 If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.
- 10.4 No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 10.5 This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than LA Storage and Customer.
- 10.6 This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. An electronic signature shall be deemed to be an original signature for purposes of this Agreement. Documents delivered electronically shall be deemed to be originals for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

**LA Storage, LLC**

**CUSTOMER**

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

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

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

**Exhibit “A” to the Firm Storage Service Agreement  
between LA Storage and \_\_\_\_\_(Customer) dated \_\_\_\_\_**

**I. Maximum Quantities**

**A. Maximum Storage Quantity (“MSQ”)**

Effective date or event\*

\_\_\_\_\_  
\_\_\_\_\_

MSQ

\_\_\_\_\_  
Dth

\_\_\_\_\_  
Dth

**B. Maximum Daily Injection Quantity (“MDIQ”)**

Effective date or event\*

\_\_\_\_\_  
\_\_\_\_\_

MDIQ

\_\_\_\_\_  
Dth

\_\_\_\_\_  
Dth

**C. Maximum Daily Withdrawal Quantity (“MDWQ”)**

Effective date or event\*

\_\_\_\_\_  
\_\_\_\_\_

MDWQ

\_\_\_\_\_  
Dth

\_\_\_\_\_  
Dth

**II. Rates and Charges**

Date or event\*

\_\_\_\_\_

|                                    |  |              |
|------------------------------------|--|--------------|
| Firm Storage Reservation Charge    |  | \$/Dth/Month |
| Firm Injection Reservation Charge  |  | \$/Dth/Month |
| Firm Withdrawal Reservation Charge |  | \$/Dth/Month |
| Firm Storage Injection Charge      |  | \$/Dth       |
| Firm Storage Withdrawal Charge     |  | \$/Dth       |

**III. Primary Point(s) of Receipt and primary Point(s) of Delivery**

Maximum Daily Receipt Quantity (“MDRQ”)

Effective date or event:\*

\_\_\_\_\_

| Primary Point of Receipt | MDRO  | Firm Storage Injection Charge | Fuel In-kind % on Injection | Fuel \$/Dth on Injection |
|--------------------------|-------|-------------------------------|-----------------------------|--------------------------|
| PAPL                     | ===== | =====                         | =====                       | =====                    |
| CIP                      | ===== | =====                         | =====                       | =====                    |

Maximum Daily Delivery Quantity (“MDDQ”)

Effective date or event\*  
\_\_\_\_\_

| Primary Point of Receipt | MDRO  | Firm Storage Injection Charge | Fuel In-kind % on Injection | Fuel \$/Dth on Injection |
|--------------------------|-------|-------------------------------|-----------------------------|--------------------------|
| PAPL                     | ===== | =====                         | =====                       | =====                    |
| CIP                      | ===== | =====                         | =====                       | =====                    |

#### IV. Secondary Point(s) of Receipt and secondary Point(s) of Delivery

\_\_\_\_ Customer shall not have the right to use secondary Point(s) of Receipt or secondary Point(s) of Delivery. Effective date or event\* \_\_\_\_\_

\_\_\_\_ Customer shall have the right to use secondary Point(s) of Receipt and secondary Point(s) of Delivery. Effective date or event:\* \_\_\_\_\_

| Secondary Point of Receipt | MDRQ  | Firm Storage Injection Charge | Fuel In-kind % on Injection | Fuel \$/Dth on Injection |
|----------------------------|-------|-------------------------------|-----------------------------|--------------------------|
| PAPLC                      | ===== | =====                         | =====                       | =====                    |
| CIP                        | ===== | =====                         | =====                       | =====                    |

| Secondary Point of Delivery | MDDQ  | Firm Storage Withdrawal Charge | Fuel In-kind % on Withdrawal | Fuel \$/Dth on Withdrawal |
|-----------------------------|-------|--------------------------------|------------------------------|---------------------------|
| PAPLC                       | ===== | =====                          | =====                        | =====                     |
| CIP                         | ===== | =====                          | =====                        | =====                     |

#### V. Storage Ratchets

Effective date or event:\* \_\_\_\_\_

The quantity of Gas Customer may inject or withdraw at any time shall be subject to the following ratchet provisions.

### Injection Ratchets

### Withdrawal Ratchets

| Level of MSQ                                   | MDIQ<br>Multiplier | Level of MSQ                                     | MDWQ<br>Multiplier |
|------------------------------------------------|--------------------|--------------------------------------------------|--------------------|
| <input type="checkbox"/> 0% - 40%              | 100%               | <input type="checkbox"/> 100% - 30%              | 100%               |
| Greater than 40% up to 63%                     | 66.7               | Less than 30% down to 0%                         | 25%                |
| Greater than 63% up to 75%                     | 33.3               |                                                  |                    |
| Greater than 75% up to 87%                     |                    |                                                  |                    |
| Greater than 87% up to                         |                    |                                                  |                    |
| <input type="checkbox"/> 0% - 40%              | 100%               | <input type="checkbox"/> 100% - 40%              | 100%               |
| Greater than 40% up to 65%                     | 50%                | Less than 40% down to                            | 75%                |
| Greater than 65% up to                         | 25%                | 20%                                              | 50%                |
| 100%                                           |                    | Less than 20% down to 0%                         |                    |
| <input type="checkbox"/> 0% - 70%              |                    |                                                  |                    |
| Greater than 70% up to                         | 100%               | <input type="checkbox"/> 100% - 20%              | 100%               |
| 100%                                           | 25%                | Less than 20% down to                            | 75%                |
| <input type="checkbox"/> 0% - 60%              | 100%               | <input type="checkbox"/> Less than 10% down to 0 | 50%                |
| Greater than 60% up to 80%                     | 80%                |                                                  |                    |
| Greater than 80% up to                         | 60%                |                                                  |                    |
| <input type="checkbox"/> 0% - 80%              | 100%               | <input type="checkbox"/> No Withdrawal Ratchets  |                    |
| Greater than 80% up to 90%                     | 80%                |                                                  |                    |
| Greater than 90% up to                         | 65%                |                                                  |                    |
| <input type="checkbox"/> No Injection Ratchets |                    |                                                  |                    |

### VI. Pressure

Effective date or event: \_\_\_\_\_

Unless otherwise agreed, the Gas that is delivered at the Point(s) of Receipt and Point(s) of Delivery will be at the varying pressure that may exist in LA Storage's system from time to time.

| Point | Receipt/Delivery | Minimum Pressure | Maximum Pressure |
|-------|------------------|------------------|------------------|
| _____ | _____            | _____            | _____            |
| _____ | _____            | _____            | _____            |

### VII. Extension Right

[Describe any additional contract term extension rights agreed to pursuant to GT&C Section 5.3.3.1]

\* Add additional lines as necessary to accommodate multiple time periods.

**Exhibit “B” to the Firm Storage Service Agreement  
between LA Storage and \_\_\_\_\_(Customer) dated \_\_\_\_\_**

**I. Authorized Injection Overrun (“AIO”) – Point(s) of Receipt**

Begin date or event: \* \_\_\_\_\_ End date or event: \* \_\_\_\_\_

| <b>AIO<br/>Point of<br/>Receipt</b> | <b>AIO<br/>Quantity</b> | <b>AIO<br/>Charge</b> | <b>Fuel In-kind<br/>% on Injection</b> | <b>Fuel \$/Dth on<br/>Injection</b> |
|-------------------------------------|-------------------------|-----------------------|----------------------------------------|-------------------------------------|
| PAPLC                               | _____                   | —                     | _____                                  | _____                               |
| CIP                                 | _____                   | —                     | _____                                  | _____                               |

**II. Authorized Withdrawal Overrun (“AWO”) – Point(s) of Delivery**

Begin date or event: \* \_\_\_\_\_ End date or event: \* \_\_\_\_\_

| <b>AWO<br/>Point of<br/>Withdrawal</b> | <b>AWO<br/>Quantity</b> | <b>AWO<br/>Charge</b> | <b>Fuel In-kind % on<br/>Withdrawal</b> | <b>Fuel \$/Dth on<br/>Withdrawal</b> |
|----------------------------------------|-------------------------|-----------------------|-----------------------------------------|--------------------------------------|
| PAPLC                                  | _____                   | —                     | _____                                   | _____                                |
| CIP                                    | _____                   | —                     | _____                                   | _____                                |

\* Add additional lines as necessary to accommodate multiple time periods.

**LA Storage, LLC**

**CUSTOMER**

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

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

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

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

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

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

## 6.2 NO-NOTICE STORAGE SERVICE AGREEMENT (For Use under Rate Schedule NNSS)

This No-Notice Storage Service Agreement including exhibits (“Agreement”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between LA Storage, LLC, a Delaware limited liability company herein called “LA Storage,” and \_\_\_\_\_, a(n) \_\_\_\_\_, herein called “Customer,” (LA Storage and Customer may individually be referred to as “Party” or collectively referred to as “Parties”), pursuant to the following recitals and representations:

WHEREAS, LA Storage operates an underground natural gas storage facility known as the Hackberry Storage Facilities, and is authorized by the Federal Energy Regulatory Commission (“FERC”) to provide natural gas storage and hub services;

WHEREAS, Customer has requested that LA Storage provide certain no-notice storage service for Customer; and

WHEREAS, LA Storage has agreed to provide such no-notice storage service for Customer subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE, LA Storage and Customer agree as follows:

### ARTICLE I – SCOPE OF AGREEMENT

LA Storage agrees to provide, and Customer agrees to take and pay for, NNSS pursuant to the terms of this Agreement incorporating Exhibits A and B as executed and subject to the terms of LA Storage’s Rate Schedule NNSS and the General Terms and Conditions of LA Storage’s FERC Gas Tariff, each of which is incorporated herein by reference and made a part hereof.

Following the commencement of NNSS hereunder, in accordance with the terms of LA Storage’s Rate Schedule NNSS, and of this Agreement, LA Storage shall receive for injection for Customer’s account a quantity of Gas up to Customer’s Maximum Daily Injection Quantity (“MDIQ”) and Maximum Storage Quantity (“MSQ”, on a cumulative basis) and on demand shall withdraw from Customer’s storage account and deliver to Customer a daily quantity of Gas up to Customer’s Maximum Daily Withdrawal Quantity (“MDWQ”), subject to further limitations on MDIQ and MDWQ based on Customer’s NNSS inventory ("Injection Ratchets" and “Withdrawal Ratchets” respectively), all as set forth on Exhibit A hereto.

LA Storage shall on any Day allow Customer to deviate (increase or decrease) its injections or withdrawals of Gas at Primary Point(s) of Receipt or Delivery as designated in Exhibit A from existing scheduled quantities, including a nomination of zero, up to Customer’s MDIQ, as adjusted by Injection Ratchets, MDWQ as adjusted by Withdrawal Ratchets, MDRQ and MDDQ as applicable, without complying with the deadlines for revised nominations specified in LA Storage’s General Terms and Conditions Section 5.8. LA Storage and Customer shall agree to protocols for

communicating changes from scheduled quantities within a Day and protocols for determining inventory balances and resulting hourly limits during a Day as set forth in Exhibit A. Such deviations from scheduled quantities also are subject to acceptance by the upstream and/or downstream connected Transporter's(s') pipeline system(s). Customer's NNSS Inventory resulting from such deviations shall not be permitted to exceed Customer's MSQ, or to fall below zero (0).

## ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to LA Storage under this Agreement shall be the point(s) set forth on Exhibit A and Exhibit B ("Point(s) of Receipt").

The point(s) at which the Gas is to be tendered by LA Storage to Customer under this Agreement shall be the point(s) set forth on Exhibit A and Exhibit B ("Point(s) of Delivery").

## ARTICLE III – RATES AND CHARGES

Customer agrees to pay LA Storage the charges set forth on Exhibit A and Exhibit B and all other applicable rates and charges set forth in LA Storage's tariff on file with the FERC, as amended or supplemented from time to time ("Tariff") and in Rate Schedule NNSS.

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

## ARTICLE IV – INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement is subject to the terms and conditions specified in LA Storage's Rate Schedule NNSS and the provisions of LA Storage's Tariff.

## ARTICLE V – TERM OF AGREEMENT

This Agreement shall be effective as of \_\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_, ("Term"). Any negotiated extension right will be specified in Exhibit A.

## ARTICLE VI – NOTICES

Notices shall be sent in accordance with General Term and Condition Section 18 of LA Storage's Tariff, as follows:

**LA Storage, LLC**  
**COMMERCIAL**

LA Storage, LLC

**CUSTOMER \_\_\_\_\_**  
**COMMERCIAL**

Customer

Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**CONTRACT ADMINISTRATION**

LA Storage, LLC  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**BILLING**

LA Storage, LLC  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**CONTRACT ADMINISTRATION**

Customer  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

**BILLING**

Customer  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

In all instances, the Parties shall use their reasonable efforts to provide notice prior to 5 p.m. Central Clock Time. Notice received before 5 p.m. Central Clock Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Central Clock Time shall be deemed effective the day following receipt.

**ARTICLE VII – LAW OF AGREEMENT**

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

**ARTICLE VIII - ASSIGNMENTS**

Either Customer or LA Storage may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, receivable sale, or similar instrument, which it has executed or may execute hereafter, without relieving itself of its obligations under this Agreement. Furthermore, each of Customer and LA Storage hereby agree to timely execute and deliver such consents to assignment and certificates as are reasonably requested by the assigning Party or its lenders in connection with any such assignment, in each case on terms and conditions reasonably satisfactory to such Party. In addition, Customer may release its rights to capacity pursuant to GT&Cs Section 5.4 (or any successor provisions).

## ARTICLE IX – LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF VALUE, LOSS OF FINANCIAL ADVANTAGE, LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER SAME MAY BE CAUSED, AND SHALL BE LIMITED, TO ACTUAL DAMAGES ONLY.

## ARTICLE X – PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following agreement(s) between the Parties hereto:

Storage Service Agreement number \_\_\_\_\_, dated \_\_\_\_\_.

## ARTICLE XI – MISCELLANEOUS

- 11.1 This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 11.2 No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 11.3 If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.
- 11.4 No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 11.5 This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than LA Storage and Customer.

- 11.6 This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. An electronic signature shall be deemed to be an original signature for purposes of this Agreement. Documents delivered electronically shall be deemed to be originals for purposes of this Agreement.

(Signatures appear on the following page)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

**LA Storage, LLC**

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

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

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

**CUSTOMER**

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

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

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

**Exhibit “A” to the No-Notice Storage Service Agreement  
between LA Storage and \_\_\_\_\_(Customer) dated \_\_\_\_\_**

**I. Maximum Quantities**

**A. Maximum Storage Quantity (“MSQ”)**

Effective date or event\*

\_\_\_\_\_  
\_\_\_\_\_

MSQ

\_\_\_\_ Dth

\_\_\_\_ Dth

**B. Maximum Daily Injection Quantity (“MDIQ”)**

Effective date or event\*

\_\_\_\_\_  
\_\_\_\_\_

MDIQ

\_\_\_\_ Dth

\_\_\_\_ Dth

**C. Maximum Daily Withdrawal Quantity (“MDWQ”)**

Effective date or event\*

\_\_\_\_\_  
\_\_\_\_\_

MDWQ

\_\_\_\_ Dth

\_\_\_\_ Dth

**II. Rates and Charges**

Date or event\*

\_\_\_\_\_

|                                     |  |              |
|-------------------------------------|--|--------------|
| No-Notice Reservation Charge        |  | \$/Dth/Month |
| No-Notice Storage Injection Charge  |  | \$/Dth       |
| No-Notice Storage Withdrawal Charge |  | \$/Dth       |

**III. Primary Point(s) of Receipt and primary Point(s) of Delivery**

Maximum Daily Receipt Quantity (“MDRQ”)

Effective date or event:\*

\_\_\_\_\_

| Primary Point of Receipt | MDRO  | Firm Storage Injection Charge | Fuel In-kind % on Injection | Fuel \$/Dth on Injection |
|--------------------------|-------|-------------------------------|-----------------------------|--------------------------|
| PAPL                     | ===== | =====                         | =====                       | =====                    |
| CIP                      | ===== | =====                         | =====                       | =====                    |

Maximum Daily Delivery Quantity ("MDDQ")

Effective date or event\* \_\_\_\_\_

| Primary Point of Receipt | MDRO  | Firm Storage Injection Charge | Fuel In-kind % on Injection | Fuel \$/Dth on Injection |
|--------------------------|-------|-------------------------------|-----------------------------|--------------------------|
| PAPL                     | ===== | =====                         | =====                       | =====                    |
| CIP                      | ===== | =====                         | =====                       | =====                    |

**IV. Secondary Point(s) of Receipt and secondary Point(s) of Delivery**

\_\_\_\_ Customer shall not have the right to use secondary Point(s) of Receipt or secondary Point(s) of Delivery. Effective date or event\* \_\_\_\_\_

\_\_\_\_ Customer shall have the right to use secondary Point(s) of Receipt and secondary Point(s) of Delivery. Effective date or event:\* \_\_\_\_\_

| Secondary Point of Receipt | MDRQ  | Firm Storage Injection Charge | Fuel In-kind % on Injection | Fuel \$/Dth on Injection |
|----------------------------|-------|-------------------------------|-----------------------------|--------------------------|
| PAPLC                      | ===== | =====                         | =====                       | =====                    |
| CIP                        | ===== | =====                         | =====                       | =====                    |

| Secondary Point of Delivery | MDDQ  | Firm Storage Withdrawal Charge | Fuel In-kind % on Withdrawal | Fuel \$/Dth on Withdrawal |
|-----------------------------|-------|--------------------------------|------------------------------|---------------------------|
| PAPLC                       | ===== | =====                          | =====                        | =====                     |
| CIP                         | ===== | =====                          | =====                        | =====                     |

**V. Ratchets**

Effective date or event:\* \_\_\_\_\_

Pursuant to this Agreement Customer's MDIQ or MDWQ at any time shall be further limited by the following Injection and Withdrawal Ratchets schedule as determined by Customer's NNSS inventory. Injections of Gas during any hour of a Day shall not exceed 1/24 of Customer's MDIQ or MDWQ as determined by this Injection and Withdrawal Ratchets schedule. The quantity of Gas Customer may inject or withdraw at any time shall be subject to the following ratchet provisions.

| Injection Ratchets       |                             |                 | Withdrawal Ratchets      |                           |                 |
|--------------------------|-----------------------------|-----------------|--------------------------|---------------------------|-----------------|
|                          | Level of MSQ                | MDIQ Multiplier |                          | Level of MSQ              | MDWQ Multiplier |
| <input type="checkbox"/> | 0% - 40%                    | 100%            | <input type="checkbox"/> | 100% - 30%                | 100%            |
|                          | Greater than 40% up to 63%  | 66.7%           |                          | Less than 30% down to 0%  | 25%             |
|                          | Greater than 63% up to 75%  | 33.3%           |                          |                           |                 |
|                          | Greater than 75% up to 87%  | 25%             |                          |                           |                 |
|                          | Greater than 87% up to 100% | 17%             |                          |                           |                 |
|                          |                             |                 |                          |                           |                 |
| <input type="checkbox"/> | 0% - 40%                    | 100%            | <input type="checkbox"/> | 100% - 40%                | 100%            |
|                          | Greater than 40% up to 65%  | 50%             |                          | Less than 40% down to 20% | 75%             |
|                          | Greater than 65% up to 100% | 25%             |                          | Less than 20% down to 0%  | 50%             |
|                          |                             |                 |                          |                           |                 |
| <input type="checkbox"/> | 0% - 70%                    | 100%            |                          |                           |                 |
|                          | Greater than 70% up to 100% | 25%             |                          |                           |                 |
|                          |                             |                 |                          |                           |                 |
| <input type="checkbox"/> | 0% - 60%                    | 100%            | <input type="checkbox"/> | 100% - 20%                | 100%            |
|                          | Greater than 60% up to 80%  | 80%             |                          | Less than 20% down to 10% | 75%             |
|                          | Greater than 80% up to 100% | 60%             |                          | Less than 10% down to 0%  | 50%             |
|                          |                             |                 |                          |                           |                 |

| Order Rate Schedule IVBSS |                             |      |                          |                           |      |
|---------------------------|-----------------------------|------|--------------------------|---------------------------|------|
| <input type="checkbox"/>  | 0% - 80%                    | 100% |                          |                           |      |
|                           | Greater than 80% up to 90%  | 80%  |                          |                           |      |
|                           | Greater than 90% up to 100% | 65%  |                          |                           |      |
|                           |                             |      |                          |                           |      |
| <input type="checkbox"/>  | 0% - 31%                    | 100% | <input type="checkbox"/> | 100% - 56%                | 100% |
|                           | Greater than 31% up to 47%  | 28%  |                          | Less than 56% down to 43% | 28%  |
|                           | Greater than 47% up to 100% | 16%  |                          | Less than 43% down to 0%  | 14%  |
|                           |                             |      |                          |                           |      |
| <input type="checkbox"/>  | No Injection Ratchets       |      | <input type="checkbox"/> | No Withdrawal Ratchets    |      |

**VI. Pressure**

Effective date or event:\*

Unless otherwise agreed, the Gas that is delivered at the Point(s) of Receipt and Point(s) of Delivery will be at the varying pressure that may exist in LA Storage's system from time to time.

| Point | Receipt / Delivery | Minimum Pressure | Maximum Pressure |
|-------|--------------------|------------------|------------------|
|       |                    |                  |                  |
|       |                    |                  |                  |
|       |                    |                  |                  |

\* Add additional lines as necessary to accommodate multiple time periods.

**VII. Extension Right**

(Describe any additional contract term extension rights agreed to pursuant to GT&C Section 5.3.3.1)

**LA Storage, LLC**

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

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

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

Supersedes Exhibit A Dated: \_\_\_\_\_

**CUSTOMER \_\_\_\_\_**

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

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

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

**Exhibit “B” to the No-Notice Storage Service Agreement  
between LA Storage and \_\_\_\_\_(Customer) dated \_\_\_\_\_**

**I. Authorized Injection Overrun (“AIO”) – Point(s) of Receipt**

Begin date or event: \* \_\_\_\_\_ End date or event: \* \_\_\_\_\_

| <b>AIO Point<br/>of Receipt</b> | <b>AIO<br/>Quantity</b> | <b>AIO<br/>Charge</b> | <b>Fuel In-kind<br/>% on Injection</b> | <b>Fuel \$/Dth on<br/>Injection</b> |
|---------------------------------|-------------------------|-----------------------|----------------------------------------|-------------------------------------|
| PAPLC                           | _____                   |                       | _____                                  |                                     |
|                                 | _____                   |                       |                                        | _____                               |
| CIP                             | _____                   |                       | _____                                  |                                     |
|                                 | _____                   |                       |                                        | _____                               |

**II. Authorized Withdrawal Overrun (“AWO”) – Point(s) of Delivery**

Begin date or event: \* \_\_\_\_\_ End date or event: \* \_\_\_\_\_

| <b>AWO<br/>Point of<br/>Withdrawal</b> | <b>AWO<br/>Quantity</b> | <b>AWO<br/>Charge</b> | <b>Fuel In-kind % on<br/>Withdrawal</b> | <b>Fuel \$/Dth on<br/>Withdrawal</b> |
|----------------------------------------|-------------------------|-----------------------|-----------------------------------------|--------------------------------------|
| PAPLC                                  | _____                   |                       | _____                                   | _____                                |
|                                        | _____                   |                       |                                         |                                      |
| CIP                                    | _____                   |                       | _____                                   | _____                                |
|                                        | _____                   |                       |                                         |                                      |

\* Add additional lines as necessary to accommodate multiple time periods.

**LA Storage, LLC**

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

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

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

Supersedes Exhibit B Dated: \_\_\_\_\_

**CUSTOMER \_\_\_\_\_**

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

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

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

### 6.3 FIRM WHEELING SERVICE AGREEMENT (FOR USE UNDER RATE SCHEDULE FW)

This Firm Wheeling Service Agreement including exhibits (“Agreement”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between LA Storage, LLC, a Delaware limited liability company herein called “LA Storage,” and, a(n) \_\_\_\_\_, herein called “Customer,” (LA Storage and Customer may individually be referred to as “Party” or collectively referred to as “Parties”), pursuant to the following recitals and representations:

WHEREAS, LA Storage operates an underground natural gas storage facility known as the Hackberry Storage Facilities, and is authorized by the Federal Energy Regulatory Commission (“FERC”) to provide natural gas storage and hub service;

WHEREAS, Customer has requested that LA Storage provide certain firm wheeling service for Customer; and

WHEREAS, LA Storage has agreed to provide such firm wheeling service for Customer subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE, LA Storage and Customer agree as follows:

#### ARTICLE I – SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of LA Storage’s Rate Schedule FW, and of this Agreement, LA Storage shall on any Day receive for wheeling on LA Storage’s facilities for Customer’s account a quantity of Gas up to Customer’s Maximum Daily Firm Wheeling Quantity, as set forth on Exhibit “A” hereto, shall wheel such quantity of Gas so received, and shall deliver to Customer an equivalent quantity of Gas.

#### ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to LA Storage under this Agreement shall be the point(s) set forth on Exhibit “A” hereto (“Point(s) of Receipt”).

The point(s) at which the Gas is to be tendered by LA Storage to Customer under this Agreement shall be the point(s) set forth on Exhibit “A” hereto (“Point(s) of Delivery”).

#### ARTICLE III – RATES AND CHARGES

3.1. Customer agrees to pay LA Storage the charges set forth on Exhibit “A” hereto for all wheeling service furnished to Customer hereunder.

3.2. Customer further agrees to pay LA Storage all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedule FW.

3.3. Customer shall reimburse LA Storage for all applicable taxes as may be assessed against LA Storage for the receipt, wheeling and/or delivery of Customer's Gas.

#### ARTICLE IV – INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement is subject to the terms and conditions specified in LA Storage's Rate Schedule FW and the provisions of LA Storage's Tariff.

#### ARTICLE V – TERM OF AGREEMENT

This Agreement shall be effective as of \_\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_, ("Term").

#### ARTICLE VI – NOTICES

Notices shall be sent in accordance with General Term and Condition Section 18 of LA Storage's Tariff, as follows:

##### **LA Storage, LLC**

##### **COMMERCIAL**

LA Storage, LLC  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

##### **CONTRACT ADMINISTRATION**

LA Storage, LLC  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

##### **BILLING**

LA Storage, LLC  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

##### **CUSTOMER**

##### **COMMERCIAL**

Customer  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

##### **CONTRACT ADMINISTRATION**

Customer  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

##### **BILLING**

Customer  
Attention:  
Address Line  
Address Line 2  
Telephone:  
E-Mail:

In all instances, the Parties shall use their reasonable efforts to provide notice prior to 5 p.m. Central Clock Time. Notice received before 5 p.m. Central Clock Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Central Clock Time shall be deemed effective the day following receipt.

#### ARTICLE VII – LAW OF AGREEMENT

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

#### ARTICLE VIII – LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF VALUE, LOSS OF FINANCIAL ADVANTAGE, LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER SAME MAY BE CAUSED, AND SHALL BE LIMITED, TO ACTUAL DAMAGES ONLY.

#### ARTICLE IX – PRIOR AGREEMENTS CANCELLED

This Agreement, as of the date hereof, shall supersede and cancel the following agreement(s) between the Parties hereto:

Service Agreement number \_\_\_\_\_, dated \_\_\_\_\_.

#### ARTICLE X – MISCELLANEOUS

- 10.1 This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 10.2 No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 10.3 If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force

and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

- 10.4 No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 10.5 This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than LA Storage and Customer.
- 10.6 This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. An electronic signature shall be deemed to be an original signature for purposes of this Agreement. Documents delivered electronically shall be deemed to be originals for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

**LA Storage, LLC**

**CUSTOMER** \_\_\_\_\_

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

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

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

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

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

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

**Exhibit "A" to the Firm Wheeling Service Agreement  
Between LA Storage and \_\_\_\_\_ (Customer) dated \_\_\_\_\_**

Transaction Confirmation

Maximum Daily Firm Wheeling Quantity ("MDFWQ") \_\_\_\_\_ Dth

Primary Receipt Point \_\_\_\_\_ \*

Maximum Daily Receipt Quantity ("MDRQ") \_\_\_\_\_ Dth\*

Primary Delivery Point \_\_\_\_\_ \*

Maximum Daily Delivery Quantity ("MDDQ") \_\_\_\_\_ Dth\*

\_\_\_\_\_ Customer shall have the right to use secondary Receipt and Delivery Points

Start Date End Date \_\_\_\_\_  
\_\_\_\_\_

Firm Wheeling Reservation Charge \_\_\_\_\_ \$/Dth-  
mo

Firm Wheeling Commodity Charge: \_\_\_\_\_ \$/Dth

| Receipt | Delivery | Rate Point(s) | Point(s) |
|---------|----------|---------------|----------|
| _____   | to _____ | _____         | \$/Dth** |

Fuel Reimbursement \_\_\_\_\_ % or \_\_\_\_\_ \$/Dth

\* Add additional lines for multiple Receipt and/or Delivery Points.

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

**LA Storage, LLC**

**CUSTOMER**

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

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

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

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

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

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

#### 6.4 INTERRUPTIBLE STORAGE SERVICE AGREEMENT (For Use under Rate Schedule ISS)

This Agreement is made as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between LA Storage, LLC, a Delaware limited liability company herein called “LA Storage,” and \_\_\_\_\_, a(n) \_\_\_\_\_, herein called “Customer,” (LA Storage and Customer may individually be referred to as “Party” and collectively referred to as the “Parties”), pursuant to the following recitals and representations:

WHEREAS, LA Storage operates an underground natural gas storage facility known as the Hackberry Storage Facilities, and is authorized by the Federal Energy Regulatory Commission to provide natural gas storage and related services;

WHEREAS, Customer has requested that LA Storage provide certain Interruptible storage services for Customer; and

WHEREAS, LA Storage has agreed to provide such Interruptible storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, LA Storage and Customer agree as follows:

##### ARTICLE I – SCOPE OF AGREEMENT

In accordance with the terms of LA Storage’s Rate Schedule ISS, and of this Agreement, LA Storage shall on any Day receive for injection into storage for Customer’s account a quantity of Gas up to Customer’s Maximum Daily Injection Quantity, as set forth on Exhibit “A”, shall store quantities of Gas so injected up to a Maximum Storage Quantity, as set forth on Exhibit “A” (on a cumulative basis), and on demand on any Day shall withdraw from Customer’s Storage Inventory and deliver to Customer a quantity of Gas up to Customer’s Maximum Daily Withdrawal Quantity, as set forth on Exhibit “A”.

##### ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to LA Storage under this Agreement shall be the point(s) designated on Exhibit “A” (Customer’s Point(s) of Receipt).

The point(s) at which the Gas is to be tendered by LA Storage to Customer under this Agreement shall be the Point(s) designated on Exhibit “A” (Customer’s Point(s) of Delivery).

##### ARTICLE III – RATES

Customer agrees to pay LA Storage the charges as set forth on Exhibit “A” and all other applicable fees and charges as set forth in LA Storage’s Tariff and in Rate Schedule ISS.

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

#### ARTICLE IV – INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement is subject to the terms and conditions specified in LA Storage's Rate Schedule ISS and the provisions of LA Storage's Tariff, as amended from time to time and on file with the Federal Energy Regulatory Commission.

#### ARTICLE V – TERM OF AGREEMENT

This Agreement shall be effective as of \_\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_, ("Term").

#### ARTICLE VI – NOTICES

Notices shall be sent in accordance with LA Storage's Tariff, GT&C Section 5.18, as follows:

##### **LA Storage, LLC**

##### **COMMERCIAL**

LA Storage, LLC

Attention:

Address Line

Address Line 2

Telephone:

E-Mail:

##### **CONTRACT ADMINISTRATION**

LA Storage, LLC

Attention:

Address Line

Address Line 2

Telephone:

E-Mail:

##### **BILLING**

LA Storage, LLC

Attention:

Address Line

Address Line 2

##### **CUSTOMER**

---

##### **COMMERCIAL**

Customer

Attention:

Address Line

Address Line 2

Telephone:

E-Mail:

##### **CONTRACT ADMINISTRATION**

Customer

Attention:

Address Line

Address Line 2

Telephone:

E-Mail:

##### **BILLING**

Customer

Attention:

Address Line

Address Line 2

Telephone:  
E-Mail:

Telephone:  
E-Mail:

In all instances, the Parties shall use their reasonable efforts to provide notice prior to 5 p.m. Central Clock Time. Notice received before 5 p.m. Central Clock Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Central Clock Time shall be deemed effective the day following receipt.

#### ARTICLE VII – LAW OF AGREEMENT

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

#### ARTICLE VIII – LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF VALUE, LOSS OF FINANCIAL ADVANTAGE, LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER SAME MAY BE CAUSED, AND SHALL BE LIMITED, TO ACTUAL DAMAGES ONLY.

#### ARTICLE IX – PRIOR AGREEMENTS CANCELLED

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

Storage Service Agreement number \_\_\_\_\_, dated \_\_\_\_\_.

#### ARTICLE X – MISCELLANEOUS

- 10.1. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.
- 10.2 No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.
- 10.3 If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness

of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

- 10.4 No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.
- 10.5 This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than LA Storage or Customer.
- 10.6 This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. An electronic signature shall be deemed to be an original signature for purposes of this Agreement. Documents delivered electronically shall be deemed to be originals for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

**LA Storage, LLC**

**CUSTOMER**

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

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

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

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

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

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

**Exhibit “A” to the Interruptible Storage Service Agreement  
Between LA Storage and \_\_\_\_\_ (Customer) dated \_\_\_\_\_**

**I. Maximum Quantities**

**A. Maximum Storage Quantity (“MSQ”)**

| Date or event | MSQ | Dth   |
|---------------|-----|-------|
| _____         |     | _____ |
| _____         |     | _____ |

**B. Maximum Daily Injection Quantity (“MDIQ”)**

| Date or event | MDIQ | Dth   |
|---------------|------|-------|
| _____         |      | _____ |
| _____         |      | _____ |

**C. Maximum Daily Withdrawal Quantity (“MDWQ”)**

| Date or event | MDWQ | Dth   |
|---------------|------|-------|
| _____         |      | _____ |
| _____         |      | _____ |

Notes: The MSQ, MDIQ and MDWQ quantities set forth for a specified period shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which a revised MSQ, MDIQ and MDWQ is to become effective.

Additional lines may be added if LA Storage and Customer agree to additional date or event ranges defining specific MSQ, MDIQ, and MDWQ quantities.

**II. Point(s) of Receipt and Point(s) of Delivery**

Maximum Daily Receipt Quantity (“MDRQ”) and Maximum Daily Delivery Quantity (“MDDQ”)

Date or event: \_\_\_\_\_  
MDRQ \_\_\_\_\_

MDDQ \_\_\_\_\_

PAPLC \_\_\_\_\_ Dth \_\_\_\_\_ Dth CIP \_\_\_\_\_ Dth \_\_\_\_\_ Dth

Notes: The MDRQ and MDDQ values set forth above shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which a revised MDRQ and/or MDDQ is to become effective.

Additional lines may be added in the event that the Parties agree that the quantities associated with any primary Point(s) of Receipt and primary Point(s) of Delivery shall change during the Term.

### III. Rates and Charges

Date or event: \_\_\_\_\_

Interruptible Storage Inventory Charge \_\_\_\_\_\$/Dth/Month

Commodity Charges Applicable to the following:

|                                        |                       |
|----------------------------------------|-----------------------|
| Interruptible Storage Injection Charge | Interruptible Storage |
| Withdrawal Charge Point(s) of Receipt  | Point(s) of Delivery  |
| PAPL _____\$/Dth                       | PAPL _____\$/Dth      |
| C CIP _____\$/Dth                      | C CIP _____\$/Dth     |

Notes: For points for which pricing is not specified above, the Parties must agree on a price under a separate agreement prior to Customer nominating service using such points. Add as many commodity rates for different Point(s) of Receipt and Point(s) of Delivery as necessary.

Additional lines may be added in the event that the Parties agree that the rates and charges shall change during the Term.

The charges for a specified period shall remain in effect until the conclusion of the Gas Day preceding the date or event specified as the date or event on which revised charges are to become effective.

Fuel Reimbursement \_\_\_\_\_

**LA Storage, LLC**

**CUSTOMER**

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

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

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

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

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

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

6.5 HUB SERVICES AGREEMENT (For Use under Rate Schedules IP, IW, IL, IBT, and IB)

This Agreement is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, by and between LA Storage, LLC, a Delaware limited liability company herein called "LA Storage," and \_\_\_\_\_ a \_\_\_\_\_, herein called "Customer," pursuant to the following recitals and representations:

NOW, THEREFORE, LA Storage and Customer agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of LA Storage's Rate Schedules IP, IW, IL, IBT and/or IB, as applicable, and of this Agreement, LA Storage shall provide Interruptible service for Customer and shall receive, park, wheel, loan, and redeliver, as the case may be, quantities of Gas up to the Customer's, RQ, MDDQ and/or MDTQ, as applicable, as set forth on Exhibit B hereto.

ARTICLE II  
POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to LA Storage under this Agreement shall be at the point (s) located on the pipeline system(s) designated on Exhibit A hereto (Customer's Point(s) of Receipt).

The point(s) at which the Gas is to be tendered by LA Storage to Customer under this Agreement shall be at the point(s) located on the pipeline system(s) designated on Exhibit A hereto (Customer's Point(s) of Delivery).

ARTICLE III  
PRICE

1. Customer agrees to pay LA Storage the charges for all Gas service furnished to Customer hereunder as set forth on Exhibit B hereto.
2. Where applicable, Customer agrees to pay in kind or dollars the Fuel Reimbursement amount as set forth on Exhibit B hereto.
3. Customer further agrees to pay LA Storage all other applicable fees and charges as set forth in the General Terms and Conditions and in Rate Schedules IP, IW, IL, IBT, and IB, as applicable.

ARTICLE IV  
INCORPORATION OF RATE SCHEDULES AND TARIFF PROVISIONS

The terms and conditions specified in LA Storage's Rate Schedules IP, IW, IL, IBT, and IB and the provisions of LA Storage's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedules, Tariff or General Terms and Conditions as may from time to time be filed and made effective by LA Storage ) are hereby incorporated into this Agreement and made applicable to each term, condition, and obligation hereof.

ARTICLE V  
TERM OF AGREEMENT

This Agreement shall become effective on \_\_\_\_\_, \_\_\_\_\_, and shall remain in force and effect on a Month to Month basis unless terminated by either party upon a least thirty (30) days prior written notice to the other party.

ARTICLE VI  
NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

LA STORAGE:  
1500 Post Oak Blvd., Suite 1000,  
Houston, TX 77056  
Email: mhutchinson@sempraglobal.com

CUSTOMER:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_

NOTICES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_

BILLING:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_

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

ARTICLE VII  
TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of LA Storage or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise no assignment of the Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of LA Storage's FERC Gas Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII  
LAW OF AGREEMENT

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

ARTICLE IX  
PRIOR AGREEMENTS CANCELLED

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

Hub Services Agreement dated \_\_\_\_\_

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

LA STORAGE, LLC

By \_\_\_\_\_

Title \_\_\_\_\_

Customer \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

**Exhibit A**

To the Hub Services Agreement between LA Storage and \_\_\_\_\_ (Customer)

Points of Receipt and/or Points of Delivery:

| PIPELINE | METER # | PARISH | STATE |
|----------|---------|--------|-------|
| _____    | _____   | _____  | _____ |
| _____    | _____   | _____  | _____ |
| _____    | _____   | _____  | _____ |
| _____    | _____   | _____  | _____ |

**Exhibit B**

To the Hub Services Agreement between LA Storage and \_\_\_\_\_ (Customer)

CUSTOMER, pursuant to the Hub Services Agreement executed by Customer on LA Storage, hereby directs and requests Hub Administrator to do the following:

Title Transfer: (from)

Title Transfer: (to)

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

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

Address \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

Fax \_\_\_\_\_

**RECEIPT POINT(S)**

| Flow Date | Pipeline Name | Location Meter Name & Meter No. | Volume (Dth/d) | Customer's Name | Customer's Contact Number |
|-----------|---------------|---------------------------------|----------------|-----------------|---------------------------|
| _____     | _____         | _____                           | _____          | _____           | _____                     |
| _____     | _____         | _____                           | _____          | _____           | _____                     |
| _____     | _____         | _____                           | _____          | _____           | _____                     |

**POINT(S) OF DELIVERY**

| Flow Date | Pipeline Name | Location Meter Name & Meter No. | Volume (Dth/d) | Customer's Name | Customer's Contact Number |
|-----------|---------------|---------------------------------|----------------|-----------------|---------------------------|
| _____     | _____         | _____                           | _____          | _____           | _____                     |
| _____     | _____         | _____                           | _____          | _____           | _____                     |
| _____     | _____         | _____                           | _____          | _____           | _____                     |

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Type of Hub Service (Rate Schedule) and applicable maximum quantities and Charges:

\_\_\_ | Rate Schedule IP  
Maximum Parking Quantity \_\_\_\_  
Maximum Daily Injection Quantity \_\_\_\_  
Maximum Daily Withdrawal quantity \_\_\_\_  
Interruptible Parking Charge (\$/Dth) \_\_\_\_  
Interruptible Parking Injection Charge (\$/Dth) \_\_\_\_  
Interruptible Paring Withdrawal Charge (\$/Dth) \_\_\_\_  
Fuel Reimbursement (S/Dth or In-Kind %) \_\_\_\_

\_\_\_ | Rate Schedule IW  
Maximum Daily Wheeling Quantity \_\_\_\_  
Interruptible Wheeling Charge \_\_\_\_  
Fuel Reimbursement (\$/Dth or In-Kind %) \_\_\_\_

\_\_\_ | Rate Schedule IL  
Maximum Daily Withdrawal Quantity \_\_\_\_  
Interruptible Loan Charge (\$/Dth) \_\_\_\_  
Interruptible Loan Injection Charge (\$/Dth) \_\_\_\_  
Interruptible Loan Withdrawal Charge (\$/Dth) \_\_\_\_  
Fuel Reimbursement (\$/Dth or In-Kind %) \_\_\_\_

\_\_\_ | Rate Schedule IBT  
Maximum Imbalance Trading Quantity \_\_\_\_  
Interruptible Imbalance Trading Charge (\$/Dth) \_\_\_\_

\_\_\_ | Rate Schedule IB  
Maximum Balancing Quantity \_\_\_\_  
Interruptible Balancing Charge (\$/Dth) \_\_\_\_  
Fuel Reimbursement (\$/Dth or In-Kind %) \_\_\_\_

Customer:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

6.6 FORM OF CAPACITY RELEASE UMBRELLA AGREEMENT FOR USE UNDER  
RATE SCHEDULES FSS, NNSS AND FW

CAPACITY RELEASE UMBRELLA AGREEMENT  
(For Use under Rate Schedule FSS, NNSS and FW)

This Capacity Release Umbrella Agreement, made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ (herein called "Replacement Customer"), and LA Storage, LLC, a Delaware limited liability company herein called "LA Storage",

W I T N E S S E T H:

WHEREAS,

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

ARTICLE I  
SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements are met in order for Replacement Customer to be on LA Storage's approved bidder list for capacity releases and to execute this Capacity Release Umbrella Agreement pursuant to Section 5.4 of the General Terms and Conditions of LA Storage's FERC Gas Tariff, and this Capacity Release Umbrella Agreement is effective, Replacement Customer may bid from time to time on proposed capacity releases under Rate Schedule FSS, NNSS or FW pursuant to the procedure set forth in Section 5.4 of LA Storage's General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by LA Storage with respect to a given capacity release, LA Storage will promptly finalize the appropriate Addendum to this Capacity Release Umbrella Agreement, in the format attached hereto. The parties agree that each Addendum is an integral part of this Capacity Release Umbrella Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Replacement Customer and LA Storage agree that Replacement Customer shall be considered for all purposes as a Customer with respect to the released service.

Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of LA Storage's Rate Schedule FT, LA Storage agrees to provide the released service for Replacement Customer under the applicable Rate Schedule, provided however, the Replacement Customer shall have qualified under the financial evaluation and credit appraisal requirements set forth in Section 5.3 of LA Storage's General Terms and Conditions at the time it submitted the bid LA Storage accepted with respect to such release.

Replacement Customer hereby agrees promptly to provide any information necessary for LA Storage to reevaluate LA Storage's credit appraisal as contemplated by Section 5.3 of LA Storage's General Terms and Conditions and to advise LA Storage of any material change in the information previously provided by the Replacement Customer to LA Storage.

## ARTICLE II TERM OF AGREEMENT

The term of this Capacity Release Umbrella Agreement shall commence on \_\_\_\_\_ and shall continue in force and effect until \_\_\_\_\_ and \_\_\_\_\_ to \_\_\_\_\_ thereafter unless this Capacity Release Umbrella Agreement is terminated as hereinafter provided. If LA Storage determines at any time that Replacement Customer fails to meet the financial standards or credit criteria of Section 5.3 of the General Terms and Conditions, LA Storage may terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto prospectively in accordance with Section 5.3 the General Terms and Conditions of LA Storage's FERC Gas Tariff.

Any portions of this Capacity Release Umbrella Agreement necessary to correct or cash-out imbalances or to make payment under this Capacity Release Umbrella Agreement as required by the General Terms and Conditions, or to make payment of refunds as required by the Commission, will survive the other parts of this Capacity Release Umbrella Agreement until such time as such balancing or payment has been completed.

## ARTICLE III RATE SCHEDULES

This Capacity Release Umbrella Agreement does not have separate terms and conditions for particular services, but only provides a means by which a Replacement Customer may utilize a service subject to the applicable provisions of the relevant Storage Service Agreement and the terms and conditions for Rate Schedules FSS, NNSS and FW, by finalization of a copy of an Addendum attached hereto and fully incorporated herein as a part of this Capacity Release Umbrella Agreement.

Replacement Customer agrees that LA Storage 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. LA Storage 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.

Replacement Customer warrants that upstream and downstream transportation arrangements are in place, or will be in place as of the effective date of each capacity release transaction, and that it has or will advise the upstream and downstream transporters of the receipt and delivery points under this Capacity Release Umbrella Agreement and any limitations specified in a Releasing Customer's relevant firm Service Agreement or in the capacity release Addenda.

#### ARTICLE IV QUALITY

All natural gas tendered to LA Storage for Replacement Customer's account shall conform to the quality specifications set forth in Section 5.10 of the General Terms and Conditions (or any successor thereto). In the event that Replacement Customer is unable to meet such gas quality requirements, LA Storage and Customer shall promptly meet to discuss possible solutions to allow LA Storage's receipt and delivery of Customer's gas and shall use commercially reasonable efforts to implement any agreed solution or remedy, whether upstream or downstream of Replacement Customer's applicable receipt point. Nothing in this Article IV shall in and of itself be construed as negating or modifying in any way Replacement Customer's obligations to meet the gas quality requirements set forth in LA Storage's FERC Gas Tariff.

#### ARTICLE V MISCELLANEOUS

No waiver by LA Storage or Replacement Customer of any default of either Party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character. To be effective, any waiver shall be in writing and signed by the Party against whom it is to be enforced. Waivers of this Agreement by LA Storage are subject to the applicable provisions of LA Storage's Tariff and the regulations, policies, and orders of the FERC.

Subject to Article III of this Agreement, no modification of or supplement to the terms and provisions of this Capacity Release Umbrella Agreement shall become effective except by execution of a separate written agreement between the Parties, and in no event shall this Capacity Release Umbrella Agreement be modified by course of performance, course of dealing or usage of trade.

#### ARTICLE VI ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of LA Storage's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Capacity Release Umbrella Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

LA Storage:  
1500 Post Oak Blvd., Suite 1000  
Houston, TX 77056  
Telephone: (281) 423-2730  
[mhutchinson@sempraglobal.com](mailto:mhutchinson@sempraglobal.com)

Replacement Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

#### ARTICLE VII INTERPRETATION

THE INTERPRETATION AND PERFORMANCE OF THIS CAPACITY RELEASE UMBRELLA AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT RECOURSE TO THE LAW GOVERNING CONFLICT OF LAWS.

This Capacity Release Umbrella Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

#### ARTICLE VIII RELATIONSHIP BETWEEN REPLACEMENT CUSTOMER AND RELEASING CUSTOMER

The parties recognize that, pursuant to Commission orders, Releasing Customer may require that the Replacement Customer agree that a breach of this Capacity Release Umbrella Agreement, including a failure to pay, or to pay timely, by Replacement Customer under this Capacity Release Umbrella Agreement, constitutes a breach of contract as between Replacement Customer and Releasing Customer. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Customer fails to pay LA Storage, fails to timely pay LA Storage, or otherwise breaches this Capacity Release Umbrella Agreement with LA Storage : (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 4 of the General Terms and Conditions and except with respect to penalties attributable to Replacement Customer's conduct) shall be liable to LA Storage for such failure to pay or breach (it being understood that nothing in this Article VI relieves Releasing Customer from responsibility to pay LA Storage in accordance with its Storage Service Agreements with LA Storage ) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay LA Storage 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 and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, as of the Day and year first above written.

LA STORAGE, LLC

By \_\_\_\_\_  
Title \_\_\_\_\_

Customer \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

**Addendum**

Addendum No. \_\_\_\_\_  
Capacity Release Rate Schedule \_\_\_\_\_

Deal No.: \_\_\_\_\_  
Addendum Contract No.: \_\_\_\_\_  
Capacity Release Umbrella Agreement No.: \_\_\_\_\_

Replacement Customer: \_\_\_\_\_  
Releasing Customer: \_  
Releasing Customer's Contract No.: \_  
Begin Date of Release: \_\_\_\_\_  
End Date of Release: \_  
Rates: [Volumetric or Reservation] \_

Reservation Charge \$ \_\_\_\_\_

Surcharges: Description/\$ Rate

|       |          |
|-------|----------|
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

Volume Commitment

(Dth/Billing Period)

|                                              |             |
|----------------------------------------------|-------------|
| Maximum Storage Quantity (MSQ):              | _____ (Dth) |
| Maximum Daily Injection Quantity (MDIQ)      | _____ (Dth) |
| Maximum Daily Withdrawal Quantity (MDWQ)     | _____ (Dth) |
| Maximum Daily Receipt Quantity (MDRQ)        | _____ (Dth) |
| Maximum Daily Delivery Quantity (MDDQ)       | _____ (Dth) |
| Maximum Daily Firm Wheeling Quantity (MDFWQ) | _____ (Dth) |

Specific Firm Point(s) of Receipt \_\_\_\_\_

| M&R#  | MDRQ  | Effective From | Effective To |
|-------|-------|----------------|--------------|
| _____ | _____ | _____          |              |
| _____ |       |                |              |

Specific Firm Point(s) of Delivery:

| M&R#  | MDRQ  | Effective From | Effective To |
|-------|-------|----------------|--------------|
| _____ | _____ | _____          | _____        |

Is this capacity subject to right of recall? Yes \_\_\_\_ No \_\_\_\_

Recall Conditions (if applicable):

---

Are there any restrictions on released capacity? Yes \_\_\_\_ No \_\_\_\_ Restrictions (if applicable):

---

Was LA Storage'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]

---

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

Hub Administrator

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

Supersedes Exhibit C Dated \_\_\_\_\_