

FERC GAS TARIFF
SECOND REVISED VOLUME NO. 1
(SUPERSEDES FIRST REVISED VOLUME NO. 1)
OF
SABINE PIPE LINE LLC
FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

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PRELIMINARY STATEMENT

Sabine Pipe Line LLC (Sabine) is a limited liability company, organized under the laws of the State of Delaware, engaged in the business of transporting natural gas in interstate commerce under authorization granted by and subject to the jurisdiction of the Federal Energy Regulatory Commission. Sabine owns and operates a natural gas transmission pipeline extending from its eastern terminus at the Henry Hub, Vermilion Parish, Louisiana, to its western terminus in Jefferson County, Texas.

The transportation of natural gas is and will be undertaken by Sabine only under written agreement(s) acceptable to Sabine upon consideration of existing commitments, operating conditions and any other factors deemed pertinent by Sabine.

SYSTEM MAP

The currently effective System Map can be viewed and downloaded from Sabine's Internet Web site at:

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

STATEMENT OF TRANSPORTATION RATES
 (Rates per Dt)

Rate Schedule	Maximum Rate	Minimum Rate
FT-1 Rate Schedule		
Monthly Reservation Rate	\$11.2541	
Daily Reservation Rate ¹	\$0.3700	
Usage Rate ²	\$0.0035	\$.0000
IT-1 Rate Schedule		
Usage Rate ²	\$0.3700	\$.0000

Additional Charges Applicable to All Rate Schedules:

Rec / Del Section ³	Port Neches FRP	Henry Hub FRP	UFRP	Total
LP / LP	-	-	0.06%	0.06%
LP / HP	0.00%	-	0.06%	0.06%
LP / ML	0.00%	-	0.06%	0.06%
LP / HH	0.00%	0.16%	0.06%	0.22%
HP / LP	-	-	0.06%	0.06%
HP / HP	-	-	0.06%	0.06%
HP / ML	-	-	0.06%	0.06%
HP / HH	-	0.16%	0.06%	0.22%
ML / LP	-	-	0.06%	0.06%
ML / HP	-	-	0.06%	0.06%
ML / ML	-	-	0.06%	0.06%
ML / HH	-	0.16%	0.06%	0.22%
HH / LP	-	0.16%	0.06%	0.22%
HH / HP	-	0.16%	0.06%	0.22%
HH / ML	-	0.16%	0.06%	0.22%
HH / HH	-	0.16%	0.06%	0.22%

¹ Section 154.107(f) of the Commission's Regulations requires a total rate. For this purpose only, a Daily Reservation Charge which equals the Monthly Reservation Charge divided by 30.4167 (365 days/12 months) is reflected.

For capacity release transactions at maximum rate, the Monthly Reservation Charge is divided by the number of days in the applicable month. For less than maximum rate transactions only, converting daily rate to monthly rate is accomplished by multiplying the daily rate times number of days in rate period, dividing the result by number of months in rate period and taking the remainder out to 5 decimal places and rounding up or down to the fourth decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by the number of months in rate period; dividing the result by number of days in rate period and taking the remainder out to 5 decimal places and rounding up or down to the fourth decimal place.

² In addition, Shipper shall also pay the Annual Charge Adjustment (ACA) as specified in the annual notice issued by the Commission entitled “FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge,” available on the Commission’s website at <http://ferc.gov>. This ACA unit charge will be effective on the first day of October and will extend to the last day of September the following year.

Sabine is electing to recover the annual charges assessed by the Commission under Part 382 of the Commission’s regulations through the operation of this ACA clause, and does not intend to recover any annual charges recorded in FERC Account No. 928. This ACA surcharge is in addition to any amounts otherwise payable to Sabine under its Rate Schedules.

³ Refer to Sabine's website (<https://www.gasnom.com/ip/sabine/>) for a listing of Receipt Points and Delivery Points in each section of Sabine's pipeline system.

<u>Description</u>	<u>Section No.</u>
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FT-1 RATE SCHEDULE
FIRM TRANSPORTATION SERVICE

6.1.1 AVAILABILITY

This Rate Schedule is available to any Shipper for firm transportation of gas by Sabine Pipe Line LLC (Sabine) under the authority and provisions of Part 284 of the FERC's Regulations, provided that:

- a) Sabine determines that it has sufficient capacity to render the firm transportation service and is able to provide said transportation;
- b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed;
- c) Any Shipper requesting firm transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification including sufficient information to verify that the requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 7.4 of the General Terms and Conditions;
- d) Shipper satisfies the credit worthiness criteria in accordance with Section 7.24 of the General Terms and Conditions; and
- e) Shipper executes a Firm Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.

6.1.2 APPLICABILITY AND CHARACTER OF SERVICE

- a) Transportation service hereunder, through all or any portion of Sabine's System, shall be firm and shall be allocated and scheduled pursuant to Section 7.6 of the General Terms and Conditions.

Transportation service shall be subject to the provisions of an executed Firm Service Agreement or Service Agreement Applicable to Temporary Firm Transportation Service Pursuant to Award of Released Capacity, and to the General Terms and Conditions incorporated herein by reference.

- b) Transportation capacity reserved under this rate schedule may be segmented to the extent that the capacity included within a mainline segment does not exceed the Maximum Daily Reservation Quantity specified in an executed Firm Service Agreement or a Confirmation Letter issued to a Replacement Shipper, and capacity is available at the Receipt Point(s) and Delivery Point(s) designated for a segment.

A Shipper, or a releasing Shipper and a replacement Shipper, may make segmented transactions consisting of a forwardhaul up to its Maximum Daily Reservation Quantity and a backhaul up to its Maximum Daily Reservation Quantity to the same Delivery Point at the same time, provided that sufficient capacity is available at the Delivery Point.

For purposes of segmentation, all Receipt and Delivery Points within Sabine's Henry Hub Complex will be considered one point. For purposes of this Section, Sabine's Henry Hub Complex consists of those facilities located at the eastern terminus of Sabine's mainline in Vermilion Parish, Louisiana, commonly referred to as the Henry Hub.

- c) Transportation service hereunder shall consist of the acceptance by Sabine of gas tendered for the account of Shipper for transportation from the Primary Receipt Point(s) specified in an executed Firm Service Agreement or a Confirmation Letter issued to a Replacement Shipper, or Alternate Receipt Point(s) as nominated by Shipper, the transportation of that gas through Sabine's system, and the delivery of that gas, after making allowance for the applicable Fuel Gas and Unaccounted For Gas reimbursement and other appropriate reductions, for the account of Shipper at the Primary Delivery Point(s) specified in an executed Service Agreement or a Confirmation Letter issued to a Replacement Shipper, or Alternate Delivery Point(s) as nominated by Shipper.
- d) Transportation service provided under this Rate Schedule shall be limited to Shipper's Maximum Daily Reservation Quantity, plus the applicable Fuel Gas and Unaccounted For Gas reimbursement quantities, specified in an executed Firm Service Agreement or a Confirmation Letter issued to a Replacement Shipper, and Sabine shall not be obligated to provide transportation service hereunder in excess of the Maximum Daily Reservation Quantity, plus the applicable Fuel Gas and Unaccounted For Gas reimbursement quantities, so specified. If Shipper nominates gas in excess of Maximum Daily Reservation Quantity, plus the applicable Fuel Gas and Unaccounted For Gas reimbursement quantities, any such volumes Sabine is able to transport shall be transported on an interruptible basis at the applicable IT Tariff Maximum Rate.

6.1.3 RATES AND CHARGES

The applicable charges for transportation services provided under this Rate Schedule are set forth in the currently effective Section No. 5 of this FERC Gas Tariff except when Negotiated Rates or discounted rates are agreed upon pursuant to Sections 7.26 and Sections 7.9 of the General Terms and Conditions of this FERC Gas Tariff. For all transportation service rendered under this Rate Schedule, Shipper shall pay Sabine each month the sum of the Reservation Charge, Usage Charge, ACA Charge, Fuel Gas and Unaccounted For Gas reimbursement, and any other charges, as authorized under the provisions of this FERC Gas Tariff, as follows:

- a) Reservation Charge - An amount determined as the product of:
 - i) The Shipper's Maximum Daily Reservation Quantity specified in Exhibit A of an executed Firm Service Agreement; and
 - ii) The Reservation Rate(s) per Dth set forth from time to time in the currently effective Section No. 5 of this FERC Gas Tariff or superseding tariff.
- b) Usage Charge - An amount determined as the product of:
 - i) The total quantity of gas in Dths delivered by Sabine for the account of Shipper during the previous month; and
 - ii) The Usage Rate(s) per Dth set forth from time to time in the currently effective Section No. 5 of this FERC Gas Tariff or superseding tariff.
- c) ACA Charge - An amount determined as the product of:
 - i) The total quantity of gas in Dths delivered by Sabine for the account of Shipper during the previous month; and
 - ii) The ACA rate per Dth as specified in the annual notice issued by the Commission entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit

Charge,” available on the Commission’s Web site at <http://ferc.gov>. This ACA unit charge will be effective on the first day of October and will extend to the last day of September the following year.

- d) Fuel Gas and Unaccounted For Gas Reimbursement - Shipper shall reimburse Sabine for any fuel and line losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for Fuel Gas and Unaccounted For Gas shall be equal to the quantity of gas tendered for transportation multiplied by the applicable Fuel Gas and Unaccounted For Gas reimbursement percentages (FRP and UFRP, respectively) shown in currently effective Section No. 5 of this FERC Gas Tariff, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated Fuel Gas and Unaccounted For Gas reimbursement quantity.

- e) Any charges authorized from time to time under the provisions of this FERC Gas Tariff.

Sabine may from time to time, and at any time, agree to a negotiated or discount rate with Shipper for service under this Rate Schedule on a non-discriminatory basis pursuant to Sections 7.9.6 and 7.26; provided, that any agreed upon Reservation Rate may not be less than the Minimum Reservation Rate set forth from time to time in the currently effective Section No. 5 of this FERC Gas Tariff. Sabine shall file with the FERC any and all reports as required by the FERC's regulations setting forth the applicable negotiated Reservation Rates and Shippers affected along with any other information which may be required.

6.1.4 GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an executed Firm Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to firm transportation service rendered under this Rate Schedule and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

IT-1 RATE SCHEDULE
INTERRUPTIBLE TRANSPORTATION SERVICE

6.2.1 AVAILABILITY

This Rate Schedule is available to any Shipper for interruptible transportation of gas by Sabine Pipe Line LLC (Sabine) under the authority and provisions of Part 284 of the FERC's Regulations, provided that:

- a) Sabine determines that it has available capacity to render the interruptible transportation service and is able to provide said transportation;
- b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the interruptible transportation service has been completed;
- c) Any Shipper requesting interruptible transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification including sufficient information to verify that requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 7.4 of the General Terms and Conditions;
- d) Shipper satisfies the credit worthiness criteria in accordance with Section 7.24 of the General Terms and Conditions; and
- e) Shipper executes an Interruptible Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.

6.2.2 APPLICABILITY AND CHARACTER OF SERVICE

- a) Transportation service hereunder, through all or any portion of Sabine's System, shall be interruptible, subject to the availability of capacity sufficient to provide the service without detriment or disadvantage to Sabine's firm Shippers.

Interruption of service and allocation and scheduling of available interruptible capacity shall be in accordance with Section 7.6 of the General Terms and Conditions.

Transportation service shall be subject to the provisions of an executed Interruptible Service Agreement.

- b) Transportation service hereunder shall consist of the acceptance by Sabine of gas tendered for the account of Shipper for transportation from any Receipt Point(s), the transportation of that gas through Sabine's System, and the delivery of that gas, after making adjustments for the applicable Fuel Gas and Unaccounted For Gas reimbursement and other appropriate reductions, for the account of Shipper at any Delivery Point(s).

- c) Transportation service provided under this Rate Schedule shall be limited to Shipper's Maximum Daily Transportation Quantity, plus the applicable Fuel Gas and Unaccounted For Gas reimbursement, specified in an executed Interruptible Service Agreement. Although provided on an interruptible basis, Sabine shall not be obligated to provide transportation service hereunder in excess of the Maximum Daily Transportation Quantity, plus the applicable Fuel Gas and Unaccounted For Gas reimbursement, so specified. If Shipper nominates gas in excess of Maximum Daily Transportation Quantity, plus the applicable Fuel Gas and Unaccounted For Gas reimbursement quantities, any such volumes Sabine is able to transport shall be transported on an interruptible basis at the applicable IT Tariff Maximum Rate.

6.2.3 RATES AND CHARGES

The applicable charges for transportation services provided under this Rate Schedule are set forth in the currently effective Section No. 5 of this FERC Gas Tariff except when Negotiated Rates are agreed upon pursuant to Section 7.26 of the General Terms and Conditions of this FERC Gas Tariff. For all transportation service rendered under this Rate Schedule, Shipper shall pay Sabine each month the sum of the Usage Charge, ACA Charge, Fuel Gas and Unaccounted For Gas reimbursement, and any other charges, as authorized under the provisions of this FERC Gas Tariff, as follows:

- a) Usage Charge - An amount determined as the product of:
 - i) The total quantity of gas in Dths delivered by Sabine for the account of Shipper during the previous month; and
 - ii) The Usage Rate(s) per Dth set forth from time to time in the currently effective Section No. 5 of this FERC Gas Tariff or superseding tariff.
- b) ACA Charge - An amount determined as the product of:
 - i) The total quantity of gas in Dths delivered by Sabine for the account of Shipper during the previous month; and
 - ii) The ACA rate per Dth set forth from time to time in the currently effective Section No. 5 of this FERC Gas Tariff or superseding tariff.
- c) Fuel Gas and Unaccounted For Gas Reimbursement - Shipper shall reimburse Sabine for compressor fuel and line losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for Fuel Gas and Unaccounted For Gas shall be equal to the quantity of gas tendered for transportation multiplied by the applicable Fuel Gas and Unaccounted For Gas reimbursement percentages (FRP and UFRP, respectively) shown in currently effective Section No. 5 of this FERC Gas Tariff, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated Fuel Gas and Unaccounted For Gas reimbursement quantity.
- d) Any charges authorized from time to time under the provisions of this FERC Gas Tariff.

Sabine may from time to time and at any time charge any Shipper for service under this Rate Schedule, a Usage Charge predicated upon a Usage Rate which is less than the Maximum Usage Rate set forth from time to time in the currently effective Section No. 5 of this FERC Gas Tariff; provided, that the Usage Rate may not be less than the Minimum Usage Rate set forth from time to time in the currently effective Section No. 5 of this FERC Gas Tariff. Sabine shall file with the FERC any and all reports as required by the FERC's regulations setting forth the applicable discounted Usage Rates and Shippers affected along with any other information which may be required.

6.2.4 GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an executed Interruptible Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to interruptible transportation service rendered under this Rate Schedule and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

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GENERAL TERMS AND CONDITIONS

7.1 DEFINITIONS

The following terms, when used in this FERC Gas Tariff, these General Terms and Conditions, or in any Service Agreement executed for service under a Rate Schedule contained in this FERC Gas Tariff, shall have the following meanings:

-A-

Account Holder (NAESB WGQ 1.2.18)

The party using the services of a Title Transfer Tracking Service Provider (TTTSP) under a contract or other arrangement with that TTTSP.

Alternate Delivery Point(s)

The point(s) on Sabine's System where quantities of gas may be delivered by Sabine for the account of Shipper under an executed Firm Transportation Service Agreement, as nominated by Shipper that are not the Shipper's Primary Delivery Point(s).

Alternate Receipt Point(s)

The point(s) on Sabine's System where quantities of gas may be received by Sabine for the account of Shipper under an executed Firm Transportation Service Agreement, as nominated by Shipper that are not the Shipper's Primary Delivery Point(s).

Alternate Point(s)

Alternate Points may refer to either or both of the Alternate Receipt Point(s) and/or the Alternate Delivery Point(s).

Applicable Index Price

The term "Applicable Index Price" shall have the meaning as set forth in Section 7.8.

Available Capacity

The quantitative ability of Sabine's existing system to provide immediate maximum gas transportation service. The ability of Sabine's System to provide maximum gas transportation service may be limited by changes in prevailing operating pressures, temperatures, gas flow rates and gas flow directions within any portion(s) of Sabine's System, including any receipt point(s) or delivery point(s); physical capacity limitations of compressors, regulators, valves, pipelines or pipeline segments, measuring facilities or appurtenances to Sabine's System; and necessary testing, maintenance, repair, overhaul, alteration, modification, replacement, enlargement, or construction of pipelines, compressors, metering, regulating, and other transmission facilities and equipment appurtenant to Sabine's System.

-B-

Batch Flat File (NAESB WGQ 4.2.18)

The term used within NAESB WGQ FF/EDM to describe the automated computer-to-computer transfer of flat files.

Browser (NAESB WGQ 10.2.10)

A software program capable of generating HTTP Requests, including HTTP POST requests.

Btu

British thermal unit and is equal to the quantity of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five tenths degrees Fahrenheit (58.5°F) to fifty-nine and five tenths degrees Fahrenheit (59.5°F) at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia). The standard Btu is the International Btu, which is also called the Btu(IT). MMBtu shall mean one million (1,000,000) Btus.

Business Day (NAESB WGQ 3.2.1)

Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.

C-

Central Address Repository (CAR) (NAESB WGQ 4.2.6)

The term used to describe: 1) the Web site providing links to all Transportation Service Providers' Informational Postings, and 2) the entity administering and maintaining the above Web site and repository.

Central Clock Time

Time in U.S. Central Time Zone, as adjusted for Daylight Savings Time and Standard Time. As used herein, Central Time means Central Clock Time.

Client (NAESB WGQ 10.2.11)

The computer hardware and software used by the Sender to transmit an Electronic Package to the Receiver's Server. A Client can be fully-automated or manual.

Confirmation by Exception (CBE) (NAESB WGQ 1.2.11)

The term used when the Confirming Parties agree that one party deems that all requests at a location are confirmed by the other party (the CBE party) without response communication from that party. The CBE party can take exception to the request by so informing the other party within a mutually agreed upon time frame.

Confirmation Requester (NAESB WGQ 1.2.8)

A Service Provider (including a Point Operator) which is seeking to confirm a quantity of gas via the information outlined in NAESB WGQ Standard No. 1.4.3 with another Service Provider (the Confirming Party) with respect to a nomination at a location.

Confirming Parties (NAESB WGQ 1.2.10)

The term which refers to the Confirmation Requester and the Confirming Party.

Confirming Party (NAESB WGQ 1.2.9)

A Service Provider (including a Point Operator) which provides a confirmation for a quantity of gas via the information outlined in NAESB WGQ Standard No. 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a nomination at a location.

Content Area (NAESB WGQ 4.2.8)

Term used to describe the area directly to the right of the Navigational Area of the browser display. When the Navigational Area is not displayed the entire browser display is content area.

Contractual ROFR

Sabine may agree, on a not unduly discriminatory basis, that a Shipper receiving firm transportation service under a Firm Transportation Service Agreement subject to a negotiated or discounted rate has

a right of first refusal. Such Contractual ROFR shall be applied on the same basis as for firm transportation service at the maximum tariff rate, pursuant to Subsection 7.11.1 of the General Terms and Conditions of this FERC Gas Tariff.

Critical Notices (NAESB WGQ 5.2.1)

Notices that pertain to information on Sabine's conditions that affect scheduling or adversely affect scheduled gas flow.

Customer Activities (NAESB WGQ 4.2.10)

The term used to refer to the business function categories relating to Nominations, Flowing Gas, Invoicing, Capacity Release, Contracts and other business functions on industry Web sites.

-D-

Daily Allocation (NAESB WGQ 2.2.5)

Daily Allocation is the term used to describe the process where the allocating party performs the allocation process following each Gas Day.

Day

A period of consecutive hours beginning and ending at nine (9:00) a.m. Central Clock Time. The date of a day shall be that of its beginning.

Dekatherm (Dt or Dth)

The standard unit for purposes of nominations, scheduling, invoicing and balancing. One Dekatherm is equivalent to one MMBtu.

Delivery Point(s)

Any point on Sabine's System where quantities of gas may be delivered by Sabine for the account of Shipper.

Detail (NAESB WGQ 4.2.15)

The term used to describe the area directly below the Header in the Content Area of the browser display.

Display (NAESB WGQ 4.2.3)

The term used to describe the typical visual presentation derived by a browser as a result of retrieval of information from a given URL.

Download (NAESB WGQ 4.2.2)

The term used to describe the retrieval of information from a Web site in a format suitable for storage.

-E-

Elapsed Prorata Capacity (NAESB WGQ 5.2.3)

That portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

Elapsed-prorated-scheduled quantity (NAESB WGQ 1.2.12)

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.

Electronic Notice Delivery (NAESB WGQ 5.2.2)

The term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM.

Electronic Package (NAESB WGQ 10.2.13)

A data stream sent via HTTP POST that contains envelope header information and Payload File(s). The Payload Files are encrypted using defined Internet ET encryption techniques.

Equivalent Quantities

The quantities of gas delivered hereunder at the Delivery Point(s) shall be the thermal equivalent of the quantities received at the Receipt Point(s) for transportation less the applicable quantities for Fuel Gas and Unaccounted For Gas reimbursement associated with transportation service.

-F-

FERC

The Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which are exercisable by the Federal Energy Regulatory Commission.

Firm Transportation Service Agreement

The term "Firm Transportation Service Agreement" shall mean an agreement by and between Sabine and a Shipper whereby Sabine agrees to provide firm transportation services to Shipper pursuant to the provisions of an executed Service Agreement applicable to firm transportation service under Sabine's FT-1 rate schedule and these General Terms and Conditions of Sabine's FERC Gas Tariff.

Form (NAESB WGQ 4.2.16)

The term used to describe the portion of the Content Area of the browser display on Customer Activities Web sites used for single transaction entry or display as well as, optionally, data selection. The Form should be either in the upper portion of the Content Area or, alternatively, a single page linked to the Matrix.

Fuel Gas

The amount of gas used for compressor fuel.

-G-

Gas

Hydrocarbon natural gas, including oil well gas produced with crude oil, gas from gas wells, and residue gas from processing either oil well gas or gas well gas, or both.

-H-

Header (NAESB WGQ 4.2.14)

The term used to describe the area at the top of the Content Area of the browser display.

Heating Value

The number of British thermal units produced by complete combustion at constant pressure of the amount of gas which would occupy a volume of one (1) cubic foot at a temperature of sixty degrees Fahrenheit (60°F), and under a pressure equivalent to that of thirty inches of mercury (30" Hg) at thirty-two degrees Fahrenheit (32°F), and under gravitational force acceleration (980.665 cm. per sec. per sec.), with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, when the water formed by

combustion is condensed to the liquid state, and corrected for any water vapor in excess of seven pounds per million cubic feet of gas (7 lbs/MMcf). Heating value determined by calculation from composition analysis according to GPA Publication 2172-84, as amended or revised, shall be converted to figures that reflect the actual condition of the gas on receipt or delivery and adjusted for temperature, pressure, water content or compressibility.

HTTP (NAESB WGQ 10.2.37)

Hypertext transport protocol; Assumes version HTTP/1.1; IETF RFCs 2616, 2069. See <http://www.w3.org/Protocols/Specs.html>.

HTTP Request (NAESB WGQ 10.2.15)

The stream of data sent from the Client to the Server that includes header information and payload data.

-I-

IETF (NAESB WGQ 10.2.18)

Internet Engineering Task Force; a body of technical experts that set standards for the Internet known as Request for Comments (RFC's).

Imbalance Trade Confirmation

The term "Imbalance Trade Confirmation" shall mean the agreement of a Shipper, with notification to Sabine, to an Imbalance Trade Request tendered by another Shipper pursuant to the provisions of Section 7.8.

Imbalance Trade Notification

The term "Imbalance Trade Notification" shall mean the notice, sent by Sabine to a Shipper initiating an imbalance trade, of the confirming Shipper's agreement to the imbalance trade pursuant to the provisions of Section 7.8.

Imbalance Trade Request

The term "Imbalance Trade Request" shall mean a request from a Shipper to Sabine to trade an imbalance with another Shipper pursuant to the provisions of Section 7.8.

In-Direction

Refers to a nomination line item for transportation service under a Firm Transportation Service Agreement that has a nominated flow direction in the same direction as the nominating party's current Transportation Path.

In-Path

Refers to a nomination line item for transportation service under a Firm Transportation Service Agreement that has both a receipt point and a delivery point within the nominating party's current Transportation Path.

Informational Postings (NAESB WGQ 4.2.1)

The term that identifies common information as specified in NAESB WGQ Standard No. 4.3.23.

Interactive Browser (NAESB WGQ 10.2.19)

A Browser that requires manual operation or intervention. See "Browser".

Interactive Flat File (NAESB WGQ 4.2.19)

The term used within NAESB WGQ FF/EDM to describe the transfer of flat files using an interactive

browser.

Internet ET or Internet Electronic Transport (NAESB WGQ 10.2.21)

The NAESB standards for the secure transport of electronic information between Trading Partners, building upon WGQ EDM Version 1.7.

Interruptible Transportation Service Agreement

The term “Interruptible Transportation Service Agreement” shall mean an agreement by and between Sabine and a Shipper whereby Sabine agrees to provide interruptible transportation services to Shipper pursuant to the provisions of an executed Service Agreement applicable to interruptible transportation service under Sabine’s IT-1 rate schedule and these General Terms and Conditions of Sabine’s FERC Gas Tariff.

Intraday Nomination (NAESB WGQ 1.2.4)

An intraday nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.

-M-

Matrix (NAESB WGQ 4.2.17)

The term used to describe the portion of the Content Area of the browser display on the Customer Activities Web sites used to display selected data entered on the Form and, when appropriate, for data entry. The Matrix should be either the lower portion of the Content Area (that area below the Form) or, alternatively, a single page linked to the Form.

Maximum Daily Reservation Quantity (MDRQ)

The maximum quantity of gas which Sabine is obligated to receive and deliver for the account of Shipper from all Primary Receipt Point(s) and to all Primary Delivery Point(s) as specified in Exhibit A of an executed Firm Transportation Service Agreement between Shipper and Sabine, exclusive of the applicable Fuel Gas and Unaccounted For Gas reimbursement quantities.

Maximum Daily Transportation Quantity (MDTQ)

The maximum quantity of gas which Sabine is obligated to receive and deliver for the account of Shipper as specified in Exhibit A of an executed Interruptible Transportation Service Agreement between Shipper and Sabine, exclusive of the Fuel Gas and Unaccounted For Gas reimbursement quantities.

Maximum Daily Quantity (MDQ)

The maximum daily quantity of natural gas that Sabine is required to receive and deliver for Shipper or for the account of Shipper under a Service Agreement, including from all Primary Receipt Point(s) and to all Primary Delivery Point(s). Shipper's MDQ for each point shall be set forth on Exhibit "A" to Shipper's Service Agreement. The cumulative path MDQs shall equal the Maximum Daily Reservation Quantity or Maximum Daily Transportation Quantity for the Service Agreement as applicable as set forth in Exhibit A of an executed Firm Transportation Service Agreement between Shipper and Sabine.

Month

The period beginning on the first Day of a calendar month and ending on the first Day of the succeeding calendar month.

Monthly Allocation (NAESB WGQ 2.2.4)

The term used to describe the process where the Allocating Party performs the allocation process at

the end of the monthly flow period.

Monthly Imbalance

The term "Monthly Imbalance" shall have the meaning as set forth in Section 7.8.

Monthly Imbalance Statement

The term "Monthly Imbalance Statement" shall have the meaning as set forth in Section 7.8.

-N-

NAESB WGQ

North American Energy Standards Board, Wholesale Gas Quadrant.

NAESB WGQ EBB/EDM (NAESB WGQ 4.2.13)

The term used to describe the NAESB WGQ standardized electronic interchange of information for Customer Activities Internet Web site presentations.

NAESB WGQ EDI/EDM (NAESB WGQ 4.2.11)

The term used to describe ANSI ASC X12 computer-to-computer electronic data interchange of information in files as mapped from the x.4.z NAESB WGQ standards in the NAESB WGQ Implementation Guides and communicated between Trading Partners over the Internet using the NAESB Internet Electronic Transport.

NAESB WGQ FF/EDM (NAESB WGQ 4.2.12)

The term used to describe a standardized flat file electronic data interchange of information in files as mapped from the x.4.z NAESB WGQ standards. NAESB WGQ FF/EDM is communicated between Trading Partners over the Internet using the NAESB Internet Electronic Transport.

NAESB WGQ Standards

Any and all such standards issued by NAESB WGQ and adopted by FERC.

Navigational Area (NAESB WGQ 4.2.7)

The term used to describe the area on the left side of the browser display providing links to the Content Area and other navigational links. Navigational Area is not required to be displayed on Customer Activities Web pages where data entry, reporting or inquiry are displayed.

Negotiated Rate

This term shall mean a rate or formula for computing a rate for Transportation service which may be greater than, equal to or less than the Recourse Rate, but which may not be less than the Minimum Tariff Rate(s) as set forth in the currently effective Section No. 5 of this FERC Gas Tariff. A Negotiated Rate must be mutually agreed upon by Sabine and Shipper for a specific time period and may be based on a rate design other than the rate design used to compute Sabine's currently effective rates.

Net Imbalance Percentage

The term "Net Imbalance Percentage" shall have the meaning as set forth in Section 7.8.

Net Negative Monthly Imbalance

The term "Net Negative Monthly Imbalance" shall have the meaning as set forth in Section 7.8.

Net Positive Monthly Imbalance

The term "Net Positive Monthly Imbalance" shall have the meaning as set forth in Section 7.8.

Netting (NAESB WGQ 2.2.3)

The term used to describe the process of resolving imbalances for a Shipper within an Operational Impact Area. There are two types of Netting:

- * summing is the accumulation of all imbalances above any applicable tolerances for a Shipper; and
- * offsetting is the combination of positive and negative imbalances above any applicable tolerances for a Shipper.

-O-

Operational Balancing Agreement (OBA) (NAESB WGQ 2.2.1)

A contract between two parties which specifies the procedures to manage operating variances at an interconnect.

Operational Flow Order (NAESB WGQ 1.2.6)

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

Operational Impact Area (NAESB WGQ 2.2.2)

The term used to describe a Transportation Service Provider's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect.

Operator

Any individual, firm, or corporation, or its agent, assignee, or legal representative, that owns natural gas production, or owns and/or operates gas production, processing or upstream or downstream pipeline facilities, which are directly connected to Sabine's System, and who is responsible for the confirmation, scheduling, receipt or delivery, and the allocation of gas through such interconnecting facility.

Operational Transaction

The term "Operational Transaction" shall have the meaning as set forth in Section 7.8.

Operational Transaction(s) Report

The term "Operational Transaction(s) Report" shall have the meaning as set forth in Section 7.8.

Out-of-Direction

Refers to a nomination line item for transportation service under a Firm Transportation Service Agreement that has a nominated flow direction opposite of the nominating party's current Transportation Path direction.

Out-of-Path

Refers to a nomination line item for transportation service under a Firm Transportation Service Agreement that has either a Receipt Point or a Delivery Point, or both, outside the nominating party's current Transportation Path.

-P-

Package ID (NAESB WGQ 1.2.5)

A way to differentiate between discrete business transactions.

Payload Files (NAESB WGQ 10.2.22)

The data contents inside of an Electronic Package. NAESB Internet ET is content-independent.

Pooling (NAESB WGQ 1.2.3)

Pooling is: 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.

Predetermined Allocation

The distribution of quantities of gas measured at Receipt Point(s) and/or Delivery Point(s) among Shipper(s) based upon a methodology agreed to by the Operator(s) and Sabine prior to the commencement of gas flow.

Primary Delivery Point(s)

The point(s) on Sabine's System where quantities of gas may be delivered by Sabine for the account of Shipper, as described in Exhibit A of an executed Firm Transportation Service Agreement between Shipper and Sabine.

Primary Receipt Point(s)

The point(s) on Sabine's System where quantities of gas may be received by Sabine for the account of Shipper, as described in Exhibit A of an executed Firm Transportation Service Agreement between Shipper and Sabine.

Primary Points(s)

The Primary Points may refer to either or both of the Primary Delivery Point(s) and/or the Primary Receipt Point(s).

Printing (NAESB WGQ 4.2.4)

The term used to describe the typical printed layout derived when a document is printed from a display tool (browser, word processor, etc.).

Psia

Pounds per square inch absolute.

Psig

Pounds per square inch gauge.

-Q-

QEDM (NAESB WGQ 10.2.25)

Quadrant-specific Electronic Delivery Mechanism; the set of standards for each NAESB quadrant that define the EDM standards for EDI, flat-files, electronic bulletin boards, and other technologies. The QEDM excludes electronic transport practices and standards. The QEDMs were derived from the GISB and NAESB WGQ Internet EDM standards.

-R-

Rate Default (NAESB WGQ 5.2.5)

For index-based capacity release transactions, the term used to describe the non-biddable rate specified in the capacity release Offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor will serve as the Rate Default.

Rate Floor (NAESB WGQ 5.2.4)

For index-based capacity release transactions, the term used to describe the lowest rate specified in the capacity release Offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Sabine's minimum reservation rate or zero cents when there is no stated minimum reservation rate.

Receipt Point(s)

Any point on Sabine's System where quantities of gas may be received by Sabine for the account of Shipper.

Receiver (NAESB WGQ 10.2.27)

The party that receives an Internet ET Electronic Package.

Recourse Rate

This term shall mean the Maximum Reservation Rate and/or Usage Rate, as applicable, as shown in the currently effective Section No. 5 of Sabine's FERC Gas Tariff.

Reservation Charge Adjustment

This term shall have the meaning set forth in Section 7.19.2(a) of the General Terms and Conditions.

-S-

Sender (NAESB WGQ 10.2.28)

The party that sends an Electronic Package.

Service Agreement

The term "Service Agreement" shall mean either a Firm Transportation Service Agreement or an Interruptible Transportation Service Agreement.

Shipper

Any individual, firm, corporation, agent, assignee or legal representative so designated to receive gas from or deliver gas to Sabine.

Site Map (NAESB WGQ 4.2.5)

The term used to describe a Web page of URL links, which resembles a table of contents or directory tree structure, of categories and subcategories of information.

Standard Client Configuration (NAESB WGQ 4.2.9)

The term used to describe the configuration that allows simultaneous access to multiple industry Web sites.

Standard Cubic Foot

The standard unit of volume for the purpose of measurement equal to the amount of gas contained in one (1) cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60°F) and at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia). Scf shall mean one standard cubic foot. Mcf shall mean one thousand standard cubic feet. MMcf shall mean one million standard cubic feet.

System

The pipeline, pipeline laterals, measurement, compression and related facilities owned, leased, or operated by or for Sabine.

-T-

Third Party Account Administrator (NAESB WGQ 1.2.17) A Title Transfer Tracking Service Provider other than Sabine.

Title (NAESB WGQ 1.2.13)

“Title”, if not otherwise addressed in Sabine’s contract or tariff, is the term used to identify the ownership of gas.

Title Transfer (NAESB WGQ 1.2.14)

The change of title to gas between parties at a location.

Title Transfer Nomination (NAESB WGQ 1.2.19)

A nomination line item requesting the service of Title Transfer Tracking and is sent by an Account Holder to a Title Transfer Tracking Service Provider.

Title Transfer Tracking (NAESB WGQ 1.2.15)

The process of accounting for the progression of title changes from party to party that does not effect a physical transfer of the gas.

Title Transfer Tracking Service Provider (NAESB WGQ 1.2.16) A party conducting the title transfer tracking activity.

Trading Partner (NAESB WGQ 10.2.3)

A party that enters into an agreement with another party to transact business electronically using the Internet ET standard.

Trading Partner Agreement (TPA) (NAESB WGQ 10.2.8)

‘Trading Partner Agreement’, or ‘TPA’ is a legal binding agreement between trading parties that defines each party’s expectations and responsibilities. This agreement often dictates service level agreements and problem remediation processes.

Transportation

Storage, exchange, backhaul, displacement or other methods of transportation.

Transportation Path

The pipeline path and flow direction from and including the farthest Receipt Point to and including the farthest Delivery Point as stated in the Exhibits A and B, respectively, for each executed Firm Transportation Service Agreement contracted on Sabine's system.

Transportation Service

The receipt of Shipper's gas by Sabine at Receipt Point(s) and the delivery of thermally equivalent quantities by Sabine to Shipper or for Shipper's account, less the applicable Fuel Gas and Unaccounted For Gas reimbursement quantities, at Delivery Point(s).

-U-

Unaccounted For Gas

The difference, other than Fuel Gas, between the sum of all receipts of gas into Sabine's System and the sum of all deliveries of gas out of Sabine's System including gas for company use, leakage or

other actual losses, discrepancies due to meter inaccuracies, variations of temperature, pressure and composition, and other variants.

-W-

Weekly Average Price

The term "Weekly Average Price" shall have the meaning as set forth in Section 7.8.

7.2. OPERATING PROVISIONS FOR FIRM SERVICE

7.2.1 Availability of Firm Service

Firm service under this FERC Gas Tariff shall be provided when, and to the extent that, Sabine determines that capacity is available in Sabine's existing System, which capacity is not subject to a superior claim by another Shipper. Existing uncommitted firm capacity will be posted on Sabine's Internet web site (web site) and will be made available in accordance with the provisions of Subsection 7.4.2 of the General Terms and Conditions. In the event new capacity becomes available due to the construction or acquisition of facilities or the expansion of existing facilities, pursuant to authorization under Section 7 of the Natural Gas Act and FERC regulations, Sabine shall post such capacity on its web site and shall provide an open season, with a minimum duration of ten (10) days, during which potential Shippers may submit initial requests for firm service in accordance with the provisions of Subsection 7.4.2 of the General Terms and Conditions.

7.2.2 Priority of Service

Priority of service for a specific nomination line item shall be determined in accordance with Sections 7.5, 7.6 and 7.19 of the General Terms and Conditions. In general, Receipt Point and Delivery Point priority for firm service is as follows:

a) Receipt Point Priority

The receipt of gas for firm transportation services shall be:

- i) on a firm basis from the Primary Receipt Point(s) specified in an executed Firm Service Agreement;
- ii) on a firm basis from the In-Path Alternate Receipt Point(s) nominated by Shipper, subject to the availability of capacity in Sabine's System, and shall have a priority subordinate to the receipt of gas from Primary Receipt Points for all firm transportation services and a priority superior to the receipt of gas from Out-of-Path Alternate Receipt Point(s) and interruptible transportation services; and
- iii) on a firm basis from the Out-of-Path Alternate Receipt Point(s) nominated by Shipper, subject to the availability of capacity in Sabine's System, and shall have a priority subordinate to the receipt of gas from Primary Receipt Points and In-Path Alternate Receipt Points for firm transportation services and a priority superior to the receipt of gas for interruptible transportation services.

b) Delivery Point Priority

The delivery of gas for firm transportation services shall be:

- i) on a firm basis to the Primary Delivery Point(s) specified in an executed Firm Service Agreement;
- ii) on a firm basis to the In-Path Alternate Delivery Point(s) as nominated by Shipper, subject to the availability of capacity in Sabine's System, and shall have a priority subordinate to the delivery of gas to Primary Delivery Points for all firm transportation services and a priority superior to the delivery of gas to Out-of-Path Alternate Delivery Point(s) and interruptible transportation services; and
- iii) on a firm basis to the Out-of-Path Alternate Delivery Point(s) nominated by Shipper,

subject to the availability of capacity in Sabine's System, and shall have a priority subordinate to the delivery of gas to Primary Delivery Points and In-Path Alternate Delivery Points for firm transportation services and a priority superior to the delivery of gas for interruptible transportation services.

7.2.3 Reservation of Capacity for Expansion Projects

Sabine may elect to reserve for a future expansion project any currently available unsubscribed capacity or capacity expected to become available at some future date, provided such capacity is not subject to a right-of-first-refusal to retain the capacity.

- a) Sabine may reserve capacity only for a future expansion project for which an open season has been held or will be held within one year of the date Sabine posts such capacity as being reserved. If Sabine elects to reserve capacity for a future expansion project under this section, such capacity may be reserved for up to one year prior to Sabine filing for certificate approval for construction of the proposed expansion facilities, and thereafter until such expansion is placed into service.
- b) Sabine shall, on a limited-term basis up to the in-service date of the expansion project, make available any capacity reserved under this section in accordance with Section 7.2 of the General Terms & Conditions. A service agreement for capacity available on such interim basis shall not be eligible for a right of first refusal for purposes of Section 7.11 of the General Terms and Conditions.
- c) Prior to reserving capacity for future expansion projects under this section, such capacity shall first have been made available in accordance with Section 7.2 of the General Terms and Conditions.
- d) Subject to the foregoing, Sabine may reserve capacity by means of a posting on its website that shall include, without limitation:
 - 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 Sabine's system;
 - iv) When Sabine held or anticipates holding an open season in connection with the expansion project;
 - v) The projected in-service date of the expansion project; and
 - vi) On an ongoing basis, how much of the reserved capacity has been subscribed on an interim basis.
- e) To the extent capacity reserved under this Section is currently available, Sabine shall make such capacity available for transportation service pursuant to the provisions of Sabine's FERC Gas Tariff on a limited-term basis up to the in-service date of the expansion/extension project(s). For such limited-term agreements, Sabine reserves the right to limit any extension rights provided in the Firm Service Agreement or under Sabine's FERC Gas Tariff commensurate with the proposed in-service date of the expansion/extension project. Sabine will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.
- f) To the extent that capacity reserved pursuant to this Section 7.2.3 is not sufficient to satisfy the requirements of an expansion project, Sabine shall conduct, no later than ninety (90) days after the

close of an open season for such expansion project, a reverse open season setting forth not unduly discriminatory terms for the turn back of capacity. Capacity obtained through a reverse open season shall be reserved for an expansion project pursuant to the terms of this Section 7.2.3; provided, however, that the posting requirements of Section 7.2.3(c) shall not apply to that capacity.

- g) Any capacity reserved for an expansion project that does not go forward for any reason shall be reposted as available capacity within thirty (30) days of the date the capacity becomes available, except for capacity committed in service agreements entered into on an interim limited term basis.

7.2.4 Reservation of Capacity for Pre-arranged Deals

- (a) Pre-Arranged Capacity. Sabine may sell firm capacity with service commencement dates more than ninety (90) days in the future, when such capacity is either available unsubscribed capacity or capacity that will become available and is not subject to a right of first refusal, by selling such capacity on a pre-arranged basis.
- (b) If Sabine proposes to sell capacity on a pre-arranged basis, Sabine will post the terms of the pre-arranged transaction and other parties will have an opportunity to bid on the capacity pursuant to Section 7.4.2. At the time Sabine enters into a pre-arranged service agreement, Sabine will post a notice on its Internet web site indicating that the pre-arranged capacity will be subject to an open bidding process within three (3) business days, even if such capacity has already been subject to an open season bidding process and is currently posted as available capacity. If another party submits an acceptable bid on a net present value (NPV) basis, the pre-arranged Shipper will have a one-time right to match the higher bid in order to retain the capacity. If the pre-arranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the bidder with the highest NPV acceptable bid. If there is an open season ongoing for certain capacity, Sabine will not enter into a pre-arranged deal for that capacity during the open season.
- (c) Sabine will not enter into any pre-arranged deals for capacity that has not previously been posted on its Internet web site.
- (d) To the extent capacity reserved under this Section is currently available, Sabine shall make such capacity available for transportation service pursuant to the provisions of Sabine's FERC Gas Tariff on a limited-term basis up to the in-service date of the pre-arranged transaction. For such limited-term agreements, Sabine reserves the right to limit any pre-arranged transaction rights provided in the Firm Service Agreement or under Sabine's FERC Gas Tariff commensurate with the proposed in-service date of the pre-arranged transaction. Sabine will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.

7.2.5 Receipt And Delivery Point Designations

Each Receipt Point and each Delivery Point specified by a Shipper requesting firm transportation service shall be considered as Primary Receipt Points and Primary Delivery Points for firm transportation service under an executed Firm Service Agreement. Each Shipper's Maximum Daily Reservation Quantity must be allocated among the Primary Receipt Points and Primary Delivery Points such that the Maximum Daily Reservation Quantity equals both the sum of the individual maximum daily quantities for Primary Receipt Points and the sum of the individual maximum daily quantities for Primary Delivery Points. A Shipper may request to amend its Firm Service Agreement to modify its Primary Receipt Points or Primary Delivery Points, or modify maximum daily quantities provided capacity is available to provide firm service. The Maximum Daily Reservation Quantity must be allocated such that the Maximum Daily Reservation Quantity equals both the sum of the individual maximum daily quantities for Primary Receipt Points and the sum of the individual maximum daily quantities for Primary Delivery Points for an amended

Firm Service Agreement. In the event a firm Shipper segments its capacity, such requirements will apply to each individual segment, subject to limitations on overlapping segments and to limitations on capacity at each point. Unless restricted by the Releasing Shipper under the terms of a temporary capacity release, a Replacement Shipper may request changes to its Primary Receipt Points and Primary Delivery Points up to the Maximum Daily Reservation Quantity of its own contract for the released capacity, provided that capacity is available at such points. If a Replacement Shipper modifies the Primary Receipt Points and / or Primary Delivery Points during the term of the temporary capacity release, the released capacity will revert to the Releasing Shipper at the modified Primary Points at the expiration of the temporary capacity release.

7.2.6 Alternate Points

All System points, including Primary Receipt Points or Primary Delivery Points where capacity exists in excess of capacity allocated to provide Primary Receipt Point or Primary Delivery Point firm transportation service, will be available as Alternate Receipt Points or Alternate Delivery Points. Requests to utilize alternate points on a temporary basis must specify the period of time a Shipper will use the alternate points so that the temporary availability of capacity at Shipper's Primary Points can be posted. The capacity at the Primary Points will revert to Shipper upon the expiration of the time specified by Shipper subject to the availability of the original Primary Receipt Point and/or Primary Delivery Point capacity. Shipper may notify Sabine that Shipper wishes to extend the period of time it will use the Alternate Points and subject to the availability of capacity for any such requested extension. Sabine shall not limit the number of Primary and Alternate Receipt or Delivery Points which a firm Shipper may request to utilize, as long as the sum of Shipper's primary and temporarily reserved Alternate Receipt or Delivery Points does not exceed Shipper's Maximum Daily Reservation Quantity. Any negotiated or discounted Reservation Rate for firm transportation service between Primary Receipt and Delivery Points will not automatically transfer to service using Alternate Receipt or Delivery Points, unless Sabine directs Shipper to use an alternate point for operational reasons pursuant to Section 7.6.7 of the General Terms and Conditions. Sabine's Discount Retention Policy is defined in Section 7.9.8 of the General Terms and Conditions.

7.2.7 Request Invalidation

Requests for firm service under this FERC Gas Tariff will be invalid and will not be considered if service is requested to commence later than three (3) months after the information specified in Section 7.4 of the General Terms and Conditions is provided to Sabine, unless additional facilities are required to provide the firm service. Sabine will accept requests for firm service if service is requested to commence within one (1) month of the completion of construction, modification, expansion or acquisition of facilities necessary to provide the requested service. Requests for firm service which cannot be accepted due to insufficient capacity shall not be of a continuing nature and shall be deemed a nullity for all present and future purposes.

7.2.8 Requests For Operating Data

Upon request by Sabine, Shipper shall submit estimates of daily, monthly and annual quantities of gas to be transported, including peak day requirements, together with the estimated amounts thereof applicable to each Primary Receipt Point and Primary Delivery Point. Sabine shall use such information and operating data to determine its System's available capacity, to evaluate potential System capacity needs, to plan its maintenance and repair operations, and to assure adequate service to its Shippers.

7.2.9 Available Capacity

Sabine will make capacity available for firm service to the extent that Sabine determines it is operationally feasible. If operating conditions ever limit Sabine's ability to provide firm service, then Sabine shall provide such service on the basis described in Section 7.6 of the General Terms and Conditions.

7.2.10 Additional Facilities

Sabine shall not be required to construct additional facilities, modify or expand facilities or acquire facilities to provide firm transportation service.

7.3. OPERATING PROVISIONS FOR INTERRUPTIBLE SERVICE

7.3.1 Availability of Interruptible Service

Interruptible service under this FERC Gas Tariff shall be provided when, and to the extent that, Sabine determines that capacity is available in Sabine's existing System, which capacity is not subject to a prior claim by another Shipper or another class of service under a pre-existing agreement or certificate.

7.3.2 Priority of Service

Priority of service for a specific nomination line item shall be determined in accordance with Sections 7.5, 7.6 and 7.19 of the General Terms of Conditions. In general, interruptible transportation services shall be subject to and subordinate to firm transportation services provided by Sabine.

7.3.3 Shipper Requests for Interruptible Service

Requests for interruptible service hereunder shall be made by providing the specific information in, and in the form prescribed by, Section 7.4 of the General Terms and Conditions. Request for Service forms shall be submitted to Sabine, Attention: Commercial Development. Request for Service forms will be supplied to any potential Shipper upon request, and are available at Sabine's corporate office during normal business hours or are available electronically by following the procedures in Section 7.15 of the General Terms and Conditions.

7.3.4 Request Invalidation

Requests for interruptible service under this FERC Gas Tariff will be invalid and will not be considered if service is requested to commence later than six (6) months after the information specified in Section 7.4 of the General Terms and Conditions is provided to Sabine.

7.3.5 Requests For Operating Data

Upon request of Sabine, Shipper shall submit estimates of daily, monthly and annual quantities of gas to be transported, including peak day requirements, together with the estimated amounts thereof applicable to each Receipt Point and Delivery Point. Sabine shall use such information and operating data to determine its System's available capacity, to evaluate potential System capacity needs, to plan its maintenance and repair operations, and to assure adequate service to its Shippers.

7.3.6 Receipt and Delivery Points

Each Receipt Point and each Delivery Point on Sabine's System is available for interruptible transportation service subject to the allocation of capacity at such points first to firm transportation service and second to interruptible transportation service with a higher priority in accordance with Section 7.6 of the General Terms and Conditions. Subject to the availability of capacity, a Shipper may utilize, on an interruptible basis, any Receipt or Delivery Point up to the lesser of the daily transportation quantities at each Receipt or Delivery Point or the Maximum Daily Transportation Quantity set forth in its Interruptible Service Agreement with Sabine.

7.3.7 Interruption of Service

Sabine retains all rights at any and all times during the term of an executed Interruptible Service Agreement to decrease or temporarily suspend receipt and/or delivery of gas if such capacity is required to render service of a higher priority. If Sabine exercises such rights, Shipper shall hold Sabine harmless from any loss, claim, damage or expense that such Shipper or other party may incur by reason of such decrease or suspension.

7.3.8 Failure to Use Service

If within twelve (12) months after the execution of an Interruptible Service Agreement Shipper has not commenced service under the provisions of such executed Interruptible Service Agreement, or if Shipper has commenced service but fails to use service during a consecutive twelve (12) month period after commencement, Sabine may, on a non-discriminatory basis, terminate the Interruptible Service Agreement and Shipper's request for interruptible service shall be deemed a nullity for all present and future purposes. Sabine shall give Shipper written notice thirty (30) days in advance of termination of an executed Interruptible Service Agreement. Shipper may retain the Interruptible Service Agreement by notifying Sabine in writing of its intent to retain such Service Agreement. However, if Shipper fails to use service during a consecutive twelve (12) month period after notice of its intent to retain such service, the Interruptible Service Agreement and Shipper's request for interruptible service shall be automatically terminated and abandoned.

7.3.9 Overbooking of Available Capacity

Sabine may contract to transport gas, on an interruptible basis, in excess of available capacity. If such overbooking should ever limit Sabine's ability to provide interruptible service, then Sabine shall provide such service on the basis described in Section 7.6 of the General Terms and Conditions.

7.3.10 Additional Facilities

Sabine shall not be required to construct additional facilities, modify or expand facilities or acquire facilities to provide interruptible transportation service.

7.4. REQUESTS FOR SERVICE

Subject to any conditions set forth in the applicable Rate Schedules, this Section shall govern qualification for receipt of service under Rate Schedules FT-1 and IT-1.

7.4.1 Requests for Service

- (a) All Shippers requesting transportation service under Rate Schedules FT-1 or IT-1 must provide, in writing in a form acceptable to Sabine, the information required by this Section 7.4 and the information necessary to complete the fill in the blanks in the applicable form of Service Agreement contained in this FERC Gas Tariff in order to qualify for service. No request for service will be scheduled until all of the information has been provided.
- (b) Except as expressly set forth in Section 7.4.1(d) or other provisions of this FERC Gas Tariff, Sabine may award available capacity for firm transportation service to commence at a future date only within the following timeframes:
 - (1) For service with a primary contract term of three months or less, Sabine may award a request for service no earlier than fifteen (15) calendar days prior to the proposed commencement date of service.
 - (2) For service with a primary contract term of greater than three months, but less than one year, Sabine may award a request for service no earlier than thirty (30) calendar days prior to the proposed commencement date of service.
 - (3) For service with a primary contract term of one (1) year or longer, Sabine may award a request for service no earlier than ninety (90) days prior to the proposed commencement date of service.
- (c) Sabine shall deny a request for capacity to the extent honoring the request would have the effect of awarding capacity prior to the timeframes set forth in Section 7.4.1(b), due to the unavailability of the requested capacity for any portion of the requested primary contract term. For example, if, on October 1, a Shipper requested that Sabine award capacity with a primary contract term of one year beginning on November 1, but the capacity was available only for the following June through October (i.e. for the last five months of the requested term), Sabine would treat the request as a request for capacity with a term of five months, with the date the capacity became available deemed to be the start of the requested primary term. Pursuant to Section 7.4.1(b)(2), Sabine would reject the request as premature. Notwithstanding the above:
 - (1) Sabine may consider a request described above pursuant to Section 7.4.1(d).
 - (2) Sabine and Shipper may agree to contract for less than all the requested capacity as long as the award is within the timeframes set forth in Section 7.4.1(b). For example, if a Shipper requested 15,000 Dt/day of capacity for a term of one year, and only 5,000 Dt/day was available for a six-month period beginning four months after the request was made, Sabine and Shipper could agree to contract for the available capacity for a six month term consistent with the timeframe set forth in Section 7.4.1(b)(2).
- (d) Sabine may consider, on a not unduly discriminatory basis, a request for firm service outside the time periods specified in Section 7.4.1(b), if the request involves circumstances which include the following:

- (1) The request is for capacity offered on a pre-arranged basis pursuant to the process set forth in Section 7.2.4:
 - (2) The request is for capacity offered pursuant to an open season initiated by Sabine pursuant to the process set forth in Section 7.4.2; or
 - (3) The request involves the acquisition, modification or construction of facilities or, terms and conditions that may require prior Commission approval or notice.
- (e) If Sabine allows a variation from the time periods specified in Section 7.4.1(b) in accordance with the circumstances described in Section 7.4.1(d)(1)-(3) or otherwise, Sabine shall provide reasons for the variation in the notice of the open season or by means of an Informational Postings notice on Sabine's Internet web site. Sabine shall deviate from the time periods specified in Subsection 7.4.1(b) only in a not unduly discriminatory manner consistent with Commission regulations.

7.4.2 Solicitation of Bids of Capacity

- (a) Sabine shall (1) post notice of its capacity that is available on a first-come, first-served basis, or (2) post notice of an open season for its available capacity, or (3) post notice of an open season for expansion projects including requests for incremental service at a date later than the in-service date of the expansion facilities.

Regarding (2) and (3), the open season notice will be posted for a period of no less than three Business Days for available capacity and no less than 20 Business Days for expansion projects on Sabine's system and will include the following information:

- (i) the location of the capacity or proposed expansion;
 - (ii) the total quantity, if applicable;
 - (iii) the date capacity is available or proposed to be available; and
 - (iv) bid evaluation methodology, if applicable.
- (b) Regarding (2) and (3), the bid methodology will include a NPV analysis. Sabine will award the capacity based upon the highest NPV. In the event of equal bids on the basis of a NPV calculation, capacity will be awarded on a pro rata basis. Shipper shall be required to indicate in its bid whether it is willing to accept a lesser quantity in the event such capacity is awarded on a pro rata basis due to equal bids. For purposes of its NPV evaluation, Sabine may consider the aggregate NPVs of two or more bids.
- (c) Sabine reserves the right not to award such capacity at less than the applicable maximum rate. If no acceptable bids are received during an open season, Sabine will post the capacity on its system in order that it may be awarded on a first-come, first-served basis at a mutually agreed upon rate. Shippers must submit a request for such capacity by electronic mail to Sabine's Marketing Department. The time stamp on the communication will be used to determine the sequence of bids.
- (d) Capacity awarded on a first-come first-served basis at less than the maximum rate may be awarded to an affiliate as defined in Part 358 of the Commission's regulations provided that the discounted capacity offered to an affiliate was first posted for competitive bid as described in this Section 7.4.2 and such discounted rate is not lower than bids received by other open season bidders or shippers requesting the capacity on a first-come first served basis within the same time period.

7.4.3 Modification of Service

Any modification of an existing Service Agreement shall be requested by Shipper's submission of a new request with notation on the request that the service requested is a modification of an existing service. Such request, after having been fully processed and accepted by Sabine, shall be deemed to have the full force and effect of the underlying Service Agreement.

7.4.4 Extension of Capacity Use

Shipper and Sabine may mutually agree to extend the term of a Service Agreement with respect to all or part of the underlying capacity.

7.4.5 Negotiated Rates

Sabine and Shipper may mutually agree on a not unduly discriminatory basis that the extension of a Service Agreement will be at a discounted or negotiated rate.

7.5. NOMINATION PROCEDURES

7.5.1 Required Information

For each day on which Shipper desires transportation service under any Service Agreement, Shipper shall submit to Sabine either a written form containing nomination information on each receipt and delivery point, an electronic mail message containing such information, or an electronic nomination in the format set forth in the NAESB WGQ Standards. Once submitted, nominations, except for Intraday Nominations, will remain in effect for the specified time period unless a prospective written or electronic nomination change is received from Shipper.

All nominations will be considered original nominations and must be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only. (NAESB WGQ 1.3.7)

Each Shipper nomination shall include the information required by NAESB WGQ Standard No. 1.4.1.

7.5.2 Nomination Timelines (NAESB WGQ 1.3.2 i, ii, iii, iv, v, and vi)

a) Sabine supports the following standard nomination cycles:

(i) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Service Requester (SR);
- 1:15 p.m. Nominations are received by Sabine (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Sabine sends the Quick Response to the SR;
- 4:30 p.m. Sabine receives completed confirmations from Confirming Parties;
- 5:00 p.m. SR and Point Operator receive scheduled quantities from Sabine.

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

(ii) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the SR;
- 6:15 p.m. Nominations are received by Sabine (including from TTTSPs);
- 6:30 p.m. Sabine sends the Quick Response to the SR;
- 8:30 p.m. Sabine receives completed confirmations from Confirming Parties;
- 9:00 p.m. Sabine provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

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

(iii) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the SR;
- 10:15 a.m. Nominations are received by Sabine (including from TTTSPs);
- 10:30 a.m. Sabine sends the Quick Response to the SR;
- 12:30 p.m. Sabine receives completed confirmations from Confirming Parties;
- 1:00 p.m. Sabine provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations will be effective at 2:00 p.m. on the current Gas Day.

(iv) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the SR;
- 2:45 p.m. Nominations are received by Sabine (including from TTTSPs);
- 3:00 p.m. Sabine sends the Quick Response to the SR;
- 5:00 p.m. Sabine receives completed confirmations from Confirming Parties;
- 5:30 p.m. Sabine provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations will be effective at 6:00 p.m. on the current Gas Day.

(v) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the SR;
- 7:15 p.m. Nominations are received by Sabine (including from TTTSPs);
- 7:30 p.m. Sabine sends the Quick Response to the SR;
- 9:30 p.m. Sabine receives completed confirmations from Confirming Parties
- 10:00 p.m. Sabine provides scheduled quantities to the affected SR and Point Operator.

Scheduled quantities resulting from Intraday 3 Nominations will be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

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

b) Intra-day nominations

A Shipper may submit and Sabine will accept Intraday Nominations provided such nominations are within Shipper's total MDQ and can be confirmed.

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. (NAESB WGQ 1.3.11)

Intraday nominations may be used to nominate new supply or market. (NAESB WGQ 1.3.33)

Intraday Nominations received by 6:15 p.m. Central Clock Time the Day before the effective date of the requested service will be scheduled in accordance with Section 7.6 of the General Terms and Conditions, and will be effective at the start of the requested service date.

Intraday nominations do not roll over (i.e. intraday nominations span one Gas Day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an intraday nomination modifies an existing nomination. (NAESB WGQ 1.3.13)

c) Quick Response to Nominations

Sabine will send a Quick Response, as defined by NAESB WGQ, to the Shipper for each nomination received. Such Quick Response will serve only as notification of the receipt and validation of nomination information in accordance with NAESB WGQ Standards, but will not indicate whether the nomination will be confirmed pursuant to Subsection 7.5.7 or scheduled pursuant to Subsections 7.6.1 and 7.6.2 of the General Terms and Conditions.

For the Timely Nomination Cycle, the Quick Response will be sent to the Nominating Party by 1:30 p.m. Central Clock Time on the Day the nomination is received. For the Evening Nomination Cycle, the Quick Response will be sent to the Nominating Party on the Day prior to gas flow. For Intraday Nominations, the Quick Response will be sent to the Nominating Party according to the following schedule: Intraday 1 Nomination Cycle - 10:30 a.m. Central Clock Time on the gas day; Intraday 2 Nomination Cycle - 3:00 p.m. Central Clock Time on the gas day; Intraday 3 Nomination Cycle – 7:30 p.m. Central Clock Time on the gas day.

d) Notification to Bumped Parties

Sabine will notify individual Shippers of bumped quantities by telephone or telefax in accordance with the timelines for Evening, Intraday 1, and Intraday 2 Nomination Cycles.

e) Waiver of Penalties

To the extent that a Shipper is bumped as a result of an Intraday nomination by a Shipper with a higher priority of service, Sabine will waive any applicable penalties incurred by Shipper solely as a result of the Intraday bump, and only for the Day on which Shipper is bumped.

7.5.3 Required Nomination Changes

Sabine may require revised nominations or prospective nomination changes by Shipper if the daily flows under a particular Service Agreement differ from confirmed nominations, or an imbalance has occurred due to some operational reason. When a Shipper receives notice requiring a revised nomination or prospective nomination change, Shipper shall submit a nomination in accordance with Subsection 7.5.1 and with the revisions specified by Sabine. Shipper shall be responsible for informing its upstream and downstream parties of revised or prospective changes.

7.5.4 Delegation of Nomination Authority to Agent

A Shipper may delegate to any third party the responsibility for submitting nominations and receiving confirmations or performing other administrative duties under any Service Agreement, subject to the following conditions:

- a) Any designation of a third party as agent, or any change in such designation, must be provided in writing to Sabine at least two (2) Business Days prior to the requested effective date of the designation.
- b) The written designation shall specify any limits on the authority of the Agent, including any time limit for the designation. Sabine may reject any Shipper's request to delegate responsibilities if the limitations on the designation would impose undue administrative burdens on Sabine. Sabine will justify in writing to Shipper the basis for rejecting a request to delegate responsibilities.
- c) Sabine will rely on communications from a Shipper's Agent for all nomination purposes except to the extent the designation is explicitly limited. Communications by Sabine to such Agent shall be deemed notice to Shipper, except to the extent the Agent's authority is explicitly limited with respect to the receipt of notice under the provisions of Subsection 7.5.4(b).
- d) Any third party may administer multiple Service Agreements as the Agent for one or more Shippers. However, the Agent shall administer and account separately for each Service Agreement.

7.5.5 Shipper Prioritization of Nominated Quantities

If Shipper elects to nominate quantities of gas to be received by Sabine from one or more upstream shippers at one or more Receipt Points for delivery by Sabine to one or more downstream shippers at one or more Delivery Points for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated receipt quantity from a particular upstream shipper at a particular Receipt Point shall be reduced in the event that any Downstream Operator verifies and confirms deliveries which are less than the Shipper's nominated deliveries or in the event that, due to Sabine's allocation of available capacity for transportation services, all nominated receipts cannot be scheduled. Likewise, if Shipper elects to nominate quantities of gas to be delivered by Sabine to one or more downstream shippers at one or more Delivery Points for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated delivery quantity to a particular downstream shipper at a particular Delivery Point shall be reduced in the event that any Upstream Operator verifies and confirms receipts which are less than the Shipper's nominated receipts or in the event that, due to Sabine's allocation of available capacity for transportation services, all nominated deliveries cannot be scheduled.

Shipper prioritization of nominated quantities shall not be inconsistent with the terms of this FERC Gas Tariff and such prioritization shall be honored to the extent that Sabine reasonably determines such prioritization is operationally feasible.

7.5.6 Title Transfer Tracking

Sabine shall accommodate Title Transfer Tracking (TTT) activities at its Henry Hub location. Sabine has designated a Title Transfer Tracking Service Provider to perform TTT services at the Henry Hub.

To the extent requested, Sabine shall accommodate Third Party Title Transfer Tracking Service Providers in accordance with the NAESB standards related to TTT incorporated by reference in Section 7.23 of this FERC Gas Tariff.

7.5.7 Confirmation of Nominated Quantities

Nomination made in accordance with this Section 7.5 of the General Terms and Conditions shall not be effective until Sabine has confirmed the nominated receipt quantities with upstream Operators and the nominated delivery quantities with downstream Operators. Shipper shall advise Sabine of the appropriate contact persons with upstream and downstream Operators who have the authority to verify and confirm nominated gas quantities.

Prior to scheduling nominated quantities for transportation service requested by Shippers, Sabine will contact the appropriate Operators at the designated Receipt and Delivery Points in order to confirm the nominated quantities. For Standard Nominations, Sabine will receive completed confirmations from upstream and downstream Operators by 4:30 p.m. Central Clock Time on the Day prior to flow. For Intraday Nominations, Sabine will receive completed confirmations from upstream and downstream Operators according to the following schedule: Evening Nomination Cycle - 8:30 p.m. Central Clock Time on the Day prior to flow; Intraday 1 Nomination Cycle - 12:30 p.m. Central Clock Time on the Gas Day; Intraday 2 Nomination Cycle - 5:00 p.m. Central Clock Time on the Gas Day; Intraday 3 Nomination Cycle - 9:30 p.m. Central Clock Time on the Gas Day.

Sabine may reject, in whole or in part, any nominated quantities where the daily quantities of gas Shipper desires to be transported, the upstream shipper name(s) and contract number(s), or the downstream shipper name(s) and contract number(s) fail to conform with the information provided by the designated Operators at the Receipt and Delivery Points.

If all information conforms except for the daily quantities of gas Shipper desires to have Sabine receive and/or deliver, Sabine shall confirm and schedule the nomination at the lower of the daily quantities nominated by Shipper to Sabine and the daily quantities the Operators can confirm for scheduling at the designated Receipt and Delivery Points. Shipper shall be responsible for informing its upstream and downstream parties of any differences between confirmed quantities and nominated quantities.

7.6. SCHEDULING AND CURTAILMENT

The term "scheduling" refers to the allocation of Available Capacity on Sabine's System during each nomination cycle. Promptly following the nomination deadline for each cycle, Sabine shall evaluate all timely nominations for the cycle in light of prevailing operating conditions, planned or unplanned maintenance or repairs, and similar conditions. Sabine shall then schedule transportation service to the extent capacity is available, allocating capacity, if necessary, pursuant to this Subsection.

Nominations received after nomination deadline will be scheduled after the nominations received before the nomination deadline. (NAESB WGQ 1.3.6)

At each scheduling priority, if sufficient capacity isn't available, nominations shall be scheduled pro rata based on confirmed nomination quantities.

When resolving constraints, Sabine shall evaluate and schedule constrained Delivery Points first, followed by constrained Receipt Points, and finally constrained pipeline sections.

7.6.1 Scheduling of Point Capacity

Point capacity shall be scheduled in the following priority order (from highest to lowest):

- a) Nominations with a flow direction opposite of the physical flow direction at a point shall be scheduled first since these nominations potentially create capacity at the point.
- b) Nominations for firm transportation service.

Sabine shall further prioritize nominations within this scheduling class as follows:

- i) Primary Receipt/Delivery Point
 - ii) In-Path Alternate Receipt/Delivery Point
 - iii) Out-of-Path Alternate Receipt/Delivery Point
- c) Nominations for interruptible transportation service.

Sabine shall further prioritize nominations within this scheduling class as follows:

- i) Maximum Rate

After Sabine schedules firm transportation service pursuant to Subsection 7.6.1(b), any remaining capacity shall be scheduled to interruptible transportation service at maximum rate. Interruptible Shippers paying a Negotiated Rate that is higher than the maximum tariff rate for interruptible service, as set forth in the currently effective Section No. 5 of this FERC Gas Tariff, shall be afforded the same priority as if the service was at maximum rate.

- ii) Less Than Maximum Rate

After Sabine schedules interruptible transportation service pursuant to Subsection 7.6.1(c)(i), any remaining capacity shall be scheduled to interruptible transportation service at less than maximum rate. Such capacity shall be

scheduled first to Shipper(s) paying the highest percentage of maximum rate, then to Shipper(s) paying the next highest percentage of maximum rate. Sabine shall continue this process until all capacity at the point is scheduled.

7.6.2 Scheduling of Pipeline Section Capacity

Pipeline section capacity shall be scheduled in the following priority order (from highest to lowest):

- a) Nominations with a flow direction opposite of the physical flow direction in the pipeline section shall be scheduled first since these nominations potentially create capacity in the pipeline section.
- b) Nominations for firm transportation service.

Sabine shall further prioritize nominations within this scheduling class as follows:

- i) In-Path, In-Direction
 - ii) In-Path, Out-of-Direction
 - iii) Out-of-Path
- c) Nominations for interruptible transportation service.

Sabine shall further prioritize nominations within this scheduling class as follows:

- i) Maximum Rate
- ii) Less Than Maximum Rate

After Sabine schedules firm transportation service pursuant to Subsection 7.6.2(b), any remaining capacity shall be scheduled to interruptible transportation service at maximum rate. Interruptible Shippers paying a Negotiated Rate that is higher than the maximum tariff rate for interruptible service, as set forth in the currently effective Section No. 5 of this FERC Gas Tariff, shall be afforded the same priority as if the service was at maximum rate.

After Sabine schedules interruptible transportation service pursuant to Subsection 7.6.1(c)(i), any remaining capacity shall be scheduled to interruptible transportation service at less than maximum rate. Such capacity shall be scheduled first to Shipper(s) paying the highest percentage of maximum rate, then to Shipper(s) paying the next highest percentage of maximum rate. Sabine shall continue this process until all capacity at the point is scheduled.

7.6.3 Bump Protection

- a) Evening, Intraday 1, and Intraday 2 Nomination Cycles

Nominations for firm transportation service received in the Evening, Intraday 1, and/or Intraday 2 Nomination Cycles will not bump previously scheduled and/or flowing nominations for firm transportation service, but may bump previously scheduled and/or flowing nominations for interruptible transportation service.

Nominations for interruptible transportation service received in the Evening, Intraday 1, and/or Intraday 2 Nomination Cycles will not bump previously scheduled and/or flowing nominations for interruptible transportation service, regardless of the percentage of maximum rate paid for such scheduled and/or flowing nominations for interruptible transportation service.

b) Intraday 3 Nomination Cycle

No bumping will be permitted in the Intraday 3 nomination cycle.

7.6.4 Scheduling Nominated Quantities

Promptly upon the close of the nomination deadline for each nomination cycle, Sabine shall evaluate all timely nominations and the anticipated available capacity of Sabine's System. Sabine shall schedule nominated quantities of gas to the extent nominations can be confirmed in accordance with Subsection 7.5.7 of the General Terms and Conditions, and to the extent capacity is available in accordance with Subsections 7.6.1 and 7.6.2. Sabine shall not be required to schedule quantities of gas at any Receipt or Delivery Point where the cumulative daily nominated quantities at such Receipt or Delivery Point are below the quantities required to meet the measurement standards as prescribed in ANSI/API 2530.

Following scheduling of confirmed standard nominations, Sabine will furnish a report to the Shipper and point Operator for receipt by 5:00 p.m. Central Clock Time the Day before the effective date of the requested service showing the scheduled receipt and delivery quantities by contract number and Receipt/Delivery Point. Following scheduling of confirmed Intraday Nominations, Sabine will furnish a report to the Shipper and point Operator showing the scheduled receipt and delivery quantities by contract number and Receipt/Delivery point according to the following schedule: Evening Nomination Cycle - 9:00 p.m. Central Clock Time on the Day prior to flow; Intraday 1 Nomination Cycle - 1:00 p.m. Central Clock Time on the Gas Day; Intraday 2 Nomination Cycle - 5:30 p.m. Central Clock Time on the Gas Day; Intraday 3 Nomination Cycle - 10:00 p.m. Central Clock Time on the Gas Day. At the end of each Gas Day, Sabine will provide the final scheduled quantities for the just completed Gas Day. For written nominations, such communication may be made by facsimile or other acceptable means of electronic correspondence. For electronic nominations, Sabine will send a report in accordance with the NAESB WGQ standards.

7.6.5 Changes in Daily Scheduled Quantities

After Shipper has submitted a nomination and Sabine has confirmed and scheduled the quantities of gas to be transported, such quantities shall remain scheduled until the ending date specified in the nomination unless:

- a) a prospective nomination is received from Shipper requesting a change in previously confirmed and scheduled quantities; or
- b) a prospective nomination is required by Sabine in accordance with Section 7.5 of the General Terms and Conditions; or
- c) an Intraday Nomination specifies an effective period greater than one Gas Day; or
- d) transportation service is curtailed in order to provide service for a higher priority class of service; or

- e) the designated contact persons with upstream and downstream Operators, who have the authority to verify and confirm nominated gas quantities, require a reduction of the confirmed and scheduled quantities; or
- f) receipts or deliveries at a particular Receipt Point or Delivery Point are outside of the established tolerance levels specified in an executed Operational Balancing Agreement; or
- g) adjustments of receipts or deliveries at a particular Receipt Point or Delivery Point are required as specified in an Operational Flow Order; or
- h) capacity used in providing service is inadequate as a result of a force majeure event, overbooking of capacity, or an operational limiting event.

7.6.6 Operational Flow Orders

An Operational Flow Order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of Sabine's system, or to maintain operations required to provide efficient and reliable firm service. Whenever Sabine experiences these conditions, any pertinent order will be referred to as an Operational Flow Order, or OFO. Sabine will determine, in its reasonable judgment, the circumstances which will result in the issuance of an Operational Flow Order. Such circumstances cannot be quantified in advance since the issuance of an Operational Flow Order will depend on quantities of gas confirmed and scheduled, the point(s) where the actual receipts or deliveries governing the allocation at the point(s), and the relationship of these individual factors to the general system operations on any given Day. Generally, an OFO may be issued if there is a significant decrease or increase in line pressure or if a curtailment order fails to reduce gas flow in the event there is insufficient capacity to handle all confirmed and scheduled nominations. Operational Flow Orders will identify the situation to be addressed and shall identify specific actions to be taken by Shipper stated in terms of an hourly gas flow level and a length of time the Operational Flow Order shall be in effect. Operational Flow Orders will be issued prior to 8:00 A.M. Central Time to be effective at 8:00 A.M. Central Time the following Day. Sabine will provide periodic reports on Sabine's Internet Web Site (web site) as to any changes in the condition that prompted the OFO and probable duration of the OFO. Operational Flow Orders affecting a number of Shippers on all or any portion of Sabine's System will be posted on the web site. To the extent that an Operational Flow Order is applicable to specific Shippers, Sabine will notify such Shippers by telephone or telefax.

If a Shipper makes a contact person available for such notices on a 24-hour basis, and provides all necessary information to Sabine, Sabine will use reasonable efforts to give actual notice to that person, as time permits. A penalty will not be imposed on a Shipper that fails to comply with an OFO unless that Shipper's contact person has been notified of the OFO and the Shipper is given a reasonable time to comply.

7.6.7 Compliance with Operational Flow Orders

Operational Flow Orders issued to alleviate conditions which threaten the operational integrity of Sabine's System will require compliance within four (4) hours of notification, or such other time specified in the Operational Flow Order. Any Shipper receiving an Operational Flow Order may undertake any of the following actions necessary to comply with such order:

- a) Commence or increase tenders of gas into Sabine's System by a specified quantity at Receipt Points or shift tenders of gas, in whole or part, to different Receipt Points;

- b) Cease or reduce tenders of gas into Sabine's System by a specified quantity at specific Receipt Points;
- c) Commence or increase takes of gas from Sabine's System by a specified quantity at specified Delivery Points;
- d) Cease or reduce takes of gas from Sabine's System by a specified quantity at specified Delivery Points.

If a Shipper is notified by Sabine of an Operational Flow Order and fails to comply with such Operational Flow Order, Shipper shall be subject to a penalty of the higher of (i) \$10.00 per Dt or (ii) three times the midpoint price reported for "Henry Hub" as published in the Platts Gas Daily price survey for the applicable flow date for gas received and/or delivered in excess of the quantities specified by Sabine in such Operational Flow Order. If Shipper complies by adjusting its tenders or takes within Shipper shall not be subject to the penalty set forth in this Subsection 7.6.7. Shipper compliance shall be a change in gas flow to the level specified by Sabine and will be evidenced by the confirmation of a flow rate change from an Upstream or Downstream Operator or the confirmation of a flow rate change by Sabine. Sabine will assist any Shipper in complying with an OFO. Sabine will not impose a penalty for failure to comply if Shipper demonstrates that all reasonable efforts have been made to comply and additionally seeks Sabine's assistance within the time specified in the OFO for commencement of corrective action.

Net penalty revenues will be credited to a penalty account on a monthly basis and will be credited to non-penalized Shippers within 60 days following the end of the Month in which the penalty accrued. Non-penalized Shippers shall be credited proportionately to total transportation charges paid in the Month in which the penalty accrued.

7.6.8 Imminent Operational Flow Orders

If Sabine determines that operational circumstances exist such that the issuance of an Operational Flow Order is imminent, but corrective actions may be taken to mitigate such circumstances, Sabine shall warn affected Shippers of a potential Operational Flow Order. Sabine will postpone the issuance of an OFO and allow warned Shippers the opportunity to take corrective actions, provided the warned Shippers advise Sabine of their proposed corrective actions. Failure to implement corrective measures by such Shippers may ultimately result in the issuance of an OFO by Sabine.

7.6.9 Imbalances Resulting from Operational Flow Orders

To the extent any monthly imbalance or portion thereof is a direct result of Shipper's inability to balance receipts and deliveries during the month due to the issuance of an Operational Flow Order, Shipper will have until the end of the next calendar month to reconcile that portion of the imbalance attributable to its compliance with the OFO. Any imbalance remaining at the end of the extended period will be subject to the imbalance resolution procedures set forth in Section 7.8 of this FERC Gas Tariff.

7.6.10 Curtailment

If, at any time, Sabine determines because of operating or other conditions affecting its System, that the transmission capacity of all or part of its System is insufficient to serve all

transportation quantities confirmed and scheduled on such day, available capacity shall be allocated in a manner which results in curtailment of transportation services on all or part of its System where capacity is insufficient in the following priority:

- a) First, among Shippers transporting gas under Interruptible Service Agreements. Such transportation quantities shall be curtailed pro rata based on the percentage of maximum rate service shall be afforded the same curtailment status as if the service was at 100% of maximum rate; and
- b) Second, pro rata among Shippers transporting gas under Firm Service Agreements.

Pro rata curtailments of firm service will be based on the ratio of each Shipper's confirmed and scheduled transportation quantities to the total confirmed and scheduled quantities by all firm Shippers multiplied by the amount of capacity available to Shippers.

If the transmission capacity is limited on only part or parts of Sabine's System, including any Delivery and/or Receipt Points, Sabine's curtailment orders pursuant to this Subsection, shall be limited to the transportation services confirmed and scheduled for such part or parts of Sabine's System.

7.6.11 Notice of Curtailment

Sabine will post notices of curtailment on its Internet web site (web site), and also, if appropriate, shall notify all affected Shippers as soon as practical and in a manner that is reasonable under existing conditions that a period of curtailment exists. Such notice shall set forth any limits on receipts or deliveries and the anticipated duration of such curtailment period. Upon notice of curtailment, Shipper shall adjust its receipts and/or deliveries of gas as specified by Sabine and make such adjustments within the time period specified by Sabine. Shipper compliance shall be a change in gas flow to the level specified by Sabine and will be evidenced by the confirmation of a flow rate change with an upstream or downstream Operator or the confirmation of the flow rate change by Sabine. Failure by any Shipper to adjust its receipts and/or deliveries within the time period specified by Sabine will result in the imposition of curtailment penalties assessed from the time Sabine notified the Shipper. Although a curtailment notice must result in an immediate change in gas flow, no penalties shall be assessed unless advance notice of curtailment is given at least forty-eight (48) hours before the curtailment is required by the order or Shipper does not initiate reasonable efforts to adjust the receipt and/or delivery of gas as required in the curtailment notice and order upon the receipt of such notice.

7.6.12 Curtailment Penalties

All gas received for the account of Shipper or delivered for the account of Shipper after notification of a curtailment and order given pursuant to Subsection 7.6.10 which deviates from the quantities set by Sabine in the notice of curtailment shall be assessed a penalty of the higher of (i) \$10.00 per Dt or (ii) three times the midpoint price reported for "Henry Hub" as published in the Platts Gas Daily price survey for the applicable flow date of curtailment. The imposition of a curtailment penalty will not relieve a Shipper from its obligations to resolve any imbalance created during a period of curtailment.

Net penalty revenues will be credited to a penalty account on a monthly basis and will be credited to non-penalized Shippers within 60 days following the end of the Month in which the penalty accrued.

Non-penalized Shippers shall be credited proportionately to total transportation charges paid in the Month in which the penalty accrued.

7.6.13 Emergency Procedures

Variations in the curtailment procedures set forth in Subsection 7.6.10 may be permitted by Sabine when necessary to respond to emergency situations (including environmental emergencies) where supplemental deliveries are required to forestall injury to life or property.

7.6.14 Reports Following OFOS

In the event Sabine issues an OFO, Sabine will post on its web site a report on the OFO within 60 days of issuance of the OFO. The report will include a timeline of the actions taken to notify Shippers of the possibility of an OFO, the intermediate steps taken by Sabine to avoid or reduce the impact of an OFO, the steps taken by Sabine and Shippers to end the OFO, and the end of the OFO. The report will include the amount of penalties that were assessed, if any, and the expenses incurred to avoid or correct the OFO conditions.

7.7. ALLOCATION OF MEASURED GAS QUANTITIES

7.7.1 Allocation of Measured Receipts and Deliveries

Promptly at the end of each month, Sabine shall allocate the daily quantity of gas measured at each Receipt Point and each Delivery Point for the accounts of Shippers under each Service Agreement. To the extent possible, all quantities of gas measured at each Receipt Point and each Delivery Point shall be allocated on the basis of Shipper's confirmed nominations. In the event the quantities of gas measured at any Receipt Point or any Delivery Point do not equal the confirmed nominations for such point, the quantities of gas measured at the Receipt Point or the Delivery Point shall be allocated in accordance with the following methods and in the following order: (1) under the provisions of an Operational Balancing Agreement, (2) on the basis of a predetermined allocation, or (3) pro rata on the basis of confirmed nominations.

At a location, the total quantity measured or estimated for the period will be used to provide allocations to parties' scheduled transactions (or otherwise identified transactions consistent with NAESB WGQ Standard No. 2.3.61). (NAESB WGQ 2.3.54)

In the allocation process, estimated quantities will be adjusted to actuals following the time that the actual quantities are known. (NAESB WGQ 2.3.55)

7.7.2 Operational Balancing Agreements

Sabine is willing to negotiate and execute an Operational Balancing Agreement (OBA) with any Operator for the purpose of minimizing operational imbalances or other matters with respect to the receipt of gas into or the delivery of gas from Sabine's System. The OBA shall specify the gas custody transfer procedures to be followed by Sabine and the Operator for the confirmation of nominated quantities and allocation of quantities of gas measured at the point(s) of interconnection between Sabine and the Operator. The OBA will provide that any variance between quantities of gas measured and confirmed nominations for any day shall be promptly resolved in-kind. To facilitate the determination of variances on a timely basis, Sabine and the Operator will agree upon necessary measurement, allocation and accounting procedures and set forth such procedures in the OBA. Sabine will post on its Internet web site (web site) the Receipt Points and Delivery Points where an OBA governs the allocation of quantities of gas measured.

At a location which is covered by an OBA, each party to the OBA should allocate its side of the location. (NAESB WGQ 2.3.58)

Under normal operating conditions, at a location which is covered by an OBA, the scheduled quantity will be the allocated quantity. (NAESB WGQ 2.3.64)

7.7.3 Eligibility for an Operational Balancing Agreement

Sabine shall negotiate and execute OBAs on a non-discriminatory basis with any Operator provided that Sabine shall not be obligated to negotiate and execute OBAs with any Operator that:

- a) is not credit worthy as determined pursuant to Section 7.24 of the General Terms and Conditions;
- b) does not maintain, or have available, dispatching operations that are staffed on a continuous basis;

- c) does not have electronic flow measurement equipment to which Sabine has access at the interconnect point(s) for which an OBA is proposed;
- d) would subject Sabine to an increase in operating costs to operate electronic flow measurement or flow control equipment; or
- e) does not commit to timely and final determination of variances based on prompt in-kind resolution.

7.7.4 Predetermined Allocations

Sabine is willing to negotiate and establish a predetermined allocation methodology with any Operator for the purpose of allocating quantities of gas measured at any Receipt Point or any Delivery Point in the event the quantities of gas measured do not equal the confirmed nominations for such point. Unless otherwise agreed, all predetermined allocation methods established between Sabine and Operator must be agreed to in writing or by electronic communications following the NAESB WGQ Standards before the first Day of the allocation period in which the predetermined allocation method is to be effective.

A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the Confirming Parties and the party being allocated to in such transaction. In the event of a conflict between this standard and Sabine's existing tariff or general terms and conditions, the latter will prevail. (NAESB WGQ 2.3.61)

7.7.5 Except in cases where the Percentage or Operator Provided Value method of allocation is being employed, where there is:

- (i) sufficient gas to fulfill all scheduled quantities at a location, a Pre-determined Allocation (PDA) should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is less than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable,
- (ii) insufficient gas to fulfill all scheduled quantities at a location, a PDA should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is greater than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable.

In the event of conflicts between this standard and Sabine's existing tariff or general terms and conditions, the latter will prevail. (NAESB WGQ 2.3.62)

7.7.6 The allocating party should send back "confirmation" of receipt of the pre-determined allocation within 15 minutes. (NAESB WGQ 2.3.6)

The types of allocation methodologies is a list from which two parties may agree. If the two parties cannot agree upon an allocation methodology, pro rata based upon confirmed nominations will be used as the default method. The party responsible for custody transfer (the party performing the measurement function) shall provide the allocation. (NAESB WGQ 2.3.18)

The same standard allocation methodologies are available for use at all points. (NAESB WGQ 2.3.17)

The predetermined allocation method must specify how any deviation (underdelivery or overdelivery) of actual gas quantity transported from the confirmed quantity is to be allocated for the accounts of Shippers. The predetermined allocation method will be either ranked, pro rata, percentage or swing, as such terms are defined in the NAESB WGQ standards. The predetermined allocation methods are available at any point except those covered by an OBA. Sabine shall be entitled to rely exclusively on Operator's selection of an effective predetermined allocation method in allocating gas confirmed at a point and the Operator holds Sabine harmless against actions taken and allocations made in reliance upon such predetermined allocation method. No retroactive changes to a predetermined allocation method may be made unless Sabine and all affected parties agree in writing.

The time limitation for disputes of allocations is 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. This 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. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ 2.3.26)

7.7.7 Operational Integrity Limitation

Nothing in this Section 7.7 or in any executed OBA shall limit Sabine's right to take action as may be required to adjust receipts and deliveries under any Service Agreement to alleviate operating conditions which threaten the operational integrity of Sabine's System. Such adjustments will be made only in emergency situations where prompt action is required and Sabine determines, in its reasonable judgment, that Operational Flow Orders are inadequate. Sabine will provide Shipper written justification for any emergency adjustments of the receipts and deliveries.

7.7.8 Adjustments To a Prior Day's Scheduled Quantities and PDAs

Adjustments to a prior Day's scheduled quantities and PDAs after the nomination deadline set forth in Section 7.5.2 will be permitted by Sabine in accordance with the following procedures and only if all parties affected by the resulting prior period reallocation (including Sabine) consent in writing to the adjustment; provided, however, Sabine shall not unreasonably withhold such consent. All prior Day's requests must be operationally feasible and are subject to the tariff limitations applicable to such Day.

- a) For adjustments to a prior Day's scheduled quantities and PDAs for Days in the current Month, Shipper or the point operator must submit requests via email to Sabine within five (5) Days after the close of the affected Day or by 5:00 PM Central Clock Time on the third Business Day of the following Month, whichever is sooner.
- b) For adjustments to a prior Day's scheduled quantities and PDAs for Days in a prior Month for which allocations are closed, Shipper or the point operator must submit requests via email to Sabine by 5:00 PM Central Clock Time on the 25th day of the succeeding Month.

Sabine will notify via email all parties affected by a Shipper's or point operator's request for an adjustment to a prior Day's scheduled quantities and PDAs. Following the date of notification by Sabine as contemplated by the immediately-preceding sentence, all affected parties must indicate their consent via email to Sabine by 5:00 PM Central Clock Time on the third Day following the date of Sabine's notification; provided however, all consents must be received by Sabine via email before the date that allocations close for the Month. If all affected parties' consents are not received by Sabine in accordance with these provisions, Shipper's or point operator's request will expire.

Sabine, in its sole judgment, may waive any deadlines established herein, on a non-discriminatory basis, if Sabine determines that operating conditions permit.

7.8. RESOLUTION OF IMBALANCES

7.8.1 Imbalance Management Services

(a) Calculation of Monthly Imbalances

A Monthly Imbalance occurs when the quantity of a Shipper's allocated receipts differs from the quantity of its allocated deliveries during a Month (after taking into account appropriate deductions for Fuel and Line Loss volumes pursuant to Section 7.27) under a Service Agreement. Sabine shall calculate the Monthly Imbalance for each Service Agreement for each Shipper each Month. All Monthly Imbalances under each Shipper's Service Agreement(s) will be combined to derive either a Net Positive Monthly Imbalance (where the total of all allocated receipts under all Service Agreements so netted are greater than the total of all allocated deliveries), or a Net Negative Monthly Imbalance (where the total of all allocated deliveries under all Service Agreements so netted are greater than the total of all allocated receipts). A Monthly Imbalance Statement will be issued (by U.S. mail or electronically) each Month by Sabine detailing all such Net Positive or Net Negative Monthly Imbalances prior to or simultaneous with the invoice as per Section 7.9.

(b) Imbalance Trading and Netting

Following the issuance of the Monthly Imbalance Statement as per Section 7.8.1, a Shipper may trade its Net Positive or Net Negative Monthly Imbalances and/or imbalances resulting from a force majeure event with other Shippers on Sabine's system or itself.

Imbalances to be posted for trading must be authorized by the Shipper. (NAESB WGQ 2.3.43)

An Authorization to Post Imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) that is received by Sabine by 11:45 a.m. will be effective by 8:00 a.m. the next Business Day. An imbalance that is previously authorized for posting will be posted on or before the ninth Business Day of the month. (NAESB WGQ 2.3.40)

Sabine will provide the ability to view and, upon request, download posted imbalances. (NAESB WGQ 2.3.42)

Sabine will enable the imbalance trading process by providing the ability for:

- The Service Requester to authorize the posting of imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) on Sabine's Informational Postings and/or Customer Activities Web site(s);
- A party to view the posted imbalances (pursuant to NAESB WGQ Standard No. 2.4.10) on Sabine's Informational Postings Web site;
- The Initiating Trader to submit a request to Sabine for an imbalance trade (pursuant to NAESB WGQ Standard No. 2.4.11) on Sabine's Informational Postings and/or Customer Activities Web site(s);
- Sabine, in response to the request for an imbalance trade, to provide any error/warning message(s), as necessary which includes the name of the relevant data element, if appropriate, along with the corresponding message;
- The Initiating Trader to withdraw its request for an imbalance trade on Sabine's Informational Postings and/or Customer Activities Web site(s);
- Sabine to, optionally, request the Confirming Trader to confirm the request for an imbalance trade;
- The Confirming Trader to confirm the request for an imbalance trade on Sabine's Informational Postings and/or Customer Activities Web site(s);

- Sabine to provide the Initiating Trader and the Confirming Trader with the status of the requested imbalance trade no later than Noon on the next Business Day, including, if applicable, an explanation when the trade quantity is not equal to the trade quantity requested;
- Sabine to effectuate the confirmed trade; and
- Sabine to reflect the trade prior to or on the next monthly Shipper Imbalance or cashout. (NAESB WGQ 2.3.46)

An imbalance trade can only be withdrawn by the Initiating Trader and only prior to the Confirming Trader's confirmation of the trade. A n Imbalance trade is considered final when confirmed by the Confirming Trader and effectuated by Sabine. (NAESB WGQ 2.3.47)

Sabine will process, or cause to be processed, a trade of imbalances only if and when each party to the trade timely notifies Sabine of (i) the trade, (ii) the identity of the Shipper(s) with whom the trade was made, (iii) the relevant Sabine Service Agreement numbers for each Shipper involved in the trade, and (iv) the volumes traded, and Sabine is able to verify, or cause to be verified, that the afore-mentioned provided information is correct and a match.

(c) Cash Out of Remaining Imbalances

- (i) On or after the last calendar Day of each Month following the Month during which the imbalance arose, all remaining Net Positive or Net Negative Monthly Imbalances for each Shipper will be divided by the sum of the total gas volumes delivered under all such Service Agreements for such Shipper during such Month during which the imbalance arose to yield Shipper's Net Imbalance Percentage for said Month.
- (ii) If Shipper has a Net Positive Monthly Imbalance for such Month, then Sabine shall pay Shipper, within ten (10) Days from the date of the invoice for each and every Dt of such Net Positive Monthly Imbalance the Applicable Index Price, based on the aforementioned Net Imbalance Percentage, according to the following tiers:

Net Imbalance Percentage	Applicable Index Price (per Dt of Net Positive Monthly Imbalance)
Equal to or less than 2.5%	100% x Weekly Average Price
Greater than 2.5% but less than or equal to 5%	95% x Weekly Average Price
Greater than 5% but less than or equal to 10%	90% x Weekly Average Price
Greater than 10% but less than or equal to 20%	80% x Weekly Average Price
Greater than 20% but less than or equal to 30%	70% x Weekly Average Price
Greater than 30%	60% x Weekly Average Price

For purposes of determining the tier at which an imbalance will be cashed out, the Applicable Index Price will apply only to volumes within a particular tier. For example, if there is a Net Positive Monthly Imbalance that equates to a Net

Imbalance Percentage of 7%, the volumes that make up the first 2.5% (i. e., "Equal to or less than 2.5%") of the Net Positive Monthly Imbalance will be priced at 100% of the Applicable Index Price, volumes that make up the next 2.5% (i. e., "Greater than 2.5% but less than or equal to 5%") of the Net Positive Monthly Imbalance will be priced at 95% of the Applicable Index Price, and volumes that make up the remaining 2.0% (i. e., "Greater than 5% but less than or equal to 10%") of the Net Positive Monthly Imbalance will be priced at 90% of the Applicable Index

- (iii) If Shipper has a Net Negative Monthly Imbalance for such Month, then Shipper shall pay Sabine, within ten (10) Days from the date of the invoice for each and every Dt of such Net Negative Monthly Imbalance the Applicable Index Price, based on the aforementioned Net Imbalance Percentage, according to the following tiers:

Net Imbalance Percentage	Applicable Index Price (per Dt of Net Negative Monthly Imbalance)
Equal to or less than 2.5%	100% x Weekly Average Price
Greater than 2.5% but less than or equal to 5%	105% x Weekly Average Price
Greater than 5% but less than or equal to 10%	110% x Weekly Average Price
Greater than 10% but less than or equal to 20%	120% x Weekly Average Price
Greater than 20% but less than or equal to 30%	130% x Weekly Average Price
Greater than 30%	140% x Weekly Average Price

For purposes of determining the tier at which an imbalance will be cashed out, the Applicable Index Price will apply only to volumes within a particular tier. For example, if there is a Net Negative Monthly Imbalance that equates to a Net Imbalance Percentage of 7%, the volumes that make up the first 2.5% (i. e., "Equal to or less than 2.5%") of the Net Negative Monthly Imbalance will be priced at 100% of the Applicable Index Price, volumes that make up the next 2.5% (i. e., "Greater than 2.5% but less than or equal to 5%") of the Net Negative Monthly Imbalance will be priced at 105% of the Applicable Index Price, and volumes that make up the remaining 2.0% (i. e., "Greater than 5% but less than or equal to 10%") of the Net Negative Monthly Imbalance will be priced at 110% of the Applicable Index Price. All payments shall be in accordance with Section 7.9.

For these purposes, the Weekly Average Price shall be the arithmetic average of the weekly average prices for spot gas supplies at "Henry Hub," Gulf Coast, in the table "Natural Gas Weekly Spot Prices" of the publication of "Natural Gas Week." The weeks to be used in determining each Month's Weekly Average Price shall include all weeks that such publication is issued within the calendar Month during which the imbalance accrued, plus the first week of the next succeeding Month. The Applicable Index Prices resulting from the above calculations shall be computed to four decimal places.

(d) Imbalances Resulting From Force Majeure

Imbalances created as a direct result of a force majeure event on Sabine's system during a Month shall be resolved, by Sabine and/or Shipper in the same manner as heretofore set forth; provided, however, that the price to be paid by Sabine or Shipper for any Net Positive or Net Negative Monthly Imbalance created during the period in which such force majeure event occurred shall be the Applicable Index Price for the "Equal to or less than 2.5% Net Imbalance Percentage" for the period during which the force majeure event occurred, regardless of the size of the Net Positive or Net Negative Monthly Imbalance. Such payments shall be made within ten (10) Days of the date of receipt of any invoice for the Net Positive or Net Negative Imbalance that is the result of such force majeure event.

(e) Imbalances Resulting From Prior Period Adjustments

Imbalances created as a direct result of a prior period adjustment shall be resolved, by Sabine and/or Shipper in the same manner as heretofore set forth, except that they shall not be eligible for trading, and shall be priced at the Applicable Index Price(s) for the month to which the prior period adjustment is applicable. All payments relating thereto shall be made within ten (10) Days of the date of receipt of any invoice or imbalance statement detailing the Net Positive or Net Negative Imbalance that is the result of such prior period adjustment.

(f) Annual Billing Period and Annual True-Up

During each Annual Billing Period (Annual Billing Period), Sabine shall calculate the difference(s), if any, between the revenues it collects and the costs it incurs under this Section 7.8.1 during such Annual Billing Period. For these purposes, Annual Billing Period is defined as the one year period beginning on April 1 of each calendar year and ending on March 31 of the next succeeding calendar year, except for the first Annual Billing Period which shall be defined as the period beginning on the effective date of this Section 7.8.1 and ending on March 31 of the next succeeding calendar year. To the extent the difference between the revenues Sabine collects pursuant to this Section 7.8.1 and the costs it incurs pursuant to this Section 7.8.1 is equal to or less than One Hundred Thousand Dollars (\$100,000), Sabine shall carry forward the difference to the next Annual Billing Period. To the extent the difference between the revenues Sabine collects pursuant to this Section 7.8.1 and the costs it incurs pursuant to this Section 7.8.1 is greater than One Hundred Thousand Dollars (\$100,000), Sabine shall file a report with the Commission and refund, within sixty (60) calendar Days of the end of said Annual Billing Period, any excess revenues received under this provision, over costs incurred under this provision, to its firm and interruptible Shippers on a pro rata basis based on deliveries during said Annual Billing Period (Annual True-Up). In the event costs incurred are greater than revenues received, Sabine shall carry forward the difference to the next Annual Billing Period, and may offset such difference against any future net overrecoveries that may occur in a subsequent Annual Billing Period(s). Notwithstanding any other provision of this FERC Gas Tariff, Sabine shall retain all revenues received from any Shipper pursuant to this Section 7.8.1 if that Shipper had been granted a rate less than the applicable maximum tariff rate during any Month of the Annual Billing Period to which this Section 7.8.1(f) applies.

- (g) Operational Transactions
- (i) Sabine may buy, sell, and/or borrow or tender gas, for return at a later date (each individually an "Operational Transaction") to the extent necessary to:
- 1) maintain system pressure and line pack;
 - 2) manage system imbalances, fuel, and loss and unaccounted for retentions;
 - 3) perform other operational functions of Sabine in connection with the transportation of gas; and,
 - 4) otherwise protect the operational integrity of Sabine's system.
- (ii) All such Operational Transactions shall be made on an unbundled basis on Sabine, with the purchaser or receiver of the gas sold or tendered by Sabine responsible for any transportation on Sabine. Sales by Sabine shall be made at Receipt Point(s) on Sabine's system, and have a lower scheduling priority than firm service. Other Operational Transactions shall be made at those locations where the gas may be operationally needed from time to time.
- (iii) Prior to making any purchases or sales under this Section 7.8.1(g), Sabine shall post such purchase and sales quantities for bidding on its electronic bulletin board in accordance with the applicable bidding provisions that will be posted at the time of the purchase/sale. Sabine reserves the right, in its sole discretion
- 1) to withdraw its postings;
 - 2) reject all bids due to operational changes; and/or
 - 3) reject any bids that do not meet, or that contain modifications to, the terms of the posting or that contain terms that are operationally unacceptable.
- (iv) In addition to the Annual True-Up Filing concerning imbalance cash outs pursuant to subparagraph (f), Sabine shall file a report (Operational Transaction(s) Report) on or before April 1 of each year reflecting the Operational Transactions for the twelve Month period ending the previous December 31. The report shall include:
- 1) the source of the gas making up the each Operational Transaction;
 - 2) the date of the Operational Transaction;
 - 3) the volumes/quantities associated with the Operational Transaction;
 - 4) the price/cost associated with any purchase/sale;
 - 5) the disposition of the revenues/costs of any purchase/sale, including their absorption by Sabine;
 - 6) an explanation of the purpose of any such Operational Transaction; and,
 - 7) whether Sabine exercised its rights under paragraph (iii) above to withdraw or reject any bid.

7.9. BILLING AND PAYMENT

7.9.1 Billing

The imbalance statement will be rendered prior to or with the invoice, and the transportation invoice will be rendered on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site. (NAESB WGQ 3.3.14)

Sabine will render an invoice to Shipper using electronic medium pursuant to the NAESB WGQ Standards. If Sabine is unable for any reason to render said invoice electronically, or any Shipper is unable to receive said invoice electronically, Sabine will render said invoice to Shipper using an alternative delivery method acceptable to both Sabine and Shipper. Notwithstanding the foregoing, all such invoices will use the descriptions and charge codes set forth in the NAESB WGQ Standards. It shall be the responsibility of Shipper to maintain up-to-date electronic medium information for these purposes. Transportation invoices will specify all rate components.

Required invoice backup data will accompany or precede the invoice. (NAESB WGQ 3.3.10)

7.9.2 Payments to Sabine

Shipper agrees to make payment to Sabine for transportation services or any other charges within ten (10) days from the date of the invoice. Such payment shall include supporting documentation, including identification of invoice number(s) being paid. Unless another suitable method of payment is agreed to by Sabine, Shipper shall make payment via Federal Reserve wire transfer to the bank designated by Sabine.

Party making payment should submit supporting documentation; party receiving payment must apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date. (NAESB WGQ 3.3.17)

Should Shipper fail to pay all of the amount of any bill for transportation service or any additional charges hereunder when such amount is due, interest on the unpaid portion shall accrue at an interest rate equal to the current FERC interest rate as defined in §154.501(d), from the date due until the date payment is received by Sabine. If such failure to pay for transportation services or any additional charges continues for thirty (30) days after such payment is due, in addition to any other remedy, Sabine may without liability suspend further delivery of gas until any overdue amount is paid. However, if Shipper, in good faith, shall dispute the amount of any such bill or part thereof and shall pay Sabine in a timely manner such amounts as it concedes to be correct and at any time thereafter within thirty (30) days of a demand made by Sabine, shall furnish a good and sufficient surety bond, in amount and with sureties satisfactory to Sabine, conditioned upon the payment of any amounts ultimately found due upon such bills after final determination, which may be reached either by agreement or judgment of the courts as may be the case, Sabine shall not be entitled to suspend further delivery of gas unless and until default is made in the conditions of such bond.

7.9.3 Adjustment of Billing Errors

Prior period adjustment time limits are 6 months from the date of the initial transportation invoice and 7 months from date of initial sales invoice with a 3-month rebuttal period, excluding

government- required rate changes. This 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. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ 3.3.15)

7.9.4 Fees

Shipper shall reimburse Sabine for all fees required by the FERC, or any regulatory body, which are attributable to service provided under an executed Service Agreement, including, but not limited to, filing, reporting and application fees.

7.9.5 Statement of Account

The Statement of Account will report outstanding balances by invoice. (NAESB WGQ 3.3.21)

The Statement of Account also will indicate any payments which have been applied to prior period adjustments.

7.9.6 Discounting

Sabine may at any time, and in its sole discretion, selectively discount the rate(s) applicable to any Shipper under the FT-1 and IT-1 Rate Schedules set forth in this Tariff. Discounts will be applied only to the Reservation Rate for FT-1 service, and to the Usage Rate for IT-1 service. Such discounted rate(s) shall not be less than the Minimum Rate for the applicable service as set forth in the currently effective Statement of Transportation Rates of this Tariff.

Sabine may agree to apply the following types or combinations of discounts:

- a) specified quantities;
- b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level;
- c) quantities during a specified time period;
- d) quantities at or between specified points, or other geographically defined areas.

7.9.7 Discount Retention Policy

A Shipper with a previously negotiated discount rate with Sabine limited to service at specific receipt and delivery point(s) can request that it be permitted to retain that discount rate when seeking to use alternate receipt and/or delivery point(s) as part of its segmentation, capacity release, or use of its flexible receipt and delivery point rights under this Tariff. Sabine will process such requests to retain discounts within two (2) hours of the request when such request is made at least two (2) hours prior to the 6:00 p.m. Evening Nomination. For requests made less than two (2) hours prior to the 6:00 p.m. Evening Nomination, Sabine will process the request by 8:30 a.m. the next Day. Pursuant to Section 7.2.6, Sabine has no obligation to provide service at less than the applicable Tariff Maximum Rate or to extend a discount when Shipper is seeking to use Alternate Points. As such, if the discount rate is not documented in the Service Agreement Exhibit A or any amendment thereto, any use of an Alternate Point or any transportation provided in excess of an applicable MDQ shall be provided at the applicable Tariff Maximum Rate.

7.10. CAPACITY RELEASE

7.10.1 Eligibility

Any Shipper with an executed Firm Service Agreement under Sabine's FT-1 Rate Schedule is eligible to release all or part of its capacity to a Replacement Shipper on a permanent or temporary basis, subject to the provisions of this Section 7.10 and Sabine's FT-1 Rate Schedule.

7.10.2 Types of Capacity Releases

a) Permanent Release of Firm Capacity

A Releasing Shipper may release all or part of its firm capacity under a Firm Service Agreement for the entire remaining primary term of the Agreement (Permanent Release). The Replacement Shipper must contract for the Primary Receipt and Delivery Point(s) specifically set forth in a Releasing Shipper's Firm Service Agreement. A Permanent Release operates as an assignment of capacity and all of the terms and conditions applicable to firm transportation service including the requirements related to credit worthiness must be met by the Replacement Shipper prior to the effective date of the assignment. The Replacement Shipper shall execute a separate Firm Service Agreement for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper up to the maximum rate and for the primary term originally set forth in the Releasing Shipper's Firm Service Agreement with Sabine. The Releasing Shipper will remain obligated to pay the difference, if any, between the accepted bid and the applicable rate for the remainder of the existing contract term. In the event there is a discount agreement in effect between Sabine and the Releasing Shipper for service utilizing all or any portion of the permanently released capacity, Sabine will enter into a discount agreement with the permanent Replacement Shipper for the same time period, volumes, receipt points, delivery points and discount, subject to any terms contained in Releasing Shipper's discount agreement on the same basis as with the Releasing Shipper. Under Negotiated Rate agreements, the Releasing Shipper is obligated to pay Sabine the difference, if any, by which the Negotiated Rate exceeds the rate paid by the Replacement Shipper.

b) Temporary Release of Firm Capacity

A Releasing Shipper may temporarily release all or part of its firm capacity for a specified term without a right of recall. A Replacement Shipper who is awarded firm capacity pursuant to a Temporary Release shall execute a Confirmation Letter pursuant to the Form of Service Agreement Applicable to Temporary Firm Transportation Service Pursuant to Award of Released Capacity. Such Confirmation Letter will be for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper, up to the maximum rate and for the term bid by the Replacement Shipper. No rate limitation applies to the release of capacity for a period of one year or less and all such releases must comply with the posting and bidding requirements set forth in this Section 7.10. Under Negotiated Rate agreements, the Releasing Shipper is obligated to pay Sabine the difference, if any, by which the Negotiated Rate exceeds the rate paid by the Replacement Shipper.

c) Temporary Release - Subject to Recall

A Releasing Shipper may temporarily release all or part of its firm capacity subject to recall by the Releasing Shipper upon the occurrence of the condition(s) specified in the Releasing Shipper's Offer to Release Capacity. A Replacement Shipper who is awarded capacity pursuant to a Temporary Release subject to recall shall execute a

Confirmation Letter pursuant to the Form of Service Agreement Applicable to Temporary Firm Transportation Service Pursuant to Award of Released Capacity. Such Confirmation Letter will be for the released capacity, subject to the right of recall, at the rate bid by the Replacement Shipper, up to the maximum rate, and for the term bid by the Replacement Shipper; provided. No rate limitation applies to the release of capacity for a period of one year or less and all such releases must comply with the posting and bidding requirements set forth in this Section 7.10. Under Negotiated Rate agreements, the Releasing Shipper is obligated to pay Sabine the difference, if any, by which the Negotiated Rate exceeds the rate paid by the Replacement Shipper.

d) Secondary Release of Firm Capacity

Following execution of a Confirmation Letter pursuant to the Form of Service Agreement Applicable to Temporary Firm Transportation Service Pursuant to Award of Released Capacity, for firm capacity released in accordance with this Section 7.10, a Replacement Shipper may subsequently release the capacity it has acquired in accordance with the terms of this Section 7.10, thereby becoming a Secondary Releasing Shipper. A Secondary Release of capacity cannot operate to release greater capacity rights than the capacity acquired by the Secondary Releasing Shipper. To the extent that a Secondary Releasing Shipper acquired firm capacity subject to recall in accordance with Subsection 7.10.2, the capacity then released by the Secondary Releasing Shipper, and any subsequent Secondary Release of the capacity thereafter, shall also be subject to the right of recall. A Replacement Shipper who is awarded firm capacity under a Secondary Release shall be required to execute a Confirmation Letter for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper up to the maximum rate and for the term bid by the Replacement Shipper. No rate limitation applies to the release of capacity for a period of one year or less and all such releases must comply with the posting and bidding requirements set forth in this Section 7.10.

7.10.3 Conditions and Requirements of Capacity Releases

1) Recall Rights

A Releasing Shipper must define the condition(s) under which the released firm capacity will be recalled. Such recall condition(s) shall not be inconsistent with the terms and conditions of the Releasing Shipper's Firm Service Agreement or with the provisions of this FERC Gas Tariff. The recall conditions specified by the Releasing Shipper must be non-discriminatory and identifiable events. Sabine has the right to rely on Releasing Shipper's notice and Releasing Shipper shall defend and indemnify Sabine against any claims, losses, liabilities or expenses resulting from claims by any Replacement Shipper that firm capacity was not recalled in accordance with the recall rights specified by the Releasing Shipper in its Offer to Release Capacity.

a) Recall Notification Timeline (NAESB WGQ 5.3.44)

Sabine supports the following recall notification periods for all released capacity subject to recall rights.

(i) Timely Recall Notification:

- (a) A Releasing Shipper recalling capacity must provide notice of such recall to Sabine and the first Replacement Shipper no later than

- 8:00 a.m. on the day that Timely Nominations are due;
- (b) Sabine will provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;
- (ii) Early Evening Recall Notification:
 - (a) A Releasing Shipper recalling capacity must provide notice of such recall to Sabine and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
 - (b) Sabine will provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;
- (iii) Evening Recall Notification:
 - (a) A Releasing Shipper recalling capacity must provide notice of such recall to Sabine and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
 - (b) Sabine will provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;
- (iv) Intraday 1 Recall Notification:
 - (a) A Releasing Shipper recalling capacity must provide notice of such recall to Sabine and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
 - (b) Sabine will provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due
- (v) Intraday 2 Recall Notification:
 - (a) A Releasing Shipper recalling capacity must provide notice of such recall to Sabine and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
 - (b) Sabine will provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due;
- (vi) Intraday 3 Recall Notification

- (a) A Releasing Shipper recalling capacity must provide notice of such recall to Sabine and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
 - (b) Sabine will provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.
- b) For recall notification provided to Sabine prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., Sabine will provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to Sabine after 5:00 p.m. and prior to 7:00 a.m., Sabine will provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (NAESB WGQ 5.3.45)
- c) Recall Notification Requirements

The Releasing Shipper must provide capacity recall notification to Sabine through Sabine's Customer Activities Web site. The recall notification must specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled. (NAESB WGQ 5.3.48)

Recalled capacity notices should indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. (NAESB WGQ 5.3.49)

The recall notification provided to Sabine must express the quantity in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity as required by NAESB WGQ 5.3.55.

Sabine will not be obligated to deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. 5.3.55. (NAESB WGQ 5.3.57)

In the event of an intraday capacity recall, Sabine will determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of Sabine's tariff, services, and/or operational characteristics. (NAESB WGQ 5.3.56)

The amount of capacity allocated to the Replacement Shipper(s) must equal the original released capacity less the recalled capacity that is adjusted based upon the Elapsed Prorata Capacity (EPC) or other Sabine FERC Gas Tariff specific variations of the EPC in accordance with NAESB WGQ Standard No. 5.3.56. (NAESB WGQ 5.3.58)

The Replacement Shipper should provide Sabine with no more than two Internet E-mail addresses to be used for recall notification. The obligation of Sabine to provide notification is waived until at least one of the addresses has been provided. (NAESB WGQ 5.3.47)

Affected Replacement Shippers should manage internal distribution of notifications of recall received from Sabine. (NAESB WGQ 5.3.52)

2) Reput Methods and Rights

Sabine supports the function of reputting by Releasing Shippers. (NAESB WGQ 5.3.7)

Releasing Shippers may specify rights of recall including terms of recall and the term of returning previously recalled capacity (reput) to the Replacement Shipper.

Reput method and rights should be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper. (NAESB WGQ 5.3.8)

When capacity is recalled, it may not be reput for the same Gas Day. (NAESB WGQ 5.3.53)

The deadline for notifying Sabine of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day. (NAESB 5.3.54)

7.10.4 Capacity Release Process (NAESB WGQ 5.3.1)

The capacity release timeline applies to all parties involved in the capacity release process provided that:

- 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be creditworthy before the capacity release bid is tendered,
- 2) for index-based capacity release transactions, the Releasing Shipper has provided Sabine with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- 3) there are no special terms or conditions of the release.

Further, Sabine may complete the capacity release process on a different timeline if the Offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by Sabine).

7.10.5 Capacity Release Timeline (NAESB WGQ 5.3.2)

For biddable releases (1 year or less):

- Offers should 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 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.

For biddable releases (more than 1 year):

- Offers should 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.

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.

7.10.6 Offer to Release Capacity

Offers to Release Capacity must be submitted in accordance with the schedules set forth in Subsection 7.10.5. Such offers must be in writing and on the release form provided by Sabine (hereinafter called Releasing Shipper's Offer) or provided electronically. Sabine shall post the Releasing Shipper's Offer on its Internet web site (web site). The posting of the Offer will also include the maximum reservation rate applicable to the capacity, the date and time by which bids must be submitted in accordance with the capacity release timetable, and the date and time the Offer is posted. No rate limitation applies to the release of capacity for a period of one year or less and all such releases must comply with the posting and bidding requirements set forth in this Section 7.10. Releasing Shipper may withdraw an offer to release capacity at any time prior to the receipt by Sabine of a bid for the capacity that meets the Releasing Shipper's minimum bid specifications.

Offers will be binding until notice of withdrawal is received by Sabine on its Customer Activities Web site. (NAESB WGQ 5.3.14)

A Releasing Shipper may not specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release. (NAESB WGQ 5.3.25)

7.10.7 Submittal of Bids

During the open season and bid submittal periods, all valid bids (excluding bidder's name) will be posted. A bid may be withdrawn prior to the close of the bidding period, but the withdrawing bidder may not rebid on the same capacity at a lower rate. Invalid bids will not be posted.

Bids will be binding until notice of withdrawal is received by Sabine on its Customer Activities Web site. (NAESB WGQ 5.3.13)

Bids cannot be withdrawn after the bid period ends. (NAESB WGQ 5.3.15)

Prior to bidding on any Offer to Release Capacity, a bidder must prequalify by satisfying the credit worthiness requirements in Subsection 7.10.13. All bids for capacity shall be transmitted via mail, telefax, or electronically to Sabine. Sabine shall date and time stamp all written bids as they are received. A separate bid is required for each separate Releasing Shipper's Offer. The price bid on any Offer to Release Capacity must be submitted on a reservation rate basis or on a volumetric basis calculated at the 100% load factor derivative of the Maximum Reservation Rate. Any volumetric bids should only relate to the reservation rate, since the usage rate used to determine the usage charges and any other volumetric charges will be billed by Sabine directly to the Replacement Shipper and will not be considered in the determination of the best bid. All bids on Temporary Releases of capacity must be for the specified Receipt and Delivery Points set forth in the Releasing Shipper's offer.

7.10.9 Determination of Best Bid

At the close of the bid period, Sabine will review each bid to determine whether a bid will be deemed eligible for consideration as the best bid. Any bid deemed ineligible shall be eliminated from consideration. Bids will be deemed ineligible if:

- a) Bidder has not prequalified in accordance with Subsection 7.10.13.
- b) Bidder has not submitted its bid prior to the deadline posted by Sabine on its Internet web site (web site).
- c) The Bid for Released Capacity does not meet the minimum criteria established in the Releasing Shipper's Offer.

As specified in the Releasing Shipper's Offer, each bid deemed eligible for consideration will be evaluated using one of the following methods: highest rate, net revenue, or present value. If the Releasing Shipper elects to accept volumetric bids, the Releasing Shipper must have also specified the method to rank competing volumetric and reservation charge bids. For index-based capacity release transactions, the releasing Shipper must provide the necessary information and instructions to support the chosen methodology.

Sabine will evaluate and rank all bids and will award bids, best bid first, until all offered capacity is awarded. Each bid shall be subject to the rights of a Prearranged Bidder to match the bid in accordance with Subsection 7.10.11.

If no bids meet the minimum requirements of the Releasing Shipper's Offer, Sabine shall calculate the best bid pursuant to this section or the criteria set forth in the Releasing Shipper's Offer and make the best bid available to the Releasing Shipper, who will have the option to refuse or accept such bid.

If there is a tie for the best bid, and there is no Prearranged Bidder who has agreed to match the best bid, the bids will be ranked by means of a lottery, with all capacity being allocated to the winner(s), unless the offer to release capacity specifies a different tie breaker.

7.10.10 Award of Capacity and Posting of Bids

Upon determination and acceptance of the best bid(s), the winning Replacement Shipper(s) will be notified in writing or electronically by Sabine. Sabine will post notice on Sabine's Internet web site (web site) that the capacity has been awarded. The notice will include the Replacement Shipper's name(s) and the price, reservation quantity and term of the best bid. A Confirmation Letter, incorporating the terms of the accepted bid and requesting that the Replacement Shipper execute and return the letter, shall be tendered by Sabine within one (1) hour of award posting. If the Replacement Shipper(s) nominates gas flow utilizing the released capacity prior to executing and returning the Confirmation Letter to Sabine, such Confirmation Letter shall be deemed executed by Replacement Shipper(s).

If no bids are submitted by the bid deadline, the Releasing Shipper's Offer shall be removed from Sabine's Internet web site (web site).

Releases for any period of thirty-one (31) days or less, a release of capacity for more than one year at the maximum tariff rate, a release to an asset manager (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(3)), or releases to a marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(4)), are exempt from advance posting and bidding set forth in this Section 7.10. However, the Releasing Shipper must provide the terms of such releases to Sabine for informational posting purposes at the time of the release. When a capacity release for thirty-one (31) days or less is exempt from posting and bidding requirements, a Releasing Shipper may not rollover or extend the release unless it complies with the posting and bidding requirements, and may not re-release to the same Replacement Shipper using the thirty-one (31) days or less bidding exemption until twenty-eight (28) days after the first release period has ended.

7.10.11 Prearranged Releases

a) Prearranged Releases Subject to Bidding

A Releasing Shipper may arrange for its own Replacement Shipper. The Prearranged Replacement Shipper must meet all of the requirements established for bidders pursuant to this Section 7.10. If the Prearranged Replacement Shipper agrees to pay the maximum reservation charge applicable to the Releasing Shipper's service, for the full released quantity and term offered by the Releasing Shipper, and the Prearranged Replacement Shipper satisfies all of the requirements of this Section 10, the Prearranged Bid will be deemed the best bid. Sabine shall post the terms of the Prearranged Bid in accordance with the timeline defined in Subsection 7.10.5. A Confirmation Letter, incorporating the terms of the Prearranged Bid and requesting that the Prearranged Replacement Shipper execute and return the letter, shall be tendered by Sabine within one (1) hour of posting of the Prearranged Bid. If the Prearranged Replacement Shipper nominates gas flow utilizing the released capacity prior to executing and returning the Confirmation Letter to Sabine, such Confirmation Letter shall be deemed executed by the Prearranged Replacement Shipper.

If the Prearranged Replacement Shipper has not agreed to the maximum rate, term and release quantities, the Offer to Release Capacity will be posted in accordance with Subsection 7.10.6. If Sabine does not receive a better bid by the bid deadline, the Prearranged Bid shall be deemed the best bid, and the capacity release process will continue in accordance with the timeline defined in Subsection 7.10.5 and further described in Subsection 7.10.10.

If Sabine receives a better bid by the bid deadline (i.e. 1:00 p.m. on the Business Day before timely nominations are due), Sabine will communicate the terms of the better bid to the Prearranged Replacement Shipper by 2:00 p.m. The Prearranged Replacement Shipper must notify Sabine by 2:30 p.m. that it will match the terms of the better bid.

If the Prearranged Replacement Shipper matches the better bid, the Prearranged Replacement Shipper's matching bid shall be deemed the best bid, and the capacity release process will continue in accordance with the timeline defined in Subsection 7.10.5 and further described in Subsection 7.10.10.

If the Prearranged Replacement Shipper fails to match the best bid, the capacity will be awarded to the party making the best bid in accordance with the terms specified in Subsection 7.10.9. The capacity release process will continue in accordance with the timeline defined in Subsection 7.10.5 and further described in Subsection 7.10.10.

Notwithstanding the above, capacity release transactions with a term of less than one (1) year occurring between March 27, 2000, and September 30, 2002, will be subject to competitive bidding unless the transaction is subject to Section 7.10.11(b).

b) Prearranged Releases Not Subject to Bidding

A Releasing Shipper may release its firm capacity to a Prearranged Replacement Shipper for a term of 31 days or less without prior posting or bidding for the released capacity. The Releasing Shipper and its Prearranged Replacement Shipper shall notify Sabine of the terms of the prearranged release and Sabine will post on its web site an announcement of the release in accordance with the timeline defined in Subsection 7.10.4(c). The Prearranged Replacement Shipper must comply with the prequalification requirements applicable to the bid process and the creditworthiness requirements of this Section 7.10. A Confirmation Letter, incorporating the terms of the prearranged release and requesting that the Replacement Shipper execute and return the letter, shall be tendered by Sabine within one (1) hour of Sabine being notified of the prearranged release. If the Replacement Shipper(s) nominates gas flow utilizing the released capacity prior to executing and returning the Confirmation Letter to Sabine, such Confirmation Letter shall be deemed executed by Replacement Shipper(s). Once the term of the release hereunder has expired, the Releasing Shipper cannot rollover or extend the release period, or re-release its capacity to the same Replacement Shipper under this provision until twenty-eight (28) days or more have elapsed since the termination of the prior release. However, the Releasing Shipper may release the capacity to the same Replacement Shipper if the capacity is posted for bidding under the provisions of Subsection 7.10.11 a.

7.10.12 Crediting of Revenue for Temporary Releases

The Replacement Shipper shall pay a reservation charge and a usage charge for use of the released capacity. A Replacement Shipper will be billed by Sabine and shall make payments to Sabine in accordance with the terms of the Form of Service Agreement Applicable to Temporary Firm Transportation Service Pursuant to Award of Released Capacity and the applicable Confirmation Letter. For capacity releases other than a permanent release, Sabine shall bill the Releasing Shipper its Reservation Charge reflecting a credit of the Reservation Charge billed to the Replacement Shipper. The Releasing Shipper will receive all revenue generated by a temporary Replacement Shipper's payment of reservation charges for the released capacity. In the event the Releasing Shipper receives transportation service at a discounted rate that is less than the rate paid by the Replacement Shipper, the Releasing Shipper, at its option, will be entitled to receive an additional credit or a refund of the difference. However, the Releasing Shipper shall remain liable for the Reservation Charge and Sabine will bill the Releasing Shipper for any Reservation Charges

not paid by the Replacement Shipper and any associated interest on late payments during the next billing cycle. The Replacement Shipper shall be obligated to pay Sabine the usage rate negotiated between the Replacement Shipper and Sabine, all associated volumetric surcharges applicable to the quantities Sabine transports under the Replacement Shipper's Firm Service Agreement, including Fuel Gas and Unaccounted For Gas reimbursement, and any penalties assessed in connection with the Replacement Shipper's use of the released capacity. Sabine will retain the usage rate, associated volumetric surcharges, and any penalty revenues.

7.10.13 Prequalification of Credit Worthiness

All parties desiring to bid on firm capacity offered by a Releasing Shipper and all prearranged Replacement Shippers must meet Sabine's credit worthiness requirements and be prequalified before bidding on any Offer To Release Capacity. All parties desiring to bid on firm capacity offered by a Releasing Shipper shall submit to Sabine at least five (5) Business Days prior to the date on which bids for the firm capacity are to be received, credit information sufficient for Sabine to determine the party's credit worthiness, unless Sabine agrees it has already determined the bidder to be credit worthy or to have suitable credit on file with Sabine. A bidder's credit worthiness shall be assessed in accordance with the terms of Section 7.24 of the General Terms and Conditions. If a bidder does not qualify under Sabine's credit worthiness standards, the bidder shall either provide a letter of credit in a satisfactory form and from a financial institution acceptable to Sabine, a guaranty from a party satisfying Sabine's credit worthiness standards, or a cash deposit equal to the lesser of (i) the maximum charges (including reservation charge, usage charge and surcharges) payable for the term of the release, or (ii) the maximum charges (including reservation charge, usage charge and surcharges) payable for the first three full months of the release. A party that does not qualify as a credit worthy bidder is ineligible to bid on capacity. After Sabine has determined a bidder credit worthy and eligible to bid, Sabine will issue a Bidder Prequalification Number to the bidder. Once a bidder is issued a Bidder Prequalification Number it is not necessary for that bidder to resubmit credit information for prequalification except as requested by Sabine.

In the case of releases not subject to bidding, the prearranged Replacement Shipper must prequalify at least five (5) Business Days prior to Sabine's nomination deadline for transportation using the released capacity. In all other respects, the terms and conditions applicable to bidders also apply to the prearranged Replacement Shippers who have not otherwise complied with the above requirements.

7.10.14 Responsibilities of Releasing Shippers

The Releasing Shipper shall remain fully liable under its existing Firm Service Agreement with Sabine for the payment of all reservation charges each month for the full contract quantity, whether or not such quantity has been released. A Shipper may release all or part of its firm capacity on a permanent or temporary basis. The Releasing Shipper will remain obligated to pay the difference, if any, between the accepted bid and the applicable rate for the remainder of the existing agreement term. A Releasing Shipper shall be responsible for notifying, or causing to be notified, its Replacement Shipper prior to exercising recall rights. Sabine has the right to rely on a Releasing Shipper's notice and a Releasing Shipper shall defend and indemnify Sabine against any claims, losses, liabilities or expenses resulting from claims by any Replacement Shipper that firm capacity was not recalled in accordance with the recall rights specified by the Releasing Shipper in its offer.

7.10.15 Responsibilities of Replacement Shippers

A Replacement Shipper awarded capacity under a permanent release shall execute a Confirmation Letter, incorporating the terms of Replacement Shipper's bid, and then execute a separate Firm Service Agreement with Sabine for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper up to the maximum rate and for the primary term originally

set forth in the Releasing Shipper's Agreement with Sabine. A Replacement Shipper who is awarded firm capacity pursuant to a Temporary Release shall execute a Confirmation Letter for the released capacity at the rate and for the term bid by the Replacement Shipper. A Replacement Shipper who is awarded firm capacity under a Temporary Release Subject To Recall shall execute a Confirmation Letter for the released capacity, subject to the right of recall, at the rate and for the term bid by the Replacement Shipper.

7.10.16 Marketing Fees

Sabine may negotiate with a Releasing Shipper and receive a mutually agreeable fee for taking action to market Releasing Shipper's firm capacity so long as such actions constitute more than merely posting the Releasing Shipper's Offer. Sabine and the Releasing Shipper will negotiate the level of activity to be undertaken by Sabine to market the capacity and the fee to be paid by the Releasing Shipper to Sabine for such activity.

7.10.17 Requests to Purchase Releasable Capacity

Sabine will post on its Informational Postings website in the "Notices" category under the subcategory "Request to Purchase Releasable Capacity," instructions and related form(s) detailing the process for interested Parties to submit a request to purchase releasable capacity. The instructions and related form(s) will include the information that is required and the email address to which the completed form(s) should be sent. Upon receipt of the completed form(s), Sabine will post the request as a "Request to Purchase Releasable Capacity" on its Informational Postings website in the "Notices" category under the subcategory "Request to Purchase Releasable Capacity." Such request shall remain posted for a minimum of ninety (90) Days.

7.10.18 Notifications to Releasing Shipper (NAESB WGQ 5.3.60)

For temporary releases of firm capacity, Sabine shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Sabine to the Releasing Shipper's Replacement Shipper(s), of the following:

- a) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Sabine's tariff;
- b) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
- c) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
- d) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Sabine's tariff.

7.11. ROFR, TERMINATION AND MUTUAL AGREEMENT EXTENSION

7.11.1 (a) Right of First Refusal Applicability

A Shipper receiving firm transportation service under an executed Firm Transportation Service Agreement has a right of first refusal to retain its firm transportation service if the Firm Transportation Service Agreement is at the maximum tariff rate and for a term of twelve (12) or more months of consecutive service. A Shipper's Firm Transportation Service Agreement subject to a negotiated or discounted rate may contain a Contractual ROFR.

A Shipper's right of first refusal will apply: (a) at the end of the primary term for a Firm Transportation Service Agreement which does not have an evergreen provision, or (b) for a Firm Transportation Service Agreement which has an evergreen provision, in the event that Sabine provides notice that it will terminate the Firm Transportation Service Agreement at the expiration of a primary term or any subsequent roll-over term.

Any Shipper receiving transportation service provided under an Interruptible Transportation Service Agreement or a Firm Transportation Service Agreement which has a primary term of less than one (1) year, and which may or may not have an evergreen provision, does not have the right of first refusal to retain its interruptible or firm transportation service at the expiration of a primary term or any subsequent roll-over term.

The right of first refusal will not apply to interim service agreements associated with expansion/extension projects as set forth in Subsection 7.2.3 of the General Terms and Conditions or pre-arranged transactions as set forth in Subsection 7.2.4 of the General Terms and Conditions.

(b) Notice to Current Shipper

For Firm Transportation Service Agreements where a right of first refusal applies, Sabine shall provide written notice to the then current Shipper at least forty-five (45) Days prior to the expiration of the Firm Transportation Service Agreement.

7.11.2 Posting of Capacity

After notifying the current Shipper pursuant to the terms of Section 7.11.1 (b) hereinabove, Sabine shall post on its Internet web site the capacity which will be available upon the termination of such Shipper's Firm Transportation Service Agreement. The capacity shall be posted for a period of not less than ten (10) Days, the last Day of which will constitute the "Bid Deadline Date". The posting shall include the Primary Points of receipt and delivery, the available Maximum Daily Reservation Quantity and the Maximum Daily Quantity for each Primary Point, the termination date of the firm contract, the beginning date any new Firm Transportation Service Agreement will be effective, the applicable maximum rate, and the Bid Deadline Date.

7.11.3 Bidding On Capacity

Upon the posting of the available capacity pursuant to the provisions of Section 7.11.2 hereinabove, Sabine shall receive bids in writing from eligible bidders, defined for these purposes as those who have satisfied the creditworthiness provisions of Section 7.24 herein. Bids must be submitted on Sabine's "Bid for Released Firm Capacity" form, as set forth on Sabine's Internet web site, and must be received by Sabine no later than 5:00 p.m. Central Clock Time on the Bid Deadline Date. Sabine will post the relevant terms of the winning bid, other than the bidder's name, one Day after the Bid Deadline Date. Sabine will determine the best bid utilizing net present value criteria and will consider only those bids submitted by eligible bidders who have indicated in their bid they will execute a Firm Transportation Service Agreement effective on the date as set out in the posting.

7.11.4 Right of First Refusal

No later than three (3) Days after the Bid Deadline Date, Sabine will notify the current Shipper of the best bid received pursuant to the provisions of Section 7.11.3 which Sabine is willing to accept. The current Shipper shall thereafter have five (5) Days within which it must notify Sabine in writing (“Best Bid Response”) of its intent to match the best bid. In order to match the best bid, the current Shipper must agree, in the Best Bid Response, to pay a rate up to the maximum rate, for a contract term, that commences on the date as set out in the posting, and that will provide Sabine at least the same net present value, calculated in accordance with Section 7.11.3 above. If the current Shipper agrees to match the best bid, Sabine and the current Shipper will enter into a new Firm Transportation Service Agreement, or modify the existing Firm Transportation Service Agreement, reflecting the terms of the best bid. If the current Shipper fails to provide Sabine a Best Bid Response, the current Shipper's existing Firm Transportation Service Agreement will be abandoned upon the termination of the Firm Transportation Service Agreement and Sabine will enter into a new Firm Transportation Service Agreement with the part(ies) offering the best acceptable bid.

7.11.5 Acceptable Bids

In the event Sabine (i) does not receive any bids for the current Shipper's capacity, or (ii) does not receive any bids for the current Shipper's capacity which are acceptable to Sabine, Sabine shall provide the current Shipper notice of same no later than three (3) Days after the Bid Deadline Date. Thereafter, the current Shipper shall have the right to retain its firm capacity, but only at the then maximum rate applicable thereto, or any negotiated or discounted rate agreed to by Sabine. In order to do so, the current Shipper shall have five (5) Days within which to notify Sabine in writing of its intent to retain such capacity at the then maximum rate, or a rate otherwise agreed to by Sabine. If the current Shipper fails to so notify Sabine, (i) the current Shipper shall be deemed to have elected not to exercise its ROFR right with respect to the subject capacity, (ii) the Firm Transportation Service Agreement shall be subject to abandonment upon its termination, and (iii) Sabine shall be free to sell the subject capacity to any party free and clear of any obligation to the current Shipper as of the expiration date of the Firm Transportation Service Agreement.

7.11.6 Early Termination in Exchange for Extension

Shipper and Sabine may mutually agree to the early termination of one or more Service Agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. A new term shall be determined for the Service Agreements and shall be from the service commencement date of the extension to the end of the extension period. Shipper need not participate in an open season for the extension nor must the extended capacity be posted on Sabine's Informational Postings Internet web site as unsubscribed, available capacity prior to the extension.

The agreement to extend under this Section 7.11.6 must be reached prior to the posting of the capacity pursuant to Section 7.11.1. Nothing in this Section shall preclude the Shipper from making a timely election pursuant to Section 7.11.1 if Shipper and Sabine are not able to agree upon a new term length or other terms and conditions of service.

7.11.7 Abandonment

Sabine shall be relieved of its transportation service obligations for any Interruptible Transportation Service Agreement and for any Firm Transportation Service Agreement with a primary term of less than one (1) year, regardless of any subsequent roll-over term provided by an evergreen provision, upon the expiration or termination of such Service Agreement. Sabine shall be relieved of its transportation service obligations for any Firm Transportation Service Agreement that is eligible to be renewed under the right of first refusal procedures upon the expiration of such Service Agreement, if that Shipper under such Firm Transportation Service Agreement gives notice to terminate its Firm Transportation Service Agreement pursuant to the provisions contained therein, or said Shipper fails to match the best bid under its right of first refusal option as described in Subsection 7.11.4.

7.12. GAS QUALITY

7.12.1 Specifications

All gas received by Sabine from Shipper shall conform to the following quality specifications:

- a) Heating Value. The gas shall have a heating value of not less than nine hundred seventy Btus per standard cubic foot (970 Btus/Scf).
- b) Water Vapor. The gas shall not contain more than seven pounds of water per million standard cubic feet (7 lbs/MMcf).
- c) Oxygen. The gas shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen.
- d) Carbon Dioxide and Nitrogen. The gas shall not contain more than three percent (3%) by volume of a combined total of carbon dioxide and nitrogen.
- e) Hydrogen Sulfide. The gas shall not contain more than one-quarter grain of hydrogen sulfide per one hundred standard cubic feet (1/4 gr/100 Scf).
- f) Mercaptans. The gas shall not contain more than one-quarter grain of mercaptans per one hundred standard cubic feet (1/4 gr/100 Scf).
- g) Total Sulfur. The gas shall not contain more than five grains of total sulfur per one hundred standard cubic feet (5 grs/100 Scf).
- h) Dust, Gums and Solid Matter. The gas shall be commercially free from dust, gums, gum-forming constituents, and other solid matter.
- i) Liquid Hydrocarbons. The gas shall be free of hydrocarbons in liquid form at the temperature and pressure at which the gas is received, as determined by using the Peng-Robinson equation of state to calculate a hydrocarbon dew point temperature of the gas and assessing whether liquids will drop out once the gas is received into the pipeline under existing pipeline conditions, i.e., when the dew point temperature of the gas when received by the pipeline is higher than the temperature of gas in the pipeline.
- j) Liquid Water. The gas shall be free of water in liquid form at the temperature and pressure at which the gas is received.
- k) Temperature. The gas shall not have a temperature of more than one hundred twenty degrees Fahrenheit (120°F).

7.12.2 Refusal to Accept

If the gas tendered for transportation by Shipper shall fail at any time to conform to any of the quality specifications set forth above, Sabine may refuse to accept further quantities of gas pending correction by Shipper.

7.12.3 Commingling

Gas received from each Shipper will be commingled with the gas of other Shippers in the system. Accordingly, the gas of Shipper shall be subject to such changes in heating value and other specifications as may result from such commingling.

7.13. MEASUREMENT

7.13.1 Procedures

Measurement will be according to the Second Edition of ANSI/API 2530-1985, entitled, "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids", as amended or revised, hereinafter referred to as "ANSI/API 2530".

7.13.2 Unit of Volumetric Measurement

The unit of volume for all purposes hereunder shall be one Standard Cubic Foot (1 Scf) as defined in Section 7.1 of the General Terms and Conditions. Correction for the deviation of the gas from Boyle's Law at the pressures, temperatures and specific gravities under which the gas is received or delivered hereunder will be according to ANSI/API 2530.

7.13.3 Atmospheric Pressure

Atmospheric pressure shall be assumed to be fourteen and seven tenths pounds per square inch absolute (14.7 psia) regardless of the actual elevation or location of the Receipt or Delivery Point(s) above sea level or variations of the actual atmospheric pressure at which the gas is measured.

7.13.4 Temperature

Temperature shall be determined by means of a recording thermometer of standard manufacture acceptable to both Sabine and Upstream or Downstream Operator and installed to properly record the temperature of the gas received and delivered hereunder. The average temperature recorded during the twenty-four (24) hour period from the recording thermometer shall be deemed to be the gas temperature for that Day.

7.13.5 Specific Gravity

Specific gravity shall be determined by means of a recording gravity instrument (Gravimeter or Chromatograph) of standard manufacture acceptable to both Sabine and Upstream or Downstream Operator and installed to properly record the specific gravity of the gas received and delivered hereunder. The average specific gravity recorded during the twenty-four (24) hour period from the recording gravity instrument shall be deemed to be the specific gravity of the gas for that Day. All composite samples shall be retained for a minimum period of thirty (30) Days for verification in the event of a disagreement.

7.13.6 Heating Value

Heating value shall be determined by a calorimeter, chromatograph, or other Btu measurement device of standard manufacture acceptable to both Sabine and Upstream or Downstream Operator and installed to properly record the heating value of the gas received and delivered hereunder. The average heating value recorded during the twenty-four (24) hour period from the Btu recording device shall be deemed to be the heating value of the gas in British thermal units for that Day. The Btu recording device shall be tested using a laboratory grade sample of known Btu and component content. All composite samples shall be retained for a minimum period of thirty (30) Days for verification in the event of a disagreement.

7.13.7 Prior Period Adjustments

The cutoff for the closing of measurement is 5 Business Days after business month. (NAESB WGQ 2.3.7)

Prior period meter adjustments will be treated by taking the adjustment back to the production month. A meter adjustment becomes a prior period adjustment after the fifth Business Day following the business month. Missing or late measurement data will be estimated by the measuring party, with the actual data then treated as a prior period adjustment.

Measurement data corrections will be processed within 6 months of the production month with a 3 month rebuttal period. This 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. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ 2.3.14)

7.14. METERING AND PIPELINE FACILITIES

7.14.1 Metering Facilities

Upon agreement with Sabine, either Sabine or an interconnecting Operator may install, own, maintain and operate metering facilities properly equipped with orifice meters and other necessary measuring equipment required to measure the quantities of gas received into Sabine's System or delivered from Sabine's System. Such metering facilities shall be located at or near the Receipt or Delivery Point(s).

7.14.2 Check Meters

Either Sabine or the interconnecting Operator may, at its option and expense, install and operate check meter(s) to check the other party's meters.

7.14.3 Access to Metering Facilities

Either Sabine or the interconnecting Operator shall, at all reasonable times, have access to the other party's metering and regulating facilities for inspection and checking, but the reading, calibration and adjustment thereof shall be done only by the Operator of such metering and regulating facilities.

7.14.4 Calibration and Testing

At least once each month, either Sabine or the interconnecting Operator will calibrate its meters and measuring equipment and if so requested, in the presence of representatives of the other party, and the parties shall jointly observe any adjustments which are made to the meters or measuring equipment, should such adjustments be necessary. Likewise, any calibration and adjustment of the other party's check meters shall be jointly observed by representatives of both parties. Each party shall give to the other party notice of the time of all tests of meters at least five (5) Days in advance of the holding of the test so that the other party may conveniently have its representatives present. If the required notice of a meter test has been given and the party receiving such notice is not present or represented at the time set, the other party may proceed with the test and any necessary adjustment.

7.14.5 Orifice Meters

Orifice meters shall be installed and gas quantities measured, in accordance with the standards prescribed in ANSI/API 2530.

7.14.6 Electronic Flow Computers or Telemetry Equipment

It is recognized that telemetry equipment, electronic flow computers or other types of flow computers have been developed that permit direct computation of gas quantities without the use of charts. Where the substitution of these devices is deemed acceptable by mutual agreement between Sabine and the interconnecting Operator, in exercise of their reasonable judgment, the use of electronic flow computers for custody transfer will be permitted.

7.14.7 New Measurement Techniques

If at any time a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted by mutual agreement between Sabine and the interconnecting Operator.

7.14.8 Correction of Metering Errors

If upon any test, the percentage of inaccuracy of any measuring equipment is found to be in error by not more than two percent (2%), the previous recordings of such equipment shall be considered accurate in computing receipts and deliveries, but such equipment shall be adjusted at once to record accurately. If upon any test, the percentage of inaccuracy of any measuring equipment is found to be in error by more than two percent (2%), the registration thereof shall be corrected for a period extending back to the time such inaccuracy occurred, or if such time is not ascertainable, then back one-half of the time elapsed since the date of last calibration, but not to exceed sixteen (16) days.

7.14.9 Failure of Metering Equipment

If for any reason, meters are out of service or out of repair so that the amount of gas received or delivered cannot be ascertained or computed from the reading thereof, the gas received or delivered through the period such meters are out of service or out of repair shall be determined and agreed upon by Sabine and the interconnecting Operator upon the basis of the data available, using the first of the following methods which is feasible:

- a) By using the registration of any check meter(s), if installed and accurately registering;
- b) By using the registration of telemetry equipment connected to Sabine's or Operator's metering facilities, if installed and accurately registering;
- c) By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation;
- d) By determining the quantity of receipts or deliveries during the preceding periods under similar conditions when the meter was registering accurately.

7.14.10 Preservation of Measurement Records

Upon request of either Sabine or the Operator, each party will submit to the other party records and charts from its measuring equipment, together with calculations therefrom, for the other party's inspection and verification and copying, if desired, subject to return within thirty (30) Days after the receipt thereof. Sabine, however, shall only be required for the purposes hereof, to retain the charts and records referred to herein for a period of two (2) years from the date of the charts and preparation of said records, or such other period as shall be required by the FERC.

7.14.11 Properties and Facilities

Sabine shall only be responsible for the maintenance and operation of its own properties and facilities and shall not be responsible for the maintenance or operation of any other properties or facilities connected in any way with the transportation of gas.

7.14.12 Construction of Facilities

Unless otherwise agreed, Sabine will construct, install, own, maintain and operate lateral pipelines and metering facilities properly equipped with orifice meters and other necessary measuring equipment required to measure the quantities of gas received into Sabine's System or delivered from Sabine's System. The metering and regulating facilities are to be installed at a location which, in Sabine's reasonable judgement, is practical, convenient and readily accessible. The Operator/Shipper shall provide the exhibits necessary to support any needed FERC proceedings or permits required by any other governmental agency. Unless otherwise agreed, Sabine may require the Operator/Shipper to contribute an aid-to-construction amount to Sabine up to the cost of the facilities, including all costs involved in the filing of applications, pursuing approvals and obtaining all licenses and permits required for transportation services or construction, and further, amounts necessary to reimburse any costs, including any income taxes that may be incurred by Sabine as a result of the aid-to-construction contribution. Shippers, whether new or existing, shall bear all costs and expenses attributable to the construction or acquisition of any lateral pipelines or expansions of existing lateral pipelines or measurement facilities.

7.14.13 Alterations and Repairs

Sabine shall have the right to interrupt the transportation of gas when necessary to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, its System, or otherwise related to the operation thereof. Sabine shall endeavor to cause a minimum of inconvenience and, except in the cases of emergency, shall give advance notice of its intention to interrupt the transportation of gas and of the expected magnitude of such interruptions.

7.14.14 Quality Control and Electronic Communication Equipment

Sabine shall have the right to collect from the interconnecting Operator/Shipper the cost of any gas analysis, quality control and/or electronic communication equipment which Sabine, in its reasonable discretion, determines is required at any Receipt Point(s) or Delivery Point(s) to monitor the quality and quantity of gas received or delivered by Sabine.

7.14.15 Installation of Flow Control Equipment

Sabine may construct, install, and operate flow control equipment, telemetry equipment or electronic flow computers, at any location on its system, whenever Sabine determines in its reasonable judgment, that such equipment will contribute to the safe, reliable, efficient and orderly operational integrity of its system.

7.14.16 Regulatory Precedence

Nothing in this Section 7.14 shall require Sabine to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Sabine reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the FERC instituted under Section 7 of the Natural Gas Act. Sabine reserves the right to change its rates or any of the provisions of its General Terms and Conditions at its discretion, subject to receiving the necessary approvals, either through a Section 4 Rate filing or other appropriate means.

7.15. CONTEMPORANEOUS COMMUNICATION OF INFORMATION

7.15.1 Information Available

Sabine will maintain all information required pursuant to Sections 250.16, 284.12 and 284.13 of the Commission's regulations, plus additional information as Sabine determines to be beneficial to its customers. Such information will include, but not be limited to:

- a) Availability and pricing of transportation services;
- b) All uncommitted capacity on Sabine's system available for firm and interruptible transportation services, including firm capacity becoming available but subject to an existing firm Shipper's right of first refusal;
- c) Operational Flow Orders indicating the events or conditions threatening the operational integrity of Sabine's system or limiting Sabine's ability to provide efficient and reliable transportation services, anticipated duration of the OFO and affected segments of Sabine's system and specific actions required by Shippers necessary to comply with an Operational Flow Order.
- d) All information related to Capacity Release, including Offers to Release Capacity, Bids for Released Capacity, posting of winning and losing bids and Offers to Purchase Capacity;
- e) A listing of each Receipt and Delivery Point, and whether the allocation method to be applied at a particular point is covered by an Operational Balancing Agreement or a Predetermined Allocation, and any changes in the allocation method at a particular point;
- f) Sabine's marketing affiliate log;
- g) Any information related to transportation of natural gas on Sabine's system provided to a Sabine marketing affiliate on a contemporaneous basis by posting such information for electronic access;
- h) Sabine's log of waivers of discretionary tariff provisions;
- i) Other information of major importance regarding Sabine's transportation services;
- j) Pipeline tariff;
- k) Index of customers.

Each month, Sabine will review and purge outdated information from its Internet web site (web site).

7.15.2 Electronic Access of Information

Sabine will provide twenty-four (24) hour electronic access to the information described in Subsection 7.15.1 through its Internet web site (web site). Information is available at no charge to the user and may be accessed on Sabine's Internet web site (web site) at www.sabinepipeline.com. Information on the web site may be downloaded by a user. The documents identified in NAESB WGQ Standard 4.3.23 are available in hyper-text mark-up language (HTML) format.

Sabine will support third-party value added network (VAN) connections with the same information handling and response priority provided by standard Internet services. All third-party VAN charges will be the responsibility of the third-party. Sabine will charge an initial setup fee of two hundred dollars (\$200.00).

Upon written request, Sabine will furnish, within seven (7) calendar Days, a cross-reference table for numeric designations used to represent names or other information in electronic format. The party requesting this information agrees to pay Sabine thirty dollars (\$30.00) for the cost of shipping and handling.

7.15.3 Traditional Access of Information

Information described in Subsection 15.1 will be available for public inspection at Sabine's corporate offices in Dallas, Texas, during regular business hours. Upon written request, Sabine will mail copies of this information to interested persons within seven (7) calendar Days. The party requesting information agrees to pay fifty dollars (\$50.00) for the cost of providing the requested information.

7.15.4 Archived Information

Sabine will archive daily back-up records of the information stored electronically and maintain such records for a period of three years. Parties interested in reviewing historical information must identify and request in writing the daily back-up information they are interested in reviewing. Upon receiving a written request, Sabine will collect the daily back-up information requested and make it available to the requesting party either electronically or in hard-copy form within seven (7) calendar days. The party requesting information agrees to pay fifty dollars (\$50.00) for the cost of gathering the requested information and making the information available whether such information is provided in hard-copy or electronic format.

7.15.5 Maintenance of Internet web site (web site)

Information maintained on Sabine's Internet web site (web site) is divided into several documents in order to provide separate access to particular topics of interest. Sabine will take necessary steps to ensure ease of use of the web site and that it operates in a manner which facilitates the dissemination of available information. Notwithstanding the foregoing, Sabine is authorized to perform maintenance on its website and supporting systems for purposes of ensuring technologically current and secure web services. In the event these activities will result in web site outages or could potentially result in such outages, Sabine shall provide its Shippers with notice postings of same on its web site before the activities are undertaken. Sabine will use its best efforts to schedule and perform such maintenance or upgrades such that its Shippers shall not be precluded from conducting business during the hours of 6:00 AM and 10:00 PM Central Clock Time. In the event such maintenance should be required between the hours of 6:00 AM and 10:00 PM Central Clock Time, Sabine shall provide its Shippers with alternative methods of conducting business. Details of such alternative methods shall be outlined in the notice, as well as the date(s), times, and anticipated duration of such activities.

7.15.6 Announcements

Any information Sabine determines to be of major importance regarding its transportation services will be mailed to all persons on Sabine's current mailing list.

7.15.7 Mailing List

Sabine will maintain a mailing list to communicate to Shippers and potential Shippers any information of major importance regarding Sabine's transportation services. The mailing list will include all current transportation customers, all persons who have pending requests for transportation or for information regarding Sabine's transportation services, and other persons who Sabine determines may be interested in such information.

7.16. COMPLAINT PROCEDURES

7.16.1 Shipper Complaints

Any Shipper or potential Shipper (hereafter Complainant) who believes that Sabine has unduly discriminated against that Complainant may file a complaint with Sabine. All complaints shall be in writing and sent to Sabine, Attention: Chief Compliance Officer. Such complaint shall list all alleged discriminatory practices or unfair treatment and provide all evidence supporting the allegations.

7.16.2 Sabine's Investigation

Upon receipt of a written complaint, Sabine shall date-stamp such complaint and acknowledge receipt of the complaint by letter within forty-eight (48) hours. Sabine will promptly begin to review and attempt to resolve the complaint.

7.16.3 Discussion of Complaints

Sabine will make available a representative to discuss the allegations with the Complainant at Sabine's corporate offices during normal business hours within five (5) working days of receipt of a complaint. The purpose of such a meeting is to attempt to informally resolve any problems and/or continue the gathering of facts and information concerning the alleged undue discrimination or unfair treatment.

7.16.4 Response to Complaints

Sabine will provide a written response to all complaints within thirty (30) Days of the receipt of the written complaint as described in Subsection 7.16.1. It is Sabine's policy to comply with all applicable regulations while continuing to work with its customers to resolve any concerns regarding its transportation services. Sabine's priority is to resolve all complaints on an informal basis knowing that most problems are based on misunderstandings, rather than any willful violation of the Commission's regulations.

7.17. SHARED PERSONNEL AND FACILITIES

7.17.1 Shared Personnel

Pursuant to Part 358 of the Commission's regulations, all Sabine transmission function employees will function independently of its marketing function employees and if there are any shared employees, they will not be used as a conduit for the disclosure of non-public transmission function information to marketing function employees. Sabine does not share any operating employees with any of its marketing affiliates.

7.17.2 Shared Facilities

As applicable, Sabine does not share any facilities with any of its marketing affiliates maintains separate security access systems for Sabine employees and any affiliates engaged in marketing functions at all of the Sabine facilities.

7.18. LIABILITY AND WARRANTY

7.18.1 Liability

Sabine will be deemed in control and possession of the gas transported hereunder only when and to the extent that such gas is in and is being handled by the facilities owned, leased or operated by or for Sabine as set forth herein for the performance of Sabine's obligations under any Service Agreement. The party in control and possession of the gas will be responsible for and shall indemnify the other party with respect to any losses, injuries, claims, liabilities or damages caused thereby and occurring while the gas is in its possession. Unless expressly herein provided, Sabine shall not be liable to Shipper for indirect, special, consequential, incidental, punitive or exemplary damages except to the extent arising due to gross negligence or willful misconduct.

7.18.2 Warranty of Title

Sabine and Shipper hereby warrant to each other that at its time of receipt and delivery of gas hereunder it will have good title or the good right to receive or deliver such gas, and that such gas shall be free and clear of all liens and adverse claims; and each party agrees, with respect to the gas received or delivered by it, to indemnify the other against all suits, actions, debts, accounts, damages, costs (including attorney's fees), losses, and expenses arising from or out of any adverse claims of any and all persons to or against said gas.

7.18.3 Standard of Performance

Sabine shall operate its pipeline system as a prudent pipeline operator would and in such capacity shall have full operational control of all components of its pipeline system. Pursuant to this standard, Sabine may use commingled supplies of natural gas of all Shippers in providing services to other Shippers, but such use of commingled supplies of natural gas shall not relieve Sabine of its obligations to provide service in accordance with the terms of its Rate Schedules, General Terms and Conditions and Service Agreements. This standard does not, however, cause Sabine to be responsible and/or liable for the actions of any third party.

7.19 FORCE MAJEURE

7.19.1 Effect of Force Majeure

If either Sabine or Shipper is rendered unable, wholly or in part, by force majeure to perform its obligations under any FT -1 Service Agreement, other than the obligation to make payments then or thereafter due, it is agreed that performance of the respective obligations of the parties thereto to receive and deliver gas, so far as they are affected by force majeure, shall be suspended from the inception of any such inability until it is corrected, but for no longer period. The party claiming such inability shall give notice to the other party as soon as practicable after the occurrence of the force majeure event. If such notice is first given by telephone or electronically, it shall be confirmed in writing within five (5) days giving full particulars. The party claiming such inability shall promptly correct such inability to the extent it may be corrected through the exercise of reasonable diligence.

7.19.2 Suspension of Reservation Charges

- a) Reservation Charge Adjustment for Non-Force Majeure Events. Except as provided in Section 7.19.2(c) of these General Terms & Conditions, with respect to each Day on which there is an outage or other event that is not due to a Force Majeure event that results in Sabine failing to deliver on such Day the quantity of Gas that Shipper has nominated in accordance with Section 7.5 of these General Terms and Conditions and that qualifies for scheduling at the priority described in Section 7.6 of these General Terms and Conditions, the Reservation Charge shall be decreased by an amount equal to the product of the Reservation Rate applicable to the transportation nominated by Customer but not delivered by Sabine multiplied by, as applicable (the "Reservation Charge Adjustment"):
- i) If Sabine has not given advance notice of the unavailability of service before shippers have submitted nominations for the day (or days) of the outage, the lesser of: (a) the applicable quantity of Gas that Sabine has failed to deliver which qualified for scheduling at the priority described in Section 7.6 of these General Terms and Conditions for Shipper's account on such Day and (b) the applicable firm contractual entitlement under Shipper's Firm Transportation Service Agreement minus the quantity of Gas delivered by Sabine for Shipper under such Firm Transportation Service Agreement on such Day; or
 - ii) If Sabine provides advance notice of the unavailability of service seven (7) days or less before shippers have submitted nominations for the day (or days) of the outage, the lesser of: (a) the average daily quantity that qualified for scheduling at the priority described in Section 7.6 of these General Terms and Conditions and that was scheduled and confirmed for Shipper's account at the applicable point(s) of restriction for the seven (7)-Day period immediately preceding the Day on which the outage or other event that results in Sabine failing to deliver a quantity of Gas to the Shipper first occurred minus the quantity of Gas delivered by Sabine for Shipper's account on such Day or (b) the applicable firm contractual entitlement under Sabine's Firm Transportation Service Agreement minus the quantity of Gas delivered by Sabine for Shipper under such Firm Transportation Service Agreement on such Day; or
 - iii) If Sabine gives more than seven (7) Days' advance notice of the unavailability of service, the lesser of: (a) the average daily quantity that qualified for scheduling at the priority described in Section 7.6 of these General Terms and Conditions and that was scheduled and confirmed for Shipper's account at the applicable point(s) of restriction in the previous calendar year for the same calendar days as the outage or other event that results in Sabine failing to deliver a quantity of Gas to the Shipper; such average daily quantity to be adjusted up or down pro rata based on any increase or decrease in the Shipper's firm contractual entitlements at such point(s) of restriction during the twelve month-period ending on the last day of such outage or other event, minus the quantity of Gas delivered by Sabine for Shipper's account on such Day and (b) the applicable firm

contractual entitlement under Shipper's Firm Transportation Service Agreement minus the quantity of Gas delivered by Sabine for Shipper under such Firm Transportation Service Agreement on such Day. In the event that the applicable firm contractual entitlements under Shipper's Firm Transportation Service Agreement at such point(s) of restriction were zero during the relevant days of the previous calendar year, this Section 7.19.2(a)(iii) shall not apply and the calculation described in Section 7.19.2(a)(ii) above shall be utilized for such Firm Transportation Service Agreement.

Such Reservation Charge Adjustment shall be discounted in the case of an executed Firm Transportation Service Agreement containing a discounted Reservation Rate in the same proportion such Reservation Rate is discounted from the maximum Reservation Rate, and, with respect to an executed Firm Transportation Service Agreement containing a negotiated Reservation Rate, the Reservation Charge Adjustment shall be the daily equivalent of the negotiated Reservation Charge Rate. Notwithstanding the foregoing, with respect to a particular outage or event, this Section 7.19.2 does not apply on Days when Section 7.19.2(b) of these General Terms and Conditions applies.

- b) Reservation Charge Adjustment for Force Majeure Events and Certain Orders Issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA"). Except as provided in Section 7.19.2(c) of these General Terms and Conditions, with respect to each Day on which there is an outage or other event due to a Force Majeure event or due to compliance with a PHMSA order issued pursuant to Section 60139(c) of Chapter 601 of Title 49 of the United States Code prior to November 1, 2017, that results in Sabine failing to deliver on such Day the quantity of Gas that Shipper has nominated in accordance with Section 7.6 of these General Terms & Conditions and that qualifies for scheduling at the priority described in Section 7.6 of these General Terms and Conditions, Sabine shall not be obligated to reduce Customer's Reservation Charge for the first ten (10) Days of such outage or other event, and following such ten (10)-Day period, Customer's Reservation Charge shall be decreased pursuant to the mechanism described in Section 7.19.2(a) of these General Terms and Conditions. Pipeline's notice to Customers for outages related to Section 60139(c) of Chapter 601 of Title 49 of the United States Code shall specify the PHMSA order requiring such outage.
- c) Reservation Charge Adjustment for Other Events. Notwithstanding any other provision in Sabine's FERC Gas Tariff, in no event shall Shipper be entitled to a decrease in its Reservation Charge for Pipeline's failure to deliver any quantity of Gas as contemplated under this Section 7.19.2:
 - i) due to the conduct of Shipper, including, without limitation, the refusal to accept delivery of any quantity of Gas that Sabine has made available for delivery or the violation by Shipper of an OFO that is in effect during the outage or other event that results in Sabine failing to deliver any quantity of Gas to the Shipper.
 - ii) due to the conduct of the upstream operator of the facilities at the applicable Point(s) of Receipt, including, without limitation, the refusal to deliver any quantity of Gas into Sabine's system that Sabine was available to receive, as long as such conduct was outside the control of Sabine;
 - iii) due to the conduct of the downstream operator of the facilities at the applicable Point(s) of Delivery, including, without limitation, the refusal to receive any quantity of Gas from Sabine that Sabine has made available for delivery, as long as such conduct was outside the control of Sabine;
 - iv) due to the installation of new facilities that are designed, in whole or in part, to provide service to Shipper;

- v) due to scheduled work on Sabine's facilities if Sabine and Shipper have mutually coordinated the timing of the scheduled work and the work is performed in accordance with that schedule;
- vi) that occurs at a time when Shipper was unable to take the scheduled quantities for any reason including, without limitation, a Shipper outage, whether planned or unplanned;
- vii) that was allocated or scheduled during any subsequent nomination cycle to or from a secondary location after the Timely Nomination Cycle restrictions; or
- viii) if Shipper subsequently schedules and accepts at an alternative point of delivery the quantity of Gas that Sabine was unable to deliver.

7.19.3 Term Extension

The term of any Service Agreement shall not be extended beyond its normal termination date by any periods of time during which performance is suspended due to force majeure.

7.19.4 Liability

Neither party shall be liable to the other for any consequential or financial losses or damages, regardless of the nature thereof and howsoever occurring, whether such losses or damages be direct or indirect, immediate or remote, by reason of, caused by, arising out of, or in any way attributable to the suspension of performance of any obligation of either party when such suspension occurs because a party is rendered unable, wholly or in part, by force majeure to perform its obligations.

7.19.5 Nature of Force Majeure

The term "force majeure" as used herein shall mean, cover and include the following:

- a) Acts of God or Acts of Providence including, without limitation, epidemics, landslides, hurricanes, floods, washouts, lightning, earthquakes, storm warnings, perils of the sea, extreme heat or extreme cold, any other adverse weather conditions, and threats of any of the foregoing, and whether preceded by, concurrent with, or followed by acts or omissions of any human agency, whether foreseeable or not, which may directly or indirectly contribute to or result in either party's inability to perform its obligations.
- b) Acts of Government including, without limitation, laws, orders, rules, decrees, judgments, judicial actions, regulations, acts of arrest or restraint, and any threats of any of the foregoing, by any government (de jure or de facto), or any agency, subdivision, or instrumentality thereof, having, claiming or asserting authority or jurisdiction over the severance, productions, gathering, transportation, handling, sale, receipt or delivery of the subject matter of any Service Agreement, or any part thereof, or over materials, equipment, supplies or personnel, or any part thereof, necessary to the severance, production, gathering, transportation, handling, sale, receipt or delivery of the subject matter of any Service Agreement when any such Act of Government directly or indirectly contributes to or results in either party having to take one-time, non-recurring actions that cause such party to be unable to perform its obligations.
- c) Acts of Civil Disorder including, without limitation, acts of sabotage, acts of the public enemy, acts of war (declared or undeclared), blockades, insurrections, riots, mass protests or demonstrations, and threats of any of the foregoing, and police action in connection with or in reaction to any such Acts of Civil Disorder, when any such Acts of Civil Disorder directly or indirectly contribute to or result in either party's inability to perform its obligations.

- d) Acts of Industrial Disorder including, without limitation, strikes, lockouts, picketing, and threats of any of the foregoing, when any such Acts of Industrial Disorder directly or indirectly contribute to or result in either party's inability to perform its obligations, provided, however, that the settlement of any labor dispute to prevent or end any such Acts of Industrial Disorder shall be within the sole discretion of the party to any Service Agreement involved in such labor dispute, and the above requirement that any inability shall be corrected with reasonable diligence shall not apply to labor disputes.
- e) Failure of facilities including, without limitation, freezing of lines of pipe, failures resulting from fires, washouts, mechanical breakdowns of, malfunctions of or necessities for making repairs or alterations to, furnaces, reactors, plant installations, machinery, lines of pipe, pumps, compressors, valves, gauges or any of the equipment therein or thereon, when any such failure of facilities directly or indirectly contributes to or results in either party's inability to perform its obligations and is both unexpected and outside the control of such party.
- f) Inability to obtain or acquire at reasonable cost grants, servitudes, rights of way, permits, licenses, or any other authorizations from third parties or agencies (private or governmental) or inability to obtain or acquire at reasonable cost necessary materials and supplies to construct, maintain and operate any facilities required for the performance of any obligations under any Service Agreement when any such inability directly or indirectly contributes to or results in either party's inability to perform its obligations.
- g) Any occurrence, condition, situation, or threat thereof, not covered by Subsections a) through f) above, which renders either party unable to perform its obligation, provided such occurrence, condition, situation, or threat thereof, is not under or within the control of the party claiming such inability, and provided such party could not have prevented such occurrence, condition, situation, or threat thereof, by the exercise of reasonable diligence.

7.20. ASSIGNMENT

7.20.1 Assignment

Except for the provisions regarding a permanent or temporary release of firm capacity pursuant to Section 7.10 of the General Terms and Conditions, Shipper shall not assign any portion of its contractual rights to transportation under any Service Agreement. All covenants, stipulations, terms, conditions, obligations, and provisions of any Service Agreement shall extend to, be binding upon and inure to the benefit of the respective successors, assignees and legal representatives of the parties hereto. Should either party transfer or assign all its interest in its facilities or any appurtenances thereto affecting the disposition of gas hereunder, such party does hereby obligate itself and agrees to bind successor, transferee or assignee to the terms and conditions of any Service Agreement. The assignment of any Service Agreement by either party to a parent company, affiliate company or wholly owned subsidiary shall not be considered an assignment for the purposes of this article.

7.21. NON-WAIVER OF FUTURE DEFAULT

7.21.1 Non-waiver

No waiver by either Sabine or Shipper of any one or more defaults by the other in performance of any of the provisions of an executed Service Agreement shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.

7.22. DESCRIPTIVE HEADINGS

7.22.1 Descriptive Headings

The descriptive headings of the provisions used in this FERC Gas Tariff, these General Terms and Conditions, or in any Service Agreement executed for service under a Rate Schedule contained in this FERC Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.

7.23. COMPLIANCE WITH 18 CFR, SECTION 284.12

Sabine has adopted the Business Practice and Electronic Communications Standards, NAESB WGQ Version 4.0, and the standard revised by Minor Correction MC24002 marked with an asterisk [*], which are required by the Commission in 18 CFR, Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

<u>NAESB Standard</u>	<u>Tariff record</u>
0.3.3	Credit, 7.24
0.3.4	Credit, 7.24
0.3.5	Credit, 7.24
0.3.6	Credit, 7.24
0.3.7	Credit, 7.24
0.3.8	Credit, 7.24
0.3.9	Credit, 7.24
0.3.10	Credit, 7.24
1.2.3	Definitions, 7.1
1.2.4	Definitions, 7.1
1.2.5	Definitions, 7.1
1.2.6	Definitions, 7.1
1.2.7	Definitions, 7.1
1.2.8	Definitions, 7.1
1.2.9	Definitions, 7.1
1.2.10	Definitions, 7.1
1.2.11	Definitions, 7.1
1.2.12	Definitions, 7.1
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1.2.14	Definitions, 7.1
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1.2.17	Definitions, 7.1
1.2.18	Definitions, 7.1
1.2.19	Definitions, 7.1
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1.3.7	Nomination Procedures, 7.5
1.3.11	Nomination Procedures, 7.5
1.3.13	Nomination Procedures, 7.5
1.3.15	Fuel Gas and Unaccounted For Gas, 7.27
1.3.16	Fuel Gas and Unaccounted For Gas, 7.27
1.3.28	Fuel Gas and Unaccounted For Gas, 7.27
1.3.29	Fuel Gas and Unaccounted For Gas, 7.27
1.3.30	Fuel Gas and Unaccounted For Gas, 7.27
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2.2.2	Definitions, 7.1
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2.2.4	Definitions, 7.1
2.2.5	Definitions, 7.1
2.3.6	Allocation of Measured Gas Quantities, 7.7
2.3.7	Measurement, 7.13

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2.3.54	Allocation of Measured Gas Quantities, 7.7
2.3.55	Allocation of Measured Gas Quantities, 7.7
2.3.58	Allocation of Measured Gas Quantities, 7.7
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2.3.62	Allocation of Measured Gas Quantities, 7.7
2.3.64	Allocation of Measured Gas Quantities, 7.7
3.2.1	Definitions, 7.1
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3.3.14	Billing and Payment, Section 7.9
3.3.15	Billing and Payment, Section 7.9
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4.2.10	Definitions, 7.1
4.2.11	Definitions, 7.1
4.2.12	Definitions, 7.1
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10.2.25	Definitions, 7.1
10.2.27	Definitions, 7.1
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10.2.37	Definitions, 7.1

Standards Incorporated by Reference:

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0.2.1, 0.2.2, 0.2.3, 0.2.4

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Standards:
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Dataset:
0.4.4

Storage Information:

Data Set:
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Nominations Related Standards:

Definitions:
1.2.1, 1.2.2

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1.3.1, 1.3.3, 1.3.4, 1.3.5, 1.3.8, 1.3.9, 1.3.14, 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, 1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39,
1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56,
1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73,
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Flowing Gas Related Standards:

Standards:
2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.15, 2.3.16,
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2.3.41, 2.3.44, 2.3.45, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.56, 2.3.57, 2.3.59, 2.3.60,
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2.4.17, 2.4.18

Invoicing Related Standards:

Standards:
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3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

Standards:

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Capacity Release Related Standards:

Standards:

5.3.3, 5.3.4, 5.3.5, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.16, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.50, 5.3.51, 5.3.55, 5.3.59, 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

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Cybersecurity Related Standards:

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Standards:

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

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

<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
0.4.1	Extension of Time
0.4.2	Extension of Time
0.4.3	Extension of Time
1.4.3	Extension of Time
1.4.4	Extension of Time
1.4.6	Extension of Time
1.4.7	Extension of Time
2.4.1	Extension of Time
2.4.2	Extension of Time
2.4.3	Extension of Time
2.4.5	Extension of Time
2.4.6	Extension of Time
2.4.7	Extension of Time
2.4.8	Extension of Time

2.4.9	Extension of Time
2.4.10	Extension of Time
2.4.11	Extension of Time
2.4.17	Extension of Time
2.4.18	Extension of Time
3.4.1	Extension of Time
3.4.2	Extension of Time
3.4.3	Extension of Time
3.4.4	Extension of Time
5.4.14	Extension of Time
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5.4.17	Extension of Time
5.4.20	Extension of Time
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5.4.22	Extension of Time
5.4.23	Extension of Time
5.4.24	Extension of Time
5.4.25	Extension of Time
5.4.26	Extension of Time
5.4.27	Extension of Time

7.24. CREDIT

7.24.1 Creditworthiness of Shipper

Sabine shall not be required to perform or to continue transportation service under this FERC Gas Tariff or any Service Agreement on behalf of any Shipper who is or who has become insolvent or who, at Sabine's request, fails within a reasonable period to demonstrate creditworthiness.

At Sabine's request, Shipper shall provide Sabine the following information in order for Sabine to analyze Shipper's creditworthiness: Shipper's latest audited financial statements, annual report, Form 10-K, a list of affiliates, three credit references and trade reference ratings and credit bureau reports.

If Sabine requests additional information to be used for credit evaluation after the initiation of transportation service, Sabine, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Shipper and designate to whom the response should be sent. Sabine and Shipper may mutually agree to waive this requirement. (NAESB WGQ 0.3.3)

Upon receipt of either an initial or follow-up request from Sabine for information to be used for creditworthiness evaluation, Shipper's authorized representative(s) shall acknowledge receipt of Sabine's request. Sabine and Shipper may mutually agree to waive this requirement. (NAESB WGQ 0.3.4)

Shipper's authorized representative(s) shall respond to Sabine's request for credit information, as allowed by Sabine's tariff, on or before the due date specified in the request. Shipper shall provide all the credit information requested by Sabine or provide the reason(s) why any of the requested information was not provided. (NAESB WGQ 0.3.5)

Upon receipt from Shipper of all credit information provided pursuant to applicable NAESB WGQ standards, Sabine shall notify Shipper's authorized representative(s) that it has received such information. Sabine and Shipper may mutually agree to waive the requirements of this standard. (NAESB WGQ 0.3.6)

For purposes of this FERC Gas Tariff, the insolvency of a Shipper shall be evidenced by:

- a) the filing by such Shipper, or parent entity thereof, of a voluntary petition in bankruptcy; or
- b) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper as bankrupt or insolvent; or
- c) the approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of, or in respect of, the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law; or
- d) the appointing of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of the Shipper's property; or
- e) the ordering of the liquidation of Shipper's affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

7.24.2 Credit Appraisal

Sabine's credit appraisal procedures involve the establishment of dollar credit limits for each Shipper. To the extent that the value of the transportation services provided to a Shipper do not exceed the established credit limit, no new credit appraisal will be conducted if an executed Service Agreement is amended or Shipper requests new transportation services, provided that the Shipper's payment history with Sabine has been satisfactory and there is no bona fide basis for questioning a Shipper's

creditworthiness. If a Shipper fails to demonstrate creditworthiness, Shipper may obtain transportation service under this FERC Gas Tariff and any Service Agreement by:

- a) prepaying for such service in an amount equal to the cost of performing the transportation service requested for a three (3) month period; or
- b) providing a standby irrevocable letter of credit drawn on a bank acceptable to Sabine; or
- c) furnishing a good and sufficient security interest in collateral which is satisfactory to Sabine; or
- d) providing a guarantee by any firm, corporation, agent, assignee or legal representative who satisfies the creditworthiness criteria of Subsection 7.24.1.

At any time after Shipper is determined to be non-creditworthy by Sabine, Shipper may initiate a creditworthiness re-evaluation by Sabine. As part of Shipper's re-evaluation request, Shipper must either update or confirm in writing the prior information provided to Sabine related to Shipper's creditworthiness. Such update should include any event(s) that Shipper believes could lead to a material change in Shipper's creditworthiness. (NAESB WGQ 0.3.8)

After Sabine's receipt of Shipper's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard No. 0.3.8 ("Shipper's Request"), within five (5) Business Days, Sabine shall provide a written response to Shipper's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for Sabine's decision or an explanation supporting a future date by which a re-evaluation determination will be made. In no event shall such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of Shipper's Request unless the parties mutually agree to some later date. (NAESB WGQ 0.3.9)

7.24.3 Communication of Notices (NAESB WGQ 0.3.7)

Shipper shall designate up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and shall provide to Sabine the Internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses shall be provided via Internet E-mail, unless otherwise agreed to by Shipper and Sabine. The obligation of Sabine to provide creditworthiness notifications is waived until the above requirement has been met. Shipper shall manage internal distribution of any creditworthiness notices that are received.

Sabine shall designate, on its Internet website or in written notices to Shipper, the Internet e-mail addresses of up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness. Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and Sabine shall manage internal distribution of any such confirmations.

7.24.4 Alternative Methods of Communication (NAESB WGQ 0.3.10)

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

7.25 NON-CONFORMING AGREEMENTS

7.25.1 Contract No. 672825

Venture Global Calcasieu Pass, LLC, Firm Transportation Service Agreement under FT-1 Rate Schedule, effective February 1, 2021, as amended pursuant to Amendment No. 1, effective May 3, 2024.

STATEMENT OF NEGOTIATED RATES

7.26. NEGOTIATED RATES

7.26.1 Availability

Sabine and Shipper may agree to Negotiated Rates, as defined in Section 7.1 of the General Terms and Conditions of this FERC Gas Tariff, for a specific term of service under any Rate Schedule contained in this Tariff. The rates as shown in the currently effective Section No. 5 of this Tariff are available as Recourse Rates for any Shipper that does not negotiate a rate with Sabine.

7.26.2 Applicability to Existing Service Agreements

Notwithstanding anything to the contrary contained in this Tariff, Sabine and Shipper may mutually agree to negotiate rates for all or any portion of currently subscribed capacity under any existing Service Agreement, provided that Shipper has not acquired its capacity through a capacity release.

If Negotiated Rates will apply to only a portion of the capacity currently subscribed under any existing Service Agreement, the original Service Agreement must first be bifurcated, and Recourse Rates will continue to apply to that portion of capacity subscribed under the Service Agreement not subject to the Negotiated Rates. A new Service Agreement must be executed for that portion of the capacity for which Negotiated Rates will apply. The new Service Agreement will have the same expiration date as the original Service Agreement. If the original Service Agreement is for firm transportation service, the new Service Agreement will have the same Primary Receipt Point(s) and Primary Delivery Point(s) as the original Service Agreement.

7.26.3 Applicability to New Service Requests for Unsubscribed and Available Capacity

Sabine and Shipper may mutually agree to Negotiated Rates for any unsubscribed or available capacity that is requested by Shipper in accordance with Section 7.4 of the General Terms and Conditions of this Tariff.

7.26.4 Applicability to Capacity Posted for Bid by Sabine

If capacity is posted for bid by Sabine and Sabine has determined that it is willing to consider bids at Negotiated Rates, Sabine will state in its posting that it will accept Negotiated Rate bids in addition to Recourse Rate and discounted Recourse Rate bids. This requirement applies to:

- (1) new capacity that becomes available due to the construction or acquisition of facilities or the expansion of existing facilities; and
- (2) capacity which will become available upon the termination of an existing Shipper's Firm Service Agreement.

Bid Evaluation. For purposes of determining the best bid and awarding capacity, the value of a Negotiated Rate bid will be capped at the value of a Recourse Rate bid.

Right of First Refusal. An existing Shipper with a right of first refusal may retain all or a portion of its capacity, when such capacity is posted subject to Negotiated Rate offers, (1) by matching the highest Negotiated Rate offer submitted by another Shipper that meets or exceeds the lowest rate that Sabine is willing to accept for such service, or (2) by paying a Recourse Rate or discounted Recourse Rate that is equivalent to the Negotiated Rate for the capacity it wishes to retain; provided, however, that nothing herein shall obligate Sabine to render service to any Shipper at rates less than the rates set forth in the currently effective Section No. 5 of Sabine's FERC Gas Tariff.

7.26.5 Negotiated Rate Filing Requirement

No later than the Business Day on which Sabine commences service under a Negotiated Rate Service Agreement, Sabine will submit to the Commission a tariff section substantially in the form of the table set forth in this Section 7.26 stating the name of the Shipper, the Rate Schedule, term, contract quantity, Negotiated Rate, and Primary Receipt and Delivery Point(s), if applicable. If the Day on which Sabine commences service is not a Business Day, then Sabine will submit such tariff section no later than the next Business Day after Sabine commences service.

Unless Sabine executes and files a Non-conforming Service Agreement, such tariff section will contain a statement that the Negotiated Rate Service Agreement does not deviate in any material aspect from the Form of Service Agreement in Sabine's FERC Gas Tariff for the applicable Rate Schedule.

7.26.6 Limitations

This Subsection 7.26 does not authorize Sabine to negotiate terms and conditions of service.

7.26.7 Discount-Type Adjustment

Sabine reserves the right in future general rate proceedings to seek a discount-type adjustment for Negotiated Rate agreements.

Shipper	Rate Sched.	Term of Contract	Quantity Dth/Day	Negotiated Rate	Primary Receipt Point(s)	Primary Delivery Point(s)
Venture Global Calcasieu Pass, LLC	FT-1	February 1, 2021 to May 2, 2024	303,030	<p><u>Reservation Rate:</u> Shipper shall pay a negotiated monthly reservation rate of \$4.03 per Dth per day of 300,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672825 during the term of the negotiated rate agreement.</p> <p><u>Commodity Charge:</u> Shipper shall pay a negotiated commodity rate of \$0.01 per Dth delivered by Sabine for Shipper's account under Contract No. 672825 during the term of the negotiated rate agreement.</p> <p><u>Other Charges:</u> Shipper shall pay a 1% fuel charge for all nominated volumes for Shipper's account under Contract No. 672825 during the term of the negotiated rate agreement and all other applicable additional charges and surcharges, including the ACA Charge as reflected on</p>	Sabine / Bridgeline Henry Hub (Meter No. 846121)	TransCameron Pipeline (Meter No. 278925)
		May 3, 2024 to January 31, 2041 ¹	505,050			
DCP Midstream Marketing, LLC	FT-1	May 1, 2023 to April 30, 2025	40,000	<p><u>Reservation Rate:</u> Shipper shall pay a negotiated monthly reservation rate of \$3.6500 per MDQ per month of 40,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672738 during the term of the negotiated rate agreement.</p> <p><u>Other Provisions:</u> The service agreement for this negotiated rate, Service Agreement for Firm Transportation Service Under FT-1 Rate Schedule, Contract No. 672738, does not deviate in any material aspect from the Form of Service Agreement in Sabine's FERC Gas Tariff for firm transportation under Rate Schedule FT-1.</p>	Centana	Henry Hub
		May 1, 2025 to October 31, 2025 ²				
		November 1, 2025 to December 31, 2025 ³				
		January 1, 2026 to March 31, 2026 ⁴				

¹ Shipper entered into an amendment to increase the volume of the initial service agreement from 300,000 Dth/day, plus applicable fuel, to 500,000 Dth/day, plus applicable fuel ("Amended Agreement"). Under the Amended Agreement, Shipper shall pay a negotiated monthly reservation rate of \$3.7868 per Dth for 500,000 Dth/day of Shipper's Maximum Daily Reservation Quantity under Contract No. 672825 during the term of the negotiated rate agreement.

² DCP entered into an amendment to extend the term of the initial service agreement ("Initial Agreement") from April 30, 2025 to October 31, 2025 ("Extension Period"). Shipper shall pay a negotiated monthly reservation rate of \$3.6500 per MDQ per month of 40,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672738 during the Extension Period. No other changes were made to the Initial Agreement.

³ DCP entered into a second amendment to extend the term of the Extension Period from October 31, 2025 to December 31, 2025 ("Second Extension") and, beginning on October 1, 2024, to increase the Maximum Daily Reservation Quantity from 40,000 Dt/Day to 65,000 Dt/Day. Shipper shall pay a negotiated rate of \$3.6500 per MDQ per month of 65,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672738 during the Extension Period and Second Extension. No other changes were made to the Initial Agreement.

⁴ DCP entered into a third amendment to extend the term of the Extension Period from December 31, 2025 to March 31, 2026 ("Third Extension") and to decrease the MDQ to 40,000 Dt/Day. Beginning January 1, 2026, Shipper shall pay a negotiated monthly reservation rate of \$3.6500 per MDQ under Contract No. 672738 during the Third Extension. No other changes were made to the Initial Agreement.

Shipper	Rate Sched.	Term of Contract	Quantity Dth/Day	Negotiated Rate	Primary Receipt Point(s)	Primary Delivery Point(s)
Westlake Chemical Energy LLC	FT-1	November 1, 2025 to October 31, 2030	50,000*	<p><u>Reservation Rate:</u> Shipper shall pay a negotiated monthly reservation rate under Contract No. 672948FT of: \$2.4333 per MDQ for the period of November 1, 2025 to October 31, 2026; \$2.5398 per MDQ for the period of November 1, 2026 to October 31, 2027; \$2.6463 for the period of November 1, 2027 to October 31, 2028; \$2.7527 for the period of November 1, 2028 to October 31, 2029 and \$2.8592 per MDQ for the period of November 1, 2029 to October 31, 2030 for transportation from the Primary Receipt Point to the Primary Delivery Point.</p> <p><u>Commodity Charge:</u> Shipper shall pay a negotiated commodity rate of \$0.14 per Dth delivered by Sabine at the Alternate Receipt Points of Centana or KM Tejas for Shipper's account under Contract No. 672948FT during the term of the negotiated rate agreement.</p> <p><u>Other Provisions:</u> The service agreement for this negotiated rate, Service Agreement for Firm Transportation Service Under FT-1 Rate Schedule, Contract No. 672948FT, does not deviate in any material aspect from the Form of Service Agreement in Sabine's FERC Gas Tariff for firm transportation under Rate Schedule FT-1.</p>	Henry Hub	Westlake's Calcasieu (PPG) and Petrochem Facilities
Targa Gas Marketing LLC	FT-1	January 1, 2024 to October 31, 2025 October 31, 2025 to December 31, 2026 ⁵	50,000*	<p><u>Commodity Charge:</u> Shipper shall pay a negotiated commodity rate of \$0.03 per Dth delivered by Sabine at any Alternate Receipt Point for Shipper's account under Contract No. 672694FT during the term of the negotiated rate agreement.</p> <p><u>Other Provisions:</u> The service agreement for this negotiated rate, Service Agreement for Firm Transportation Service Under FT-1 Rate Schedule, Contract No. 672694FT, does not deviate in any material aspect from the Form of Service Agreement in Sabine's FERC Gas Tariff for firm transportation under Rate Schedule FT-1.</p>	Kinder Morgan Tejas	Henry Hub LGS Targa
ARM Energy Management LLC	FT-1	December 4, 2025 to March 31, 2026	25,000	<p><u>Reservation Rate:</u> Shipper shall pay a negotiated monthly reservation rate of \$3.9542 per MDQ per month of 25,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672772CR during the term of the negotiated rate agreement.</p> <p><u>Other Provisions:</u> The service agreement for this negotiated rate, Service Agreement for Firm Transportation Service Under FT-1 Rate Schedule, Contract No. 672772CR, does not deviate in any material aspect from the Form of Service Agreement in Sabine's FERC Gas Tariff for firm transportation under Rate Schedule FT-1.</p>	Houston Pipeline	Henry Hub

⁵ Targa entered into an amendment to extend the term of the initial service agreement from October 31, 2025 to December 31, 2026. No other changes were made to the Initial Agreement.

Shipper	Rate Sched.	Term of Contract	Quantity Dth/Day	Negotiated Rate	Primary Receipt Point(s)	Primary Delivery Point(s)
Southwest Energy LP	FT-1	April 1, 2025 to December 31, 2030	25,000	<p><u>Reservation Rate:</u> Shipper shall pay a negotiated monthly reservation rate of: \$5.9313 per MDQ for the period of April 1, 2025 to December 31, 2026; \$6.0073 per MDQ for the period of January 1, 2026 to December 31, 2028; and \$6.0833 per MDQ for the period of January 1, 2029 to December 31, 2030 for transportation from the Primary Receipt Point to the Primary Delivery Point.</p> <p><u>Commodity Charge:</u> In addition to the Reservation Rate, Shipper shall pay a negotiated commodity rate of \$0.04 per Dth delivered by Sabine at the Alternate Receipt Points Centana, KM Tejas and KM Texas. For any nominations in excess of the MDQ or to/from or to any alternate points, Shipper shall pay the maximum applicable tariff charges.</p> <p><u>Other Provisions:</u> The Service Agreement for Firm Transportation Service Under FT-1 Rate Schedule, Contract No. 672599FT1, does not deviate in any material respect from the Form of Service Agreement in Sabine's FERC Gas Tariff for firm transportation under Rate Schedule FT-1.</p>	Houston Pipeline	Henry Hub
Citgo Petroleum Corporation	FT-1	November 1, 2025 to October 31, 2026	35,000	<p><u>Reservation Rate:</u> Shipper shall pay a negotiated monthly reservation rate of \$2.5854 per MDQ per month of 35,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672946FT during the term of the negotiated rate agreement.</p> <p><u>Other Provisions:</u> The service agreement for this negotiated rate, Service Agreement for Firm Transportation Service Under FT-1 Rate Schedule, Contract No. 672946, does not deviate in any material aspect from the Form of Service Agreement in Sabine's FERC Gas Tariff for firm transportation under Rate Schedule FT-1.</p>	Henry Hub	EnLink-Citgo
ARM Energy Management LLC	FT-1	January 1, 2026 to September 30, 2026 October 1, 2026 to December 31, 2026	25,000 15,000	<p><u>Reservation Rate:</u> Shipper shall pay a negotiated monthly reservation rate of \$4.5625 per MDQ per month of 25,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672772FT for the period of January 1, 2026 to September 30, 2026 and of 15,000 of Shipper's Maximum Daily Reservation Quantity under Contract No. 672772FT for the period of October 1, 2026 to December 31, 2026.</p> <p><u>Other Provisions:</u> The service agreement for this negotiated rate, Service Agreement for Firm Transportation Service Under FT-1 Rate Schedule, Contract No. 672772FT, does not deviate in any material aspect from the Form of Service Agreement in Sabine's FERC Gas Tariff for firm transportation under Rate Schedule FT-1.</p>	Trunkline Holmwood	Henry Hub

7.27. FUEL GAS AND UNACCOUNTED FOR GAS

7.27.1 Applicability

Gas used for compressor fuel and other utility purposes, including but not limited to line losses and other Unaccounted For Gas in the operation of Sabine's pipeline system shall be furnished in kind by Shipper. Fuel Gas and Unaccounted For Gas reimbursement quantities will be retained based on allocated receipt quantities.

The Fuel Gas and Unaccounted For Gas reimbursement percentages (FRP and UFRP, respectively) shall apply to Rate Schedules FT-1 and IT-1. Transactions that do not consume fuel will not be assessed a charge for fuel reimbursement; however, such transactions will be assessed a charge for Unaccounted For Gas. Shipper's nominated delivery quantities shall equal Shipper's nominated receipt quantities multiplied by $(1 - (\text{applicable FRP} + \text{UFRP Percentages})/100)$ rounded to the nearest Dekatherm.

7.27.2 Conformance with NAESB WGQ standards

- a) When the fuel reimbursement method is fuel in-kind, the results of the fuel reimbursement calculations for the nomination process will be rounded to the nearest dekatherm. Gigajoule (Canada), or Gigacalorie (Mexico). The mathematical effect of rounding can yield a result of zero. (NAESB WGQ 1.3.15)
- b) Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nomination process, will be $(1 - \text{fuel}\%/100)$ multiplied by the receipt quantity = delivery quantity. (NAESB WGQ 1.3.16)
- c) For current in-kind fuel reimbursement procedures, fuel rates will be made effective only at the beginning of the month. (NAESB WGQ 1.3.28)
- d) For in-kind fuel reimbursement methods, Sabine will not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth. (NAESB WGQ 1.3.29)
- e) For in-kind fuel reimbursement methods, Sabine will provide, if applicable, a fuel matrix for receipt and delivery point combinations. Shippers are not responsible for calculating and totaling fuel based on each zone or facility traversed. (NAESB WGQ 1.3.30)
- f) The transportation priority for fuel will be the same as the level of service as the transaction to which it applies. (NAESB WGQ 1.3.31)

7.27.3 Filing of Revised Reimbursement Percentages

The Fuel Gas and Unaccounted For Gas Reimbursement Percentages (FRP and UFRP, respectively) will be based on a 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the FRPs and UFRP to be effective April 1, 2009, which shall be based on the 15-month period beginning November 1, 2007 and ending January 31, 2009). The reimbursement percentages will be redetermined annually by Sabine. Revisions to the reimbursement percentages will be filed on or before the last day of February of each year and will become effective on April 1 of the same calendar year and will be listed in Section No. 5 of this FERC Gas Tariff. In no event will a FRP or a UFRP be less than zero.

7.27.4 Annual Determination of Revised UFRP

Accumulate the total actual monthly Unaccounted For Gas quantities over the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the UFRP to be effective April 1, 2009, accumulate the total actual monthly Unaccounted For Gas quantities over the 15-month period beginning November 1, 2007 and ending January 31, 2009). Add to these quantities any and all under-recoveries and/or over-recoveries of Unaccounted For Gas not included in this or any predecessor Section 7.27.4 for any prior period(s) that begin after November 30, 2008 (for these purposes, this sum shall be referred to as "Actual

Unaccounted For Gas"). Divide the Actual Unaccounted For Gas by the total transportation quantities scheduled over the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the UFRP to be effective April 1, 2009, divide the Actual Unaccounted For Gas by the total transportation quantities scheduled over the 15- month period beginning November 1, 2007 and ending January 31, 2009). Round the resulting percentage to the nearest 0.01% ("Estimated Revised UFRP").

Accumulate the Unaccounted For Gas quantities received from Shippers pursuant to this Section 7.27.4 during the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the UFRP to be effective April 1, 2009, accumulate the Unaccounted For Gas quantities received from Shippers during the 15-month period beginning November 1, 2007 and ending on January 31, 2009). Subtract these quantities from the Actual Unaccounted For Gas to determine the True-up Quantity. Divide the True-up Quantity by the projected total transportation quantities to be scheduled for the period beginning April 1 of the current year and ending on March 31 of the next succeeding calendar year. Round the resulting percentage to the nearest 0.01% ("UFRP True-up Adjustment").

Add the UFRP True-up Adjustment to the Estimated Revised UFRP to determine the UFRP to be effective April 1 of the current calendar year.

7.27.5 Annual Determination of Revised Port Neches FRP

Accumulate the total actual monthly fuel used at the Port Neches Compressor Station over the 12- month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the Port Neches FRP to be effective April 1, 2009, accumulate the total actual monthly fuel used at the Port Neches Compressor Station over the 15-month period beginning November 1, 2007 and ending January 31, 2009). Add to these quantities any and all under- recoveries and/or over-recoveries of fuel used at the Port Neches Compressor Station not included in this or any predecessor Section 7.27.5 for any prior period(s) that begin after November 30, 2008 (for these purposes, this sum shall be referred to as "Actual Port Neches Fuel Usage"). Divide the Actual Port Neches Fuel Usage by the total transportation quantities scheduled through the Port Neches Compressor Station over the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the Port Neches FRP to be effective April 1, 2009, divide the Actual Port Neches Fuel Usage by the total transportation quantities scheduled through the Port Neches Compressor Station over the 15-month period beginning November 1, 2007 and ending January 31, 2009). Round the resulting percentage to the nearest 0.01% ("Estimated Revised Port Neches FRP").

Accumulate the fuel used at the Port Neches Compressor Station received from Shippers pursuant to this Section 7.27.5 during the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the Port Neches FRP to be effective April 1, 2009, accumulate the fuel used at the Port Neches Compressor Station received from Shippers during the 15-month period beginning November 1, 2007 and ending on January 31,

2009). Subtract these quantities from the Actual Port Neches Fuel Usage to determine the True-up Quantity. Divide the True-up Quantity by the projected total transportation quantities to be scheduled through the Port Neches Compressor Station for the period beginning April 1 of the current year and ending on March 31 of the next succeeding calendar year. Round the resulting percentage to the nearest 0.01% ("Port Neches True-up Adjustment").

Add the Port Neches True-up Adjustment to the Estimated Revised Port Neches FRP to determine the Port Neches FRP to be effective April 1 of the current calendar year.

7.27.6 Annual Determination of Revised Henry Hub FRP

Accumulate the total actual monthly fuel used at the Henry Hub compressor stations over the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the Henry Hub FRP to be effective April 1, 2009, accumulate the total actual monthly fuel used at the Henry Hub compressor stations over the 15-month period beginning November 1, 2007 and ending January 31, 2009). Add to these quantities any and all under-recoveries and/or over-recoveries of fuel used at the Henry Hub compressor stations not included in this or any predecessor Section 7.27.6 for any prior period(s) that begin after November 30, 2008 (for these purposes, this sum shall be referred to as "Actual Henry Hub Fuel Usage"). Divide the Actual Henry Hub Fuel Usage by the total transportation quantities scheduled in or out of the Henry Hub over the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the Henry Hub FRP to be effective April 1, 2009, divide the Actual Henry Hub Fuel Usage by the total transportation quantities scheduled in or out of the Henry Hub over the 15-month period beginning November 1, 2007 and ending January 31, 2009). Round the resulting percentage to the nearest 0.01% ("Estimated Revised Henry Hub FRP").

Accumulate the fuel used at the Henry Hub compressor stations received from Shippers pursuant to this Section 7.27.6 during the 12-month period beginning February 1 of the previous calendar year and ending January 31 of the next succeeding calendar year (except for the Henry Hub FRP to be effective April 1, 2009, accumulate the fuel used at the Henry Hub compressor stations received from Shippers during the 15-month period beginning November 1, 2007 and ending on January 31, 2009). Subtract these quantities from the Actual Henry Hub Fuel Usage to determine the True-up Quantity. Divide the True-up Quantity by the projected total transportation quantities to be scheduled in or out of the Henry Hub for the period beginning April 1 of the current year and ending on March 31 of the next succeeding calendar year. Round the resulting percentage to the nearest 0.01% ("Henry Hub FRP True-up Adjustment").

Add the Henry Hub True-up Adjustment to the Estimated Revised Henry Hub FRP to determine the Henry Hub FRP to be effective April 1 of the current calendar year.

7.28. Internet Website Security

7.28.1 Customer Activities Website (CAW) (NAESB WGQ 4.3.100)

Within five Business Days of a Shipper's request, Sabine will provide the Shipper information, such as the user name and the security privileges, regarding users who have been granted access to Sabine's Customer Activities Web site on behalf of the Shipper.

The Shipper should designate to Sabine up to two representatives who are authorized to receive such information and the obligation of Sabine to provide the information is waived until Sabine has received such designation.

The Shipper should manage its own internal review and validation of users who have been identified.

Description

Section No.

Form of Service Agreements:
Form of Service Agmt. Applicable to FT Service
Form of Service Agmt. Applicable to IT Service
Form of Service Agmt. Applicable to Temporary FT

8
8.1
8.2
8.3

SERVICE AGREEMENT FOR
FIRM TRANSPORTATION
SERVICE UNDER FT-1 RATE SCHEDULE
CONTRACT NO. _____

THIS AGREEMENT ("Service Agreement"), made this ____ day of _____, between Sabine Pipe Line LLC, a Delaware limited liability company, hereinafter referred to as "Sabine", and _____, a _____, hereinafter referred to as "Shipper".

W I T N E S S E T H

WHEREAS, Sabine owns and operates a gas transmission system; and

WHEREAS, Sabine has received a request from Shipper that it desires to ship certain quantities of gas through Sabine's transmission system on a firm basis; and

WHEREAS, Sabine has determined its transmission system has available capacity to transport Shipper's gas and is willing to transport said gas through its transmission system subject to the terms of this Service Agreement and Sabine's applicable FERC Gas Tariff on file with the Federal Energy Regulatory Commission (Tariff); and

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein set forth, the parties hereto do covenant and agree as follows:

ARTICLE I

1. GAS TO BE TRANSPORTED

- 1.1 The definitions found in Section 7 of the General Terms and Conditions of Transporter's FERC Gas Tariff are incorporated herein by reference.
- 1.2 Subject to the terms and provisions of this Service Agreement and Sabine's FT-1 Rate Schedule and its General Terms and Conditions as set forth in its Tariff, Sabine agrees to accept such quantities of gas up to Shipper's MDQ as Shipper may cause to be tendered to Sabine at the Primary Receipt Point(s) for delivery to the, the Primary Delivery Point(s) as listed in an Exhibit A to this Service Agreement. Sabine and Shipper may enter into multiple Exhibit As for transportation under this Service Agreement.
- 1.3 Quantities nominated/tendered in excess of the MDQ for each Primary Receipt Point set forth in Exhibit A may be accepted and will be provided on an interruptible basis at the applicable Tariff Maximum Rate ; provided, however, that Sabine shall only be obligated to accept on any Day for transportation hereunder that quantity of gas Sabine determines it has available capacity to receive, transport, and deliver and provided further that in no event shall Sabine be obligated to transport gas on any Day in excess of the applicable MDQ set forth in Exhibit A.
- 1.4 If on any Day Sabine should determine that the remaining transportation capacity of its System, after Sabine has transported gas for Shippers with superior rights to transportation, is insufficient to transport all quantities of gas under similar transportation agreements entitled to similar transportation services, Sabine shall allocate the available transportation capacity on the basis set forth in Section 7.6 of the General Terms and Conditions of Sabine's Tariff.

- 1.5 For any quantities nominated/tendered to any Alternate Points, service using any such Alternate Point(s) shall be subject to availability and must be requested pursuant to Section 7.2.6 of Sabine's General Terms and Conditions.

ARTICLE II

2. RECEIPT POINT(S), DELIVERY POINT(S) AND PRESSURES

- 2.1 The Primary Receipt Point(s) at which Shipper shall cause gas to be tendered to Sabine for transportation hereunder are described in Exhibit A to this Service Agreement. Other pertinent factors applicable to the Primary Receipt Point(s) are also set forth in Exhibit A. Alternate Receipt Point(s), at which Shipper may cause gas to be tendered to Sabine for transportation hereunder, shall include all Receipt Points along Sabine's System, subject to the availability of capacity at such Receipt Points subject to Section 7.2.6 of Sabine's Tariff.
- 2.2 The Primary Delivery Point(s) at which Sabine shall deliver thermally equivalent quantities of gas transported hereunder, after appropriate reductions, are described in Exhibit A to this Service Agreement. Other pertinent factors applicable to the Primary Delivery Point(s) are also set forth in Exhibit A. Alternate Delivery Point(s), at which Sabine may deliver gas for the account of Shipper, shall include all Delivery Points along Sabine's System, subject to the availability of capacity at such Delivery Points subject to Section 7.2.6 of Sabine's Tariff.
- 2.3 Shipper shall cause gas to be delivered to Sabine at Receipt Point(s) at a pressure sufficient to allow the gas to enter Sabine's System as such pressure shall vary from time to time and place to place. Sabine shall not be required to compress gas in order to receive gas into its System.
- 2.4 Sabine shall deliver gas at each Delivery Point for the account of Shipper at the pressure which shall be available from time to time in Sabine's System.

ARTICLE III

3. RATE(S), FT-1 RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay Sabine for services rendered hereunder in accordance with Sabine's FT-1 Rate Schedule, or superseding rate schedule(s) and its Tariff, on file with and subject to the jurisdiction of the FERC and lawfully in effect from time to time and as set forth in Exhibit A.
- 3.2 Sabine shall have the right, from time to time, to file and to seek FERC approval, pursuant to Section 4 of the Natural Gas Act, to change any rates, charges or provisions set forth in its FT-1 Rate Schedule or its General Terms and Conditions, incorporated by reference as part of this Service Agreement. Sabine shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Service Agreement shall be deemed to include such changes which become effective by operation of law or by FERC Order, without prejudice to Shipper's right to protest the same.
- 3.3 Sabine and Shipper may agree to a negotiated rate or a discounted rate on a non-discriminatory basis as set forth on Exhibit A. Any such negotiated rate or discounted rate shall apply only to the agreed Primary Points of Receipt and Primary Points of Delivery unless otherwise agreed on Exhibit A. If no negotiated rate or discounted rates is set forth in Exhibit A or Shipper uses Alternate Points not included in Exhibit A, the rate for such service shall be Sabine's applicable maximum Tariff rate for such services unless otherwise agreed.
- 3.4 Sabine and Shipper may agree to a facilities fee or charge associated with an expansion or construction project needed to provide the service as described in Section 7.14.12 and as set forth on Exhibit A.

ARTICLE IV

4. REGULATORY REQUIREMENTS AND CONDITIONS PRECEDENT

- 4.1 The transportation arrangements provided for in this Service Agreement are subject to the provisions of Part 284 of the FERC's regulations, as amended from time to time.
- 4.2 Transportation of gas provided for under the terms and provisions of this Service Agreement shall not commence until the following conditions have been met:
- a) Any construction, acquisition, or expansion of facilities necessary to commence transportation has been completed;
 - b) Any certificate or regulatory authorization for the use of facilities necessary to commence transportation has been obtained;
 - c) Any force majeure event preventing Sabine or Shipper from performing its obligations under this Service Agreement has been remedied;
 - d) Shipper satisfies the credit worthiness criteria in accordance with Section 7.24 of the General Terms and Conditions of Sabine's FERC Gas Tariff.

ARTICLE V

5. TERM

- 5.1 This master Service Agreement shall be effective _____.
- 5.2 Each Exhibit A to this Service Agreement shall set forth its own term as described in such Exhibit A. Sabine and Shipper may enter into multiple Exhibit As for transportation under this Service Agreement.

ARTICLE VI

6. CANCELLATION OF PRIOR CONTRACTS

- 6.1 When this Service Agreement becomes effective, it supersedes and cancels as of the effective date hereof any preceding FT Service Agreements including the following FT Service Agreements between the parties hereto for the transportation of gas by Sabine for Shipper:
- 6.2 Each Exhibit A will indicate if it is superseding any prior Exhibit A. The Parties may enter into more than one Exhibit A.

ARTICLE VII

7. NOTICES

7.1 Any formal notice, request or demand that either party gives to the other regarding this Service Agreement shall be in writing and shall be mailed by first class, registered or certified mail or delivered in hand to the following address of the other party:

Sabine:

Shipper:

or to such other address as a party shall designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, fax or other mutually agreeable means shall be considered as duly delivered without further written confirmation, unless specifically required by Sabine's FERC Gas Tariff.

7.2 Nominations to schedule transportation service hereunder shall be directed to Sabine by use of the Customer Activities Web site or Sabine's transaction management system. If Shipper is otherwise unable to enter nominations through Sabine's transaction management system. Shippers may contact scheduling at the following email and phone number:

7.3 Wire transfer payments to Sabine shall be accompanied with the instructions "to credit the account of Sabine Pipe Line LLC" and shall be sent to the following bank and account number:

(This Subsection 7.3 is to be completed
indicating the Bank Name, Bank Routing Address
and Sabine Account Number)

7.4 Payments made by check remittance shall be mailed to:

(This Subsection 7.4 is to be completed
indicating the Bank Name, Bank Address
and Sabine Account Number)

7.5 Remittance detail supporting payments to Sabine, and any notice, request or demand regarding statements, bills or payments shall be mailed to the following address:

ARTICLE VIII

8. MISCELLANEOUS

- 8.1 Sabine and Shipper expressly agree that the laws of the State of Texas shall govern the validity, construction, interpretation and effect of this Service Agreement and of the General Terms and Conditions incorporated by reference in Sabine's FT-1 Rate Schedule.
- 8.2 Unless otherwise provided, all substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, that Sabine recovers in the course of transporting the quantities of gas tendered hereunder by Shipper shall be Sabine's sole property and Sabine shall not be obligated to account to Shipper for any value, whether or not realized by Sabine, that may attach or be said to attach to such substances.
- 8.3 Any Exhibit(s) A that the parties enter into are attached to this Service Agreement, and are hereby incorporated by reference as part of this Service Agreement. The parties may amend Exhibit(s) A by mutual agreement, which amendments shall be reflected in a revised Exhibit A and shall be incorporated by reference as part of this Service Agreement.
- 8.4 The parties hereto consent to the execution of this document by electronic signatures. Each of the parties hereto acknowledges and agrees, that if such party signs this document using an electronic signature, such electronic signature is the legal equivalent of having placed its handwritten signature on this document. The parties hereto further agree that the use of electronic signatures and electronic records shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement in duplicate originals on the day and year first written above.

SABINE PIPE LINE LLC

By: _____

Printed Name: _____

Title: _____

(SHIPPER)

By: _____

Printed Name: _____

Title: _____

EXHIBIT A

To The Firm
 Transportation Service Agreement
 Dated _____
 Between Sabine Pipe Line LLC
 And _____
 Contract No. _____

Primary Receipt Point(s) 1/	Receipt Pressure(s) (psig) 2/	Primary Delivery Point(s)	MDQ
_____	_____	_____	_____
_____	_____	_____	_____

Maximum Daily Reservation Quantity (Sum of all Primary Point MDQ(s)) _____

- Right of First Refusal: Yes No
- Maximum Rate: Yes No
- New Facilities Charge: Yes No
- Discounted Rate(s): Yes No
- Reservation Rate: _____ (\$/Dth/Month)
- Usage Rate: _____ (\$/Dth)
- Negotiated Rate(s): Yes No
- Reservation Rate: _____ (\$/Dth/Month)
- Usage Rate: _____ (\$/Dth)

Narrative Description of Discount Rate, Negotiated Rate or Facilities Charge if applicable:

Alternate Receipt Point(s) 1/	Receipt Pressure(s) (psig) 2/	Alternate Delivery Point(s)	MDQ
_____	_____	_____	_____
_____	_____	_____	_____

- Right of First Refusal: Yes No
- Maximum Rate: Yes No
- New Facilities Charge: Yes No
- Discounted Rate(s): Yes No
- Reservation Rate: _____ (\$/Dth/Month)
- Usage Rate: _____ (\$/Dth)
- Negotiated Rate(s): Yes No
- Reservation Rate: _____ (\$/Dth/Month)
- Usage Rate: _____ (\$/Dth)

Term Applicable to Alternate Point(s):
Narrative Description of Discount Rate, Negotiated Rate or Facilities Charge if applicable:

Effective Date of this Exhibit A: _____

Supersedes Exhibit A Effective: _____

1/ Each Receipt Point Quantity will be increased by an amount equal to Sabine's currently effective Fuel Gas and Unaccounted For Gas reimbursement percentages (FRP and UFRP, respectively). Shipper shall be responsible for such applicable reimbursement at each receipt point on a pro rata basis.

2/ Necessary pressure to receive gas into Sabine's System; not in excess of.

(SHIPPER)

SABINE PIPE LINE LLC

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

SERVICE AGREEMENT FOR
INTERRUPTIBLE TRANSPORTATION
SERVICE UNDER IT-1 RATE SCHEDULE
CONTRACT NO. _____

THIS AGREEMENT ("Service Agreement"), made this ____ day of _____, between Sabine Pipe Line LLC, a Delaware limited liability company, hereinafter referred to as "Sabine", and _____, a _____, hereinafter referred to as "Shipper".

W I T N E S S E T H

WHEREAS, Sabine owns and operates a gas transmission system; and

WHEREAS, Sabine has received a request from Shipper to ship certain quantities of gas through Sabine's transmission system on an interruptible basis; and

WHEREAS, Sabine has determined its transmission system may have available capacity to transport Shipper's gas and is willing to transport said gas through its transmission system subject to the availability of capacity and subject to the terms of this Service Agreement and Sabine's applicable FERC Gas Tariff on file with the Federal Energy Regulatory Commission (Tariff); and

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein set forth, the parties hereto do covenant and agree as follows:

ARTICLE I

1. GAS TO BE TRANSPORTED

- 1.1 The definitions found in Section 7 of the General Terms and Conditions of Transporter's FERC Gas Tariff are incorporated herein by reference.
- 1.2 Subject to the terms and provisions of this Service Agreement and Sabine's IT-1 Rate Schedule, and its General Terms and Conditions as set forth in its Tariff, Sabine agrees to accept such quantities of gas up to Shipper's MDQ as listed in an Exhibit A to this Service Agreement and as Shipper may cause to be tendered to Sabine at any nominated Receipt Point(s) on any Day during the term of this Service Agreement on an interruptible basis and subject to availability
- 1.3 Sabine and Shipper may enter into multiple Exhibits As for transportation under this Service Agreement.
- 1.4 Subject to the terms and provisions of this Service Agreement and Sabine's IT-1 Rate Schedule, and its General Terms and Conditions as set forth in its Tariff, Sabine shall deliver for the account of Shipper and Shipper shall accept at any nominated Delivery Point(s) an equivalent quantity of gas, less an allowance for the applicable Fuel Gas and Unaccounted For Gas reimbursement quantities and other appropriate reductions, to the quantity of gas received by Sabine from Shipper at the Receipt Points(s) for transportation hereunder on an interruptible basis; provided, however, that in no event shall Sabine be obligated to accept or to deliver gas on any Day in excess of the Maximum Daily Transportation Quantity(ies) set forth in Exhibit A.
- 1.3 If on any Day Sabine should determine that the remaining transportation capacity of its system, after Sabine has transported gas for Shippers with superior rights to transportation, is insufficient to transport all quantities of gas under transportation agreements entitled to similar transportation services, Sabine shall

allocate the available transportation capacity on the basis set forth in Section 7.6 of the General Terms and Conditions of Sabine's Tariff.

ARTICLE II

2. RECEIPT POINT(S), DELIVERY POINT(S), PRESSURES AND QUANTITY

- 2.1 All Receipt Points and Delivery Points listed in the Informational Postings section of Sabine's Internet web site shall be available for transportation service under this Service Agreement. Priority of transportation service using such points will be determined pursuant to Section 7.6 of the General Terms and Conditions of Sabine's Tariff.
- 2.2 Shipper shall cause gas to be delivered to Sabine at Receipt Point(s) at a pressure sufficient to allow the gas to enter Sabine's System as such pressure shall vary from time to time and place to place. Sabine shall not be required to compress gas in order to receive gas into its System.
- 2.3 Sabine shall deliver gas at each Delivery Point(s) for the account of Shipper at the pressure which shall be available from time to time in Sabine's System.

ARTICLE III

3. RATE(S), IT-1 RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay Sabine for services rendered hereunder in accordance with Sabine's IT-1 Rate Schedule, or superseding rate schedule(s) and its Tariff, on file with and subject to the jurisdiction of the FERC and lawfully in effect from time to time.
- 3.2 Sabine shall have the right, from time to time, to file and to seek FERC approval, pursuant to Section 4 of the Natural Gas Act, to change any rates, charges or provisions set forth in its IT-1 Rate Schedule or its General Terms and Conditions, incorporated by reference as part of this Service Agreement. Sabine shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Service Agreement shall be deemed to include such changes which become effective by operation of law or by FERC Order, without prejudice to Shipper's right to protest the same.
- 3.3 Sabine and Shipper may agree to a negotiated rate or a discounted rate on a non-discriminatory basis as set forth on Exhibit A. Any such negotiated rate or discounted rate shall apply only to the agreed Points of Receipt or Points of Delivery listed on Exhibit A, unless otherwise agreed on Exhibit A. If no negotiated rate or discounted rates is set forth in Exhibit A or Shipper uses Alternate Points not included in Exhibit A, the rate for such service shall be Sabine's applicable maximum Tariff rate for such services unless otherwise agreed.

ARTICLE IV

4. REGULATORY REQUIREMENTS AND CONDITIONS PRECEDENT

- 4.1 The transportation arrangements provided for in this Service Agreement are subject to the provisions of Part 284 of the FERC's regulations, as amended from time to time.
- 4.2 Transportation of gas provided for under the terms and provisions of this Service Agreement shall not commence until the following conditions have been met:
- a) Any construction, acquisition, or expansion of facilities necessary to commence transportation has been completed;
 - b) Any certificate or regulatory authorization for the use of facilities necessary to commence transportation has been obtained;
 - c) Any force majeure event preventing Sabine or Shipper from performing its obligations under this Service Agreement has been remedied;
 - d) Shipper satisfies the credit worthiness criteria in accordance with Section 7.24 of the General Terms and Conditions of Sabine's FERC Gas Tariff.

ARTICLE V

5. TERM

- 5.1 This master Service Agreement shall be effective _____ and shall continue in full force and effect until _____ and year-to-year thereafter until terminated by either party upon thirty (30) days prior written notice.
- 5.2 Each Exhibit A to this Service Agreement shall set forth its own term of service as described in such Exhibit A.

ARTICLE VI

6. CANCELLATION OF PRIOR CONTRACTS

- 6.1 When this Service Agreement becomes effective, it supersedes and cancels as of the effective date hereof any preceding IT Service Agreements including the following Service Agreements between the parties hereto for the transportation of gas by Sabine for Shipper:
- 6.2 Each Exhibit A will indicate if it is superseding any prior Exhibit A. The Parties may enter into more than one Exhibit A.

ARTICLE VII

7. NOTICES

- 7.1 Any formal notice, request or demand that either party gives to the other regarding this Service Agreement shall be in writing and shall be mailed by first class, registered or certified mail or delivered in hand to the following address of the other party:

Sabine:

Shipper:

or to such other address as a party shall designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, fax or other mutually agreeable means shall be considered as duly delivered without further written confirmation unless specifically required otherwise by Sabine's FERC Gas Tariff.

- 7.2 Nominations to schedule transportation service hereunder shall be directed to Sabine by use of the Customer Activities Web site or Sabine's transaction management system. If Shipper is otherwise unable to enter nominations through Sabine's transaction management system, Shippers may contact scheduling at the following email and phone number:

- 7.3 Wire transfer payments to Sabine shall be accompanied with the instructions "to credit the account of Sabine Pipe Line LLC" and shall be sent to the following bank and account number:

(This Subsection 7.3 is to be completed
indicating the Bank Name, Bank Routing Address
and Sabine Account Number)

- 7.4 Payments made by check remittance shall be mailed to:

(This Subsection 7.4 is to be completed
indicating the Bank Name, Bank Address
and Sabine Account Number)

- 7.5 Remittance detail supporting payments to Sabine, and any notice, request or demand regarding statements, bills or payments shall be mailed to the following address:

ARTICLE VIII

8. MISCELLANEOUS

8.1 Sabine and Shipper expressly agree that the laws of the State of Texas shall govern the validity, construction, interpretation and effect of this Service Agreement and of the General Terms and Conditions incorporated by reference in Sabine's IT-1 Rate Schedule.

8.2 Unless otherwise provided, all substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, that Sabine recovers in the course of transporting the quantities of gas tendered hereunder by Shipper shall be Sabine's sole property and Sabine shall not be obligated to account to Shipper for any value, whether or not realized by Sabine, that may attach or be said to attach to such substances.

8.3 Any Exhibit(s) A that the parties enter into are attached to this Service Agreement is hereby incorporated by reference as part of this Service Agreement. The parties may amend the Exhibit(s) A by mutual agreement, which amendment shall be reflected in a revised Exhibit A and shall be incorporated by reference as part of this Service Agreement.

8.4 The parties hereto consent to the execution of this document by electronic signatures. Each of the parties hereto acknowledges and agrees, that if such party signs this document using an electronic signature, such electronic signature is the legal equivalent of having placed its handwritten signature on this document. The parties hereto further agree that the use of electronic signatures and electronic records shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement in duplicate originals on the day and year first written above.

SABINE PIPE LINE LLC

By: _____

Printed Name: _____

Title: _____

(SHIPPER)

By: _____

Printed Name: _____

Title: _____

EXHIBIT A

To The Interruptible
Transportation Service Agreement
Dated _____
Between Sabine Pipe Line LLC
And _____
Contract No. _____

Primary Receipt Point(s) 1/	Primary Delivery Point(s)	MDQ
_____	_____	_____
_____	_____	_____

Maximum Daily Transportation Quantity (Sum of all Primary Point MDQ(s)) _____
Maximum Rate: Yes No
Discounted Rate(s): Yes No
Reservation Rate: _____ (\$/Dth/Month)
Usage Rate: _____ (\$/Dth)
Negotiated Rate(s): Yes No
Reservation Rate: _____ (\$/Dth/Month)
Usage Rate: _____ (\$/Dth)

Narrative Description of Discount Rate, Negotiated Rate or Facilities Charge if applicable:

Alternate Receipt Point(s) 1/	Alternate Delivery Point(s)	MDQ
_____	_____	_____
_____	_____	_____

Maximum Rate: Yes No
Discounted Rate(s): Yes No
Reservation Rate: _____ (\$/Dth/Month)
Usage Rate: _____ (\$/Dth)
Negotiated Rate(s): Yes No
Reservation Rate: _____ (\$/Dth/Month)
Usage Rate: _____ (\$/Dth)

Term Applicable to Alternate Point(s):
Narrative Description of Discount Rate, Negotiated Rate or Facilities Charge if applicable:

Effective Date of this Exhibit A: _____
Supersedes Exhibit A Effective: _____

1/ Each Receipt Point Quantity will be increased by an amount equal to Sabine's currently effective Fuel Gas and Unaccounted For Gas reimbursement percentages (FRP and UFRP, respectively). Shipper shall be responsible for such applicable reimbursement at each receipt point on a pro rata basis.

(SHIPPER)	SABINE PIPE LINE LLC
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO TEMPORARY FIRM TRANSPORTATION SERVICE
PURSUANT TO AWARD OF RELEASED CAPACITY

This Agreement is made and entered into this _____ day of _____, by and between Sabine Pipe Line LLC, a Delaware limited liability company, hereinafter referred to as Sabine, and _____, a _____ corporation, hereinafter referred to as Replacement Shipper.

PURPOSE

The purpose of this Agreement is to set forth the terms and conditions for prequalification as a bidder and replacement shipper under the provisions of Sabine's capacity release program, as described in Section 7.10 of the General Terms and Conditions of Sabine's FERC Gas Tariff, as it may be amended from time to time. Prequalification will permit Replacement Shipper to become an eligible bidder for released capacity posted on Sabine's Internet web site (web site). Prequalification will further permit an eligible bidder awarded capacity under the capacity release program to nominate and receive firm transportation service as described in such award.

CONFIRMATION LETTER

Upon the award of capacity to Replacement Shipper under Sabine's capacity release program, Sabine will provide Replacement Shipper a Confirmation Letter, incorporating the terms of an accepted bid for capacity, and requesting that Replacement Shipper execute and return the Confirmation Letter to Sabine. Sabine and Replacement Shipper agree that their respective signatures on such Confirmation Letter transmitted by facsimile or other similar technology will be deemed valid "signed writings." If Replacement Shipper nominates gas flow utilizing the released capacity prior to executing and returning the Confirmation Letter to Sabine, such Confirmation Letter shall be deemed executed by Replacement Shipper.

CONDITIONS OF SERVICE

Firm transportation service provided pursuant to an award of temporary firm transportation service under Sabine's capacity release program is subject to the terms and conditions of Sabine's FERC Gas Tariff, including the General Terms and Conditions, the FT-1 Rate Schedule and rates, and the FT Service Agreement. Sabine has the unilateral right to file revisions to these documents at any time and to implement such changes pursuant to the regulations and orders of the appropriate regulatory authority, and Replacement Shipper has the right to protest such filings.

Replacement Shipper must comply with Sabine's Credit provisions in Section 7.24 of the General Terms and Conditions prior to being placed on Sabine's approved list of eligible bidders for released capacity. Failure to maintain compliance will result in the removal of Replacement Shipper from the list of Eligible Bidders until such time as Replacement Shipper is in compliance with the requirements of these provisions. Further, service provided pursuant to an award of released capacity is subject to suspension if Replacement Shipper fails to meet the requirements of Section 7.24.

TERM

This Agreement is effective as of the first date written above, and will continue in effect for a period of one year, and month-to-month thereafter until terminated. This Agreement may be terminated by Sabine or Replacement Shipper at any time upon 10 days prior written notice. However, termination will not relieve either party of the obligation to perform the terms of this agreement as to any transactions that were commenced prior to termination.

NOTICES

Any formal notice, request, or demand that either party gives to the other regarding this service agreement must be in writing and be mailed by first class, registered or certified mail or be delivered in hand to the following address of the other party, or to such other address as either may designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, Internet web site (web site), or other mutually agreeable means will be considered as duly delivered without further written confirmation, unless specifically required by Sabine's FERC Gas Tariff.

Sabine:

Sabine Pipe Line LLC
P.O. Box 871
Tulsa, OK 74102
Attn: Contact Administration
Phone: 918-588-7964
Email: NGP_Contracts@oneok.com

Replacement Shipper:

Written nominations to schedule transportation service hereunder shall be directed to Sabine at the following telephone numbers:

Sabine Pipe Line LLC
P.O. Box 871
Tulsa, OK 74102
Attn: Sabine Scheduling
Phone: 844-663-6552

Wire transfer payments to Sabine shall be accompanied with the instructions "to credit the account of Sabine Pipe Line LLC" and shall be sent to the following bank and account number:

(This subsection is to be completed
indicating the Bank Name, Bank Routing Address
and Sabine Account Number)

Payments made by check remittance shall be mailed to:

(This subsection is to be completed
indicating the Bank Name, Bank Address
and Sabine Account Number)

Remittance detail supporting payments to Sabine, and any notice, request or demand regarding statements, bills or payments shall be mailed to the following address:

Sabine Pipe Line LLC
P.O. Box 871
Tulsa, OK 74102
Attn: Gas Accounting

NOTIFICATIONS TO RELEASING SHIPPER

Shipper acknowledges and agrees that, in accordance with NAESB WGQ 5.3.60, Sabine will provide Releasing Shipper, _____, with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Sabine to Shipper, of the following:

- (1) Notice to Shipper regarding Shipper's past due, deficiency, or default status pursuant to Sabine's FERC Gas Tariff;
- (2) Notice to Shipper regarding Shipper's suspension of service notice;
- (3) Notice to Shipper regarding Shipper's contract termination notice due to default or credit-related issues; and
- (4) Notice to Shipper that Shipper is no longer creditworthy and has not provided credit alternative(s) pursuant to Sabine's FERC Gas Tariff.

MISCELLANEOUS

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS AND THE PARTIES HERETO STIPULATE THAT WITH RESPECT TO ANY AND ALL DISPUTES BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS CONTRACT, VENUE WILL LIE IN THE FEDERAL OR STATE COURTS OF HOUSTON, HARRIS COUNTY, TEXAS.

In no event shall either party be liable to the other for any special, punitive, incidental, indirect, or consequential damages, including but not limited to loss of profits or business interruptions, arising out of or in any way related to this agreement.

This agreement may not be assigned without the prior written consent of the other party. Either party may terminate this agreement immediately if it is assigned without the other party's prior written consent.

The failure of either party to exercise any right granted herein will not impair, or be deemed a waiver of, that party's privilege of exercising that right any subsequent time.

This Agreement may not be amended unless the amendment is in writing and signed by both parties.

This Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter and to all present and future valid orders, rules, and regulations of duly constituted authorities having jurisdiction.