

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FSS)

Service Agreement No. \_\_\_\_\_

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and between MONROE GAS STORAGE COMPANY, LLC (“Operator”) and \_\_\_\_\_ (“Customer”), pursuant to the following recitals and representations.

WHEREAS, Operator owns and operates a high-deliverability natural gas reservoir storage facility located in Monroe County, Mississippi (“Facility”), and is authorized to provide natural gas storage and related services in interstate commerce by way of such Facility; and

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

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

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Operator shall perform and Customer shall receive service in accordance with the provisions of the effective Rate Schedule FSS and applicable General Terms and Conditions of Operator’s FERC Gas Tariff, First Revised Volume No. 1 (“Tariff”), on file with the Federal Energy Regulatory Commission (“Commission”), as the same may be amended or superseded in accordance with the rules and regulations of the Commission, and this Agreement. Operator shall, on any Day, receive for injection into storage for Customer’s account, a quantity of Gas up to Customer’s Maximum Daily Injection Quantity (“MDIQ”) as set forth on Exhibits A and B attached hereto, and shall store quantities of gas for Customer up to, but not exceeding, Customer’s Maximum Storage Quantity (“MSQ”) as specified in Exhibit A, attached hereto, as the same may be amended from time to time by agreement between Customer and Operator, or in accordance with the rules and regulations of the Commission. On demand on any Day, Operator shall withdraw from Customer’s Storage Inventory and deliver to Customer a quantity of gas up to Customer’s Maximum Daily Withdrawal Quantity (“MDWQ”) as set forth on the schedule in Exhibits A and B attached hereto. Service hereunder shall be provided subject to the provisions of Part 284 of the Commission’s Regulations.

Customer agrees that Operator shall have the unilateral right to file with the appropriate regulatory authority to make changes effective in (i) the terms and conditions of this Service Agreement, pursuant to which service hereunder is rendered, (ii) any provision of Rate Schedule FSS or (iii) any provision of the General Terms and Conditions applicable to this Service Agreement. Operator agrees that the Customer may protest or contest the aforementioned filings,

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and the Customer does not waive any rights it may have with respect to such filings.

Section 2. Receipt and Delivery Points. The point(s) at which the gas is tendered by Customer to Operator under this contract and the point(s) at which the gas is tendered by Operator to Customer under this contract shall be at the point(s) located on Operator's Facility designated on Exhibit B hereto.

Section 3. Rates. Customer shall pay Operator the charges as described in Rate Schedule FSS, the General Terms and Conditions of Operator's Tariff and as specified in Exhibit A to this Service Agreement, including Fuel Reimbursement. Customer shall reimburse Operator for Customer's pro rata portion, based on actual storage inventory of all customers, of all ad valorem taxes, property taxes, and/or other similar taxes assessed against and paid by Operator.

Section 4. Term. Service under this Agreement shall commence as of \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_ ("Term"). Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Customer may have negotiated with Operator.

Section 5. Notices. Notices to Operator under this Agreement shall be addressed to it at:

Cardinal Gas Storage Partners LLC  
Monroe Gas Storage Company, LLC  
Three Riverway, Suite 1250  
Houston, TX. 77056  
Attn: Contract Administrator  
Telephone: 713-350-2500  
Fax: 713-350-2550  
Email: CardinalContractAdmin@cardinalgs.com

Notices to Customer shall be addressed to it at: \_\_\_\_\_.

Such contact information shall be used until changed by either party by written notice.

Section 6. Prior Agreements Cancelled. This Service Agreement supersedes and cancels, as of the effective date hereof, the following agreement between the parties hereto:

\_\_\_\_\_.

Section 7. Law of Agreement. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO DOCTRINES GOVERNING CHOICE OF LAW. THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS FOR ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND AGREE NOT TO COMMENCE ANY ACTION, SUIT OR PROCEEDING RELATED THERETO EXCEPT IN SUCH COURTS. THE PARTIES HERETO FURTHER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN THE COURTS OF THE STATE OF TEXAS, AND HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES.

Section 8. Warehousemen's Lien.

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

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

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

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE GENERAL TERMS AND CONDITIONS, EXHIBIT B OF THIS AGREEMENT, SECTION 3 OF THIS AGREEMENT (CROSS-REFERENCING THE THEN CURRENT RATE SCHEDULE FSS FOR MONROE GAS STORAGE COMPANY, LLC AND GENERAL TERMS AND CONDITIONS OF OPERATOR'S TARIFF ON FILE WITH THE FEDERAL ENERGY REGULATORY COMMISSION, AND EXHIBIT A TO THIS AGREEMENT),

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

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

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

Section 9. Transfer and Assignment of All Agreements. Any company that succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Operator or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made by Customer, except pursuant to the General Terms and Conditions of Operator's Tariff.

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either party to the Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness.

Section 10. Miscellaneous

(a) This Agreement sets forth all understandings and agreements between the Parties

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

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

(c) No presumption shall operate in favor of or against any party as a result of any responsibility or role that any party may have had in the drafting of this Agreement.

(d) This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than Operator or Customer.

(e) This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile or electronically shall be deemed to be an original signature for all purposes.

CUSTOMER

MONROE GAS STORAGE COMPANY,  
LLC

By \_\_\_\_\_ By \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

FORM OF SERVICE AGREEMENT  
 (APPLICABLE TO RATE SCHEDULE FSS)

Revision No. \_\_\_\_\_  
 Control No. \_\_\_\_\_

EXHIBIT A

To Service Agreement No. \_\_\_\_\_ Under Rate Schedule FSS  
 Between Monroe Gas Storage Company, LLC (Operator)  
 And \_\_\_\_\_ (Customer)

QUANTITIES:

Maximum Storage Quantity (MSQ) \_\_\_\_\_ Dth  
 Maximum Daily Withdrawal Quantity (MDWQ) \_\_\_\_\_ Dth per Day  
 Maximum Daily Injection Quantity (MDIQ) \_\_\_\_\_ Dth per Day  
 Maximum Hourly Withdrawal Quantity (MHWQ) \_\_\_\_\_ Dth per Hour\*  
 Maximum Hourly Injection Quantity (MHIQ) \_\_\_\_\_ Dth per Hour\*

The quantity of gas Customer may inject or withdraw pursuant to this Agreement at any time shall be subject to the following ratchet provisions:

Inventory Level (as a % of MSQ)	MDIQ ((Multiplier (%) times MSQ))
0 to ≤ 39.6%	.924 to 2.8%
> 39.6% but ≤ 59.4%	.891 to 2.7%
> 59.4%	.528 to 1.6%

Inventory Level (as a % of MSQ)	MDWQ ((Multiplier (%) times MSQ))
100 to ≥ 67.3%	.977 to 2.96%
< 67.3% but ≥ 35.6%	.759 to 2.3%
< 35.6% but ≥ 19.8%	.528 to 1.6%
< 19.8% but ≥ 12.2%	.33 to 1.0%
< 12.2%	.125 to 0.38%

\* NOTE: The MHIQ shall equal 1/24th of the MDIQ and the MHWQ shall equal 1/24th of the MDWQ unless the Parties specifically designate otherwise on this schedule.

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CHARGES:

Storage Reservation Charge	\$_____per Dth of MSQ
Storage Injection Charge	\$_____per Dth Injected
Storage Withdrawal Charge	\$_____per Dth Withdrawn
Excess Injection Charge	[Negotiable]
Excess Withdrawal Charge	[Negotiable]
Excess Capacity Charge	[Negotiable]
Fuel Reimbursement	[Negotiable Dollars] or _____ % in-kind
Title Transfer Charge	[Negotiable]
Cycles	_____

Plus any other Taxes, Regulatory Fees and Charges, as applicable, pursuant to Section 4 of Rate Schedule FSS.

CUSTOMER

MONROE GAS STORAGE COMPANY,  
LLC

By \_\_\_\_\_ By \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

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(APPLICABLE TO RATE SCHEDULE FSS)

Revision No. \_\_\_\_\_  
Control No. \_\_\_\_\_

EXHIBIT B

To Service Agreement No. \_\_\_\_\_ Under Rate Schedule  
FSS Between Monroe Gas Storage Company, LLC (Operator)  
And \_\_\_\_\_ (Customer)

POINTS OF RECEIPT

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

For each designated point of receipt, Customer's Maximum Daily Receipt Quantity (MDRQ) shall be the Customer's MDIQ. Customer's aggregate daily nominated receipt quantity shall not exceed Customer's MDIQ. Notwithstanding the foregoing, Operator's obligation to inject on a Firm basis shall be limited to Customer's MDIQ.

POINTS OF DELIVERY

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

For each designated point of delivery, Customer's Maximum Daily Delivery Quantity (MDDQ) shall be the Customer's MDWQ. Customer's aggregate daily nominated delivery quantity shall not exceed Customer's MDWQ. Notwithstanding the foregoing, Operator's obligation to withdraw on a Firm basis shall be limited to Customer's MDWQ.

GENERAL TERMS AND CONDITIONS OF TARIFF

Receipt and Delivery quantities shall be subject to applicable General Terms and Conditions of Operator's FERC Gas Tariff, First Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission.