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1. DEFINITIONS

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"Bar" shall mean a pressure equal to 14.504 pounds per square inch.

"Base Facilities" shall mean the Facilities providing Storage capacity of 1.8 million barrels (285,000 m³); and delivery capacity of 630,000 Dt per Day.

"Boil-Off" gas shall mean low pressure Gas (i) boiling off from TLNG's storage tanks and other terminal facilities, (ii) flashing from the liquid phase to the gaseous phase during loading and unloading of Shipper's LNG and (iii) boiling off during regasification.

"British Thermal Unit" or "Btu" shall mean the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5°F to 59.5°F under standard conditions. One million Btu's is referred to as 1 MMBtu. All Btu's shall be considered as references to Btu's of GHV.

"Business Day" shall mean Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Clock Time, excluding Federal Banking Holidays.

"Central Time (CT)" or "Central Clock Time (CCT)" shall mean the time in the Central Time Zone, as adjusted for Daylight Savings Time and Standard Time.

"Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.

"Dekatherm (Dt)" or "MMBtu" shall mean one thousand cubic feet of Gas (Mcf) with a heat content of 1,000 Btu per cubic foot on a measurement basis specified under Section 13 herein and based on the same pressure base as the volumes.

"Electronic Funds Transfer" shall mean payments made or effected by wire transfer (Fedwire, CHIPS, or Bank Book Entry) or Automated Clearing House (ACH) or any other recognized electronic or automated payment mechanism that is agreed upon by Shipper and TLNG in the future.

"Expansion Facilities" shall mean the Facilities providing incremental Storage capacity of 880,000 barrels (140,000 m³ and vaporization capacity of 1,170,000 Dt per Day.

"Fuel Reimbursement" shall mean the reimbursement in kind to TLNG by Shipper for fuel usage and lost or unaccounted for Gas.

"Gas" or "Natural Gas" shall mean a mixture of hydrocarbon and nonhydrocarbon gases which are gaseous at room temperature and pressure, whose primary constituent is methane and whose GHV is 950 to 1,200 Btu per cubic foot.

"Gas Day" or "Day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 9:00 a.m. Central Clock Time. The reference date for any Day or Gas Day shall be the date of the beginning of such Day or Gas Day.

"Gross Heating Value" or "GHV" shall mean the quantity of heat produced by the combustion in air under constant pressure of one cubic meter of anhydrous gas, the air being at the same temperature and the same pressure as the gas, after the cooling of the products of combustion to the initial temperature of the gas and the air and after condensation of the water created by the combustion. Appropriate corrections will be made if the initial conditions of the air and the gas do not equal 0°C and 1.01325 Bars.

"Lending" or "Lending Service" shall mean the receipt of LNG by Shipper from TLNG and the subsequent return of such LNG to TLNG.

"Lending Point" shall mean the Terminal.

"Liquefied Natural Gas" or "LNG" shall mean Natural Gas in a liquid state at or below its point of boiling and at or near atmospheric pressure.

"Loaned Quantity" shall mean the Quantity of LNG, expressed in dekatherms, received by Shipper from TLNG pursuant to a Lending Service transaction that has not yet been repaid to TLNG at any point in time.

"Long-Term Agreement" shall mean a firm Service Agreement with a primary term of one year or more.

"Maximum Contract Storage Capacity (MCSC)" shall mean the maximum Quantity of LNG Shipper is permitted to have in Storage at any time as stated in the Service Agreement.

"Maximum Daily Quantity (MDQ)" shall mean the maximum Quantity of LNG, as stated in the Service Agreement, that Shipper may vaporize utilizing Alternate Vaporization on any Gas Day.

"Maximum Rate" shall mean the applicable maximum rate as set forth on the Currently Effective Rates for the applicable Rate Schedule plus all surcharges specified in the General Terms and Conditions, as may be applicable from time to time.

"Minimum Rate" shall mean the applicable minimum rate as set forth on the Currently Effective Rates for the applicable Rate Schedule.

"Month" shall mean the period beginning at 9:00 a.m. on the first Gas Day of the calendar month and continuing through the last Gas Day of the calendar month.

"Negotiated Rate" shall mean the rate agreed to by Shipper and TLNG which may be less than, equal to or greater than the Maximum Rate but shall not be less than the Minimum Rate. The Negotiated Rate may be based on a rate design other than straight fixed variable, may vary based on an index or other variable rate and may include a minimum quantity.

"NGL Delivery Point" shall mean the liquids custody transfer meter through which the plant products are delivered after processing.

"Operational Flow Order (OFO)" shall mean an order issued by TLNG to any Shipper pursuant to Section 7 herein.

"Point of Delivery" shall mean a point at the outlet side of TLNG's facilities at a point of interconnection between the facilities of TLNG and the pipeline facilities of Shipper or Shipper's designee, or such other mutually agreeable point as set forth in the Service Agreement.

"Pre-arranged Replacement Shipper (PRS)" shall mean the entity designated by Releasing Shipper prior to the released capacity being posted on Messenger®. The PRS must be on the approved bidders list in accordance with Section 9.4(A) of the General Terms and Conditions and will become a Replacement Shipper upon selection of its bid as the best bid.

"Quantity" or **"Quantities"** shall mean the number of units of Gas or LNG expressed in Dekatherms (Dt).

"Receipt/Discharge Point" shall mean the flange located at the connection of the permanent loading pipe system of the LNG vessel with the loading arm of TLNG's Terminal.

"Regasified LNG" shall mean LNG which has been converted from its liquid state to a gaseous state by mechanical vaporization process.

"Releasing Shipper" shall mean a firm Shipper that releases capacity pursuant to Section 9 herein.

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"Service Agreement" shall mean the written executed agreement, in the form prescribed in this Tariff, applicable to the particular Rate Schedule under which service is being provided, including a Capacity Release Service Agreement.

"Shipper" shall mean the entity that has executed a Service Agreement with TLNG for any capacity release or Terminal service.

"Shipper's Vessel" shall mean a vessel(s) under the control of Shipper or persons designated by Shipper and used to transport LNG.

"Storage" shall mean the retention by TLNG of Shipper's LNG for a period of time in tanks at TLNG's Terminal.

"Stored Volume" shall mean the Quantity of LNG held by TLNG in Storage for Shipper's account at any time.

"Thermie" shall mean one thousand kilocalories, or one million calories. Two hundred fifty-two Thermies equal one Dekatherm.

"Terminal" shall mean the land, facilities and rights belonging to TLNG at Lake Charles, Louisiana for the receipt, Storage, regasification and delivery of LNG and Regasified LNG.

"Terminal Service" shall mean the receipt and storage of LNG and the subsequent delivery of LNG or Regasified LNG.

"TLNG" shall mean Trunkline LNG Company, LLC.

"Web Site" shall mean TLNG's HTML page accessible via the Internet's World Wide Web located at <http://www.panhandleenergy.com>.

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GENERAL TERMS AND CONDITIONS

2. REQUESTS FOR SERVICE

- 2.1 Any person desiring Terminal Service, including Alternate Vaporization Service, or Lending Service must deliver or cause to be delivered to TLNG the information required by Sections 2.2 and 2.3 hereof and, if applicable, the prepayment required by Section 2.4 herein. All such materials are to be delivered to TLNG at the following address:

Trunkline LNG Company, LLC
Attn: Customer Service
P. O. Box 4967
Houston, Texas 77210-4967
Telephone: (713) 627-4272 or
1-800-275-7375
Facsimile: (713) 989-1178

TLNG may require such other information as is required to comply with regulatory reporting or filing requirements.

2.2 New Service Request Form

A person requesting service (Shipper), whether by using unsubscribed capacity, capacity released pursuant to Section 9 herein, or interruptible capacity, shall include in writing the information specified in TLNG's current new service request form, as such may be revised from time to time.

2.3 Credit Appraisal

(A) Acceptance of a request for service, whether by using unsubscribed capacity, capacity released pursuant to Section 9 herein, or interruptible capacity, and the continuation of such service is contingent upon Shipper satisfying, on an ongoing basis, a credit appraisal by TLNG. TLNG shall apply consistent evaluation practices to determine the acceptability of Shipper's overall financial condition. Such credit appraisal shall be based upon the following information and criteria:

- (1) Current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Shipper's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. TLNG shall determine the acceptability of Shipper's overall financial condition, working capital, and profitability trends.

- (2) A bank reference and at least two trade references. The results of reference checks and any credit reports provided by Shipper must show that Shipper's obligations are being paid on a reasonably prompt basis.
- (3) Confirmation in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to litigation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper that is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction.
- (4) Confirmation in writing that it is not subject to any uncertainty or any change in business conditions resulting from: (a) pending litigation in State or Federal courts; (b) regulatory proceedings; or (c) otherwise, which could cause a substantial deterioration in its financial condition, a condition of insolvency of, or the inability to exist as an on-going business entity.
- (5) Confirmation in writing that no significant collection lawsuits or judgments are outstanding which could adversely affect the Shipper's ability to remain solvent.
- (6) Confirmation that Shipper's on-going business relationship with TLNG, reflects no delinquent balances outstanding for services provided previously by TLNG. Shipper must have paid its account balances according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

To enable TLNG to perform this credit appraisal, Shipper shall provide TLNG with the material specified in (1)-(5) of this Section 2.3(A).

- (B) Upon notification by TLNG that Shipper has failed to satisfy the credit criteria, or subsequently during the term of the Service Agreement that Shipper no longer satisfies the credit criteria, Shipper may still obtain credit approval from TLNG if it elects to provide one of the following: (1) an advance deposit; (2) a Standby Irrevocable Letter of Credit; (3) security interest in collateral found to be satisfactory to TLNG; or (4) a guaranty, acceptable to TLNG, by another person or entity which satisfies the credit appraisal. An advance deposit, Standby Irrevocable Letter of Credit, or security interest should at all times equal the three highest Months of estimated usage during the term of the Service Agreement.

- (C) If Shipper's credit standing ceases to meet TLNG's credit requirements during the period of service, then TLNG has the right to require security or prepayments as specified above. If satisfactory security or prepayment is not tendered in a time period as reasonably determined by TLNG, then TLNG is not required to continue service.
- (D) If Shipper is unable to maintain credit approval, the Service Agreement shall terminate as of the first day of the Month following written notice of such termination by TLNG to Shipper.

2.4 Prepayment

To be considered valid, a request for firm service, other than capacity release pursuant to Section 9, must be accompanied by payment of the lesser of (1) the applicable Reservation Charge for one Month or (2) \$10,000. Such payment must be made by Shipper to TLNG. This payment plus the interest accrued from the date payment is received until the date service commences shall be used to offset Shipper's monthly bill. If Shipper's request expires, is withdrawn, or TLNG declines to tender a Service Agreement, TLNG shall refund Shipper's payment plus the accrued interest from the date payment is received until the refund is sent to Shipper. For purposes of this section, accrued interest shall be computed in a manner consistent with Section 154.501(d) of the Commission's Regulations.

- 2.5 A request for service shall not be valid and no service request date shall be assigned until TLNG has received in writing the information required or requested under Sections 2.2, 2.3, and 2.4 herein. Upon notification by TLNG to Shipper that any part of a request is deficient, Shipper must provide such information or deposit within seven days of such request. In such event, Shipper's request for service will be deemed to have been received when the information set forth in Sections 2.2, 2.3, and 2.4 is received. Otherwise, Shipper's request for service will be deemed to have been received when such additional information, assurances or deposit actually is received by TLNG. In any event, a request for service that is still deficient thirty (30) days after TLNG's notice of such deficiency to Shipper will be considered to have been withdrawn.

- 2.6 In the event that any information provided by Shipper in this Section 2 changes or is expected to change, Shipper shall provide prompt written notice of such changes to TLNG.

- 2.7 In the event that a Shipper or potential Shipper may have any complaints, Shipper or potential Shipper shall:

- (A) Provide TLNG a written description of the complaint, including the identification of Shipper's contract number or request for service, whichever is applicable, by contacting TLNG at the following:

Trunkline LNG Company, LLC
Attn: Customer Service
P. O. Box 4967
Houston, Texas 77210-4967
Telephone: (713) 627-4272 or
1-800-275-7375
Facsimile: (713) 989-1178

- (B) TLNG shall respond initially within forty-eight (48) hours and in writing within thirty (30) days advising Shipper or potential Shipper of the disposition of the complaint.

- 2.8 Any person may request information on the pricing of services, capacity available for use, or a current new service request form by contacting TLNG at the following:

Trunkline LNG Company, LLC
Attn: Customer Service
P. O. Box 4967
Houston, Texas 77210-4967
Telephone: (713) 627-4272 or
1-800-275-7375
Facsimile: (713) 989-1178

GENERAL TERMS AND CONDITIONS

3. NOMINATION AND SCHEDULING OF SERVICES

Terminal Service and Lending Service shall be provided only after Shipper has furnished or caused to be furnished to TLNG a nomination for such service in accordance with Sections 3.1, 3.2, 3.3, and 3.4 and TLNG has scheduled the service in accordance with Sections 3.5, 3.6 and 3.7.

3.1 Contents of Nominations

(A) Each nomination for Terminal Service shall show the Shipper's contract number and the information required below concerning the Quantities of LNG to be received and stored and the LNG or Regasified LNG to be delivered by TLNG.

(1) Information Required For All Nominations

- (a) The Day(s) the LNG is to be received;
- (b) The Quantities of LNG to be received;
- (c) The estimated composition and heat content of the LNG;
- (d) The source of the LNG;
- (e) The estimated saturated pressure and temperature of the LNG on arrival at the Terminal;
- (f) A delivery schedule, including Quantities and dates of delivery, which shall comply with the Service Agreement and the cycling requirement of Section 4.4(C) herein;
- (g) The disposition of Boil-Off, including the Point of Delivery;
- (h) Boil-Off Imbalance make-up, if any; and
- (i) Means of Receipt and Delivery.

(2) Additional Information Required For Particular Means Of Receipt and Delivery

- (a) If the LNG is to be received from or delivered to Shipper's Vessel(s), the nomination shall:

- (i) Identify Shipper's Vessel(s); and
 - (ii) State whether the Shipper's Vessel(s) will require cooldown prior to delivery of the LNG.
 - (b) If TLNG is to deliver Regasified LNG, the nomination shall provide:
 - (i) The Quantity of Gas to be delivered, net of the Quantity to be retained by TLNG for Fuel Reimbursement; and
 - (ii) The Point of Delivery.
 - (c) If the LNG is to be received pursuant to Shipper's Lending Service agreement, the nomination shall provide the contract number of such Service Agreement.
- (B) Each nomination for Lending Service shall show the Shipper's contract number and the information required below concerning Quantities of LNG to be loaned to Shipper and repaid to TLNG.
 - (1) Information Required For Nominations Of Quantities To Be Loaned
 - (a) The Day(s) the LNG is to be loaned;
 - (b) The Quantities of LNG to be loaned; and
 - (c) The contract number of the Service Agreement for Terminal Service which will receive the Loaned Quantity.
 - (2) Information Required For Nominations To Repay the Loaned Quantity With LNG
 - (a) The Day(s) the LNG is to be received;
 - (b) The Quantities of LNG to be received;
 - (c) The estimated composition and heat content of the LNG;
 - (d) The source of the LNG;
 - (e) The estimated saturated pressure and temperature of the LNG on arrival at the Terminal;

- (f) If the LNG is to be received from Shipper's Vessel(s), the information required by Section 3.1(A)(2)(a); and
- (3) Information Required For Nominations to Repay the Loaned Quantity With Gas
 - (a) The Day(s) the Gas is to be received; and
 - (b) The Quantities of Gas to be received.
- (C) Nominations shall conform to the means of receipt or delivery specified in the Service Agreement; provided, however, that TLNG may accept nominations that deviate from such means as operating conditions permit and without detrimental impact to other Shippers and upon confirmation that satisfactory arrangements for delivery have been made. In the event Shipper desires to deliver LNG to TLNG by means of a vessel that has not previously been utilized under Shipper's Service Agreement, Shipper shall submit with its nominations, the information required by Section 2.2.
- (D) By submitting a nomination Shipper represents and warrants that it has obtained all necessary regulatory approvals to deliver LNG to the Terminal and that valid contractual arrangements are in place by which the LNG will be transported to the Terminal and LNG or Regasified LNG will be transported from the Terminal. TLNG shall be allowed to rely conclusively on the information submitted as part of the nomination in confirming the nomination and scheduling the service.

3.2 Means By Which Nominations Are To Be Submitted

- (A) Nominations may be submitted electronically or in writing to:

Trunkline LNG Company, LLC
Attn: Marketing Operations
P. O. Box 4967
Houston, Texas 77210-4967
Phone: (713) 962-9862
Facsimile: (713) 286-5402

- (B) Shipper may give written notice at any time to change the designation of the person to provide the nomination information set forth in this Section to TLNG. If Shipper designates another person to provide this information, TLNG shall be entitled to rely on the nominations previously provided by Shipper's designee.

3.3 Time For Submission of Nominations

(A) Projected nominations for Terminal Service to be provided during the Month shall be submitted by the first Day of the preceding Month. If Shipper fails to provide a projected nomination, TLNG may deem Shipper's nomination to be zero unless Shipper has previously provided TLNG with a default nomination for such Month.

(B) Next Day Service

Shipper shall have the right to submit in writing a new nomination for any Gas Day by submitting notice by 11:30 a.m. Central Time the preceding Gas Day or such later time acceptable to TLNG. Such new or revised nomination shall conform to the requirements of Section 3.1 herein. Overrun Quantities shall be requested in a separate nomination.

The nomination timeline in Central Time on the Day prior to Gas flow shall be the following:

The Timely Nomination Cycle

- 11:30 a.m. Nomination leaves control of the Shipper
- 11:45 a.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)
- 12:00 p.m. TLNG provides quick response for validity of data elements
- 3:30 p.m. Completed confirmations from upstream and downstream connected parties
- 4:30 p.m. Scheduled Quantities made available by TLNG for receipt by Shipper and point operator

In addition, at the end of each Gas Day TLNG shall make available to each Shipper information containing scheduled Quantities, including scheduled intra-day nominations and any other scheduling changes.

Shipper shall specify a begin date and an end date for each nomination. Such begin date and end date shall be within the term of Shipper's Service Agreement. To the extent that Shipper desires to change its nomination for any Gas Day Shipper must submit a new nomination for such Day. 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. Should Shipper fail to provide this nomination on or before the nomination deadline, TLNG may deem Shipper's nomination to be zero.

(C) Intra-day Nominations

Any nomination submitted after the deadline set forth in Section 3.3(B) above shall be an intra-day nomination. An intra-day nomination shall be effective for one Gas Day only. An intra-day nomination shall specify an effective date, time and the daily Quantity. The interconnected parties shall agree on the hourly flows for such Gas Day.

The intra-day nomination timeline in Central Time on the Day prior to Gas flow shall be the following:

The Evening Nomination Cycle

- 6:00 p.m. Nomination leaves control of the Shipper
- 6:15 p.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)
- 6:30 p.m. TLNG provides quick response for validity of data elements
- 9:00 p.m. Completed confirmations from upstream and downstream connected parties
- 10:00 p.m. Scheduled Quantities provided by TLNG to affected Shippers, point operators and bumped parties (notice to bumped parties)

Scheduled Quantities resulting from an Evening Nomination that does not cause another Shipper to receive notice that it is being bumped should be effective at 9:00 a.m. on Gas Day; and when an Evening Nomination causes another Shipper to receive notice that it is being bumped, the scheduled Quantities should be effective at 9:00 a.m. on Gas Day. Bumped parties shall be notified of such bump through Messenger[®] and the Web Site and by telephone and facsimile transmission.

The intra-day nomination timelines in Central Time on the Day of Gas flow shall be the following:

(1) The Intra-day 1 Nomination Cycle

- 10:00 a.m. Nomination leaves control of the Shipper
- 10:15 a.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)
- 10:30 a.m. TLNG provides quick response for validity of data elements
- 1:00 p.m. Completed confirmations from upstream and downstream connected parties
- 2:00 p.m. Scheduled Quantities provided by TLNG to Shippers, point operators and bumped parties (notice to bumped Parties)
- 5:00 p.m. Intra-day 1 nomination effective

Bumped parties shall be notified of such bump through Messenger® and the Web Site and by telephone and facsimile transmission.

(2) The Intra-day 2 Nomination Cycle

- 5:00 p.m. Nomination leaves control of the Shipper
- 5:15 p.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)
- 5:30 p.m. TLNG provides quick response for validity of data elements
- 8:00 p.m. Completed confirmations from upstream and downstream connected parties
- 9:00 p.m. Scheduled Quantities provided by TLNG to Shipper and point operator
- 9:00 p.m. Intra-day 2 nomination effective

Bumping is not allowed during the Intra-day 2 Nomination Cycle.

For purposes of this Section 3.3(C), "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (D) TLNG shall have the right to refuse to receive or deliver any LNG, Boil-Off, or Regasified LNG not timely or properly nominated. TLNG shall not be liable to

Shipper or any other person as a direct or indirect consequence of such refusal and Shipper shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

3.4 Additional Information Requirements

- (A) Shipper shall comply with requests by TLNG for additional information which TLNG believes is necessary to perform service hereunder or to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction.
- (B) Shipper shall notify TLNG immediately of any unexpected changes in Quantities tendered for receipt or delivery, whether or not such notice conforms to the times set out herein.
- (C) Shipper shall cause the operator of each vessel or Point of Delivery designated in any nomination or change to a nomination to confirm all such nominations or changes to nominations in writing prior to implementation by TLNG.

3.5 Scheduling Procedures for the Receipt and Delivery of LNG by Shipper's Vessel(s) pursuant to Rate Schedules FTS, FTS-2, ITS and ITS-2

- (A) If all nominations for the receipt and delivery of LNG by Shipper's Vessel(s) during the Month cannot be accommodated and all conflicts cannot be resolved by mutual agreement among TLNG and the affected Shippers, service utilizing Base Facilities and service utilizing Expansion Facilities shall be scheduled separately and shall be scheduled in the following order:
 - (1) Firm service under Rate Schedule FTS or FTS-2 in sequence starting with the highest rate for Terminal Service;
 - (2) Interruptible service under Rate Schedule ITS or ITS-2 in sequence starting with the highest rate for Terminal Service.

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of this Section 3.5(A).

In the event two (2) or more Shippers have the same priority using the above criteria, service will be scheduled in sequence starting with the service to be provided pursuant to the Service Agreement with the earliest request date.

- (B) Once service is nominated and scheduled during any Month under any Rate Schedule, such service shall not be bumped for the purpose of scheduling other service with equal or lower priority during the Month.

3.6 Scheduling Procedure for Delivery of Regasified LNG

- (A) The Quantities of Regasified LNG nominated for delivery by Shippers from Storage utilizing Base Facilities and Quantities of Regasified LNG nominated for delivery by Shippers from Storage utilizing Expansion Facilities shall be scheduled separately and shall be scheduled by TLNG in the following order:
 - (1) Firm service under Rate Schedules FTS, FTS-2 and FAV;
 - (2) Interruptible service under Rate Schedules ITS, ITS-2 and IAV and overrun Quantities under firm rate schedules.
- (B) Within each sequence of the categories listed above, Shipper's Service Agreement request date will determine the scheduling priority. For Shippers with the same request date, Quantities will be scheduled on a pro rata basis based on each Shipper's MCSC.
- (C) Once service is nominated and scheduled during any Month under any Rate Schedule, such service shall not be bumped for the purpose of scheduling other Quantities with equal or lower priority during the Month.

3.7 Scheduling Procedure for Lending Service

- (A) Quantities of LNG nominated for Lending pursuant to Rate Schedule LLS shall be scheduled by TLNG after it has scheduled service under all other Rate Schedules.
- (B) Quantities of LNG nominated to repay the Loaned Quantity pursuant to Rate Schedule LLS and to be delivered to TLNG by Shipper's Vessel(s) shall be scheduled by TLNG after scheduling all receipts and deliveries of LNG by Vessel(s) under all other Rate Schedules.
- (C) Quantities of Gas nominated to repay the Loaned Quantity pursuant to Rate Schedule LLS and to be made available to TLNG at the Point of Delivery shall be scheduled by TLNG after scheduling all deliveries at the Point of Delivery under all other Rate Schedules.
- (D) If all nominations pursuant to Rate Schedule LLS cannot be accommodated, Quantities will be scheduled in sequence starting with service paying the rate most proximate to the maximum rate. In the event of a tie among Shippers paying the same rate, Shipper's Lending Service request date shall determine

the scheduling priority. For Shippers with the same request date, Quantities shall be scheduled on a pro rata basis.

- (E) Once service is nominated and scheduled during any Day under Rate Schedule LLS, such service shall not be bumped for the purpose of scheduling other service under Rate Schedule LLS.

3.8 Predetermined Allocations

- (A) For all Regasified LNG to be delivered to Shipper, Shipper shall cause the operating party of facilities immediately downstream of TLNG's Point of Delivery to provide a predetermined allocation methodology to be used in allocating said Gas through the Point of Delivery. Parties may agree upon one of the following allocation methodologies: ranked, pro rata, percentage, swing and operator provided value. In the event the parties cannot agree on an allocation methodology, pro rata based on confirmed nominations will be used as the default method. The party responsible for custody transfer (the party performing the measurement function) must provide the allocation. TLNG will accept such allocation if operationally and administratively feasible.
- (B) The allocation methodology shall be provided to TLNG in writing before the start of the Gas Day that Gas is to be delivered and shall prescribe the methodology for all Service Agreements for which Quantities have been scheduled at the Point of Delivery.
- (C) In the event no methodology acceptable to TLNG is provided, TLNG shall allocate the actual Quantities delivered by TLNG among Shippers based on the ratio of each scheduled Quantity to the total scheduled Quantities of Gas at the Point of Delivery applied to the total Quantity of Regasified LNG actually delivered by TLNG.
- (D) Changes to the daily allocation methodology must be submitted in writing and confirmed in advance of the effective date and shall be effective prospectively. No retroactive reallocation of any transaction shall be permitted.
- (E) TLNG shall not have any liability to any Shipper as a result of TLNG's reliance on any allocation methodology described herein, and Shipper shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of TLNG's reliance on such allocation methodology, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

GENERAL TERMS AND CONDITIONS

3. NOMINATION AND SCHEDULING OF SERVICES

Terminal Service and Lending Service shall be provided only after Shipper has furnished or caused to be furnished to TLNG a nomination for such service in accordance with Sections 3.1, 3.2, 3.3, and 3.4 and TLNG has scheduled the service in accordance with Sections 3.5, 3.6 and 3.7.

3.1 Contents of Nominations

(A) Each nomination for Terminal Service shall show the Shipper's contract number and the information required below concerning the Quantities of LNG to be received, and stored and the LNG or Regasified LNG to be delivered by TLNG.

(1) Information Required For All Nominations

- (a) The Day(s) the LNG is to be received;
- (b) The Quantities of LNG to be received;
- (c) The estimated composition and heat content of the LNG;
- (d) The source of the LNG;
- (e) The estimated saturated pressure and temperature of the LNG on arrival at the Terminal;
- (f) A delivery schedule, including Quantities and dates of delivery, which shall comply with the Service Agreement and the cycling requirement of Section 4.4(C) herein;
- (g) The disposition of Boil-Off, including the Point of Delivery;
- (h) Boil-Off Imbalance make-up, if any; and
- (i) Means of Receipt and Delivery.

(2) Additional Information Required For Particular Means Of Receipt and Delivery

- (a) If the LNG is to be received from or delivered to Shipper's Vessel(s), the nomination shall:

- (i) Identify Shipper's Vessel(s); and
 - (ii) State whether the Shipper's Vessel(s) will require cooldown prior to delivery of the LNG.
 - (b) If the LNG is to be received from, or delivered to Shipper's Truck(s), the nomination shall:
 - (i) State the tractor height, trailer height, and anticipated empty and gross weights;
 - (ii) Provide proof that Shipper's Truck is certified by the Department of Transportation to transport LNG; and
 - (iii) State whether the Shipper's Truck(s) will require cool down prior to delivery of LNG.
 - (c) If TLNG is to deliver Regasified LNG, the nomination shall provide:
 - (i) The Quantity of Gas to be delivered, net of the Quantity to be retained by TLNG for Fuel Reimbursement; and
 - (ii) The Point of Delivery.
 - (d) If the LNG is to be received pursuant to Shipper's Lending Service agreement, the nomination shall provide the contract number of such Service Agreement.
- (B) Each nomination for Lending Service shall show the Shipper's contract number and the information required below concerning Quantities of LNG to be loaned to Shipper and repaid to TLNG.
 - (1) Information Required For Nominations Of Quantities To Be Loaned
 - (a) The Day(s) the LNG is to be loaned;
 - (b) The Quantities of LNG to be loaned; and
 - (c) The contract number of the Service Agreement for Terminal Service which will receive the Loaned Quantity.

- (2) Information Required For Nominations To Repay the Loaned Quantity With LNG
 - (a) The Day(s) the LNG is to be received;
 - (b) The Quantities of LNG to be received;
 - (c) The estimated composition and heat content of the LNG;
 - (d) The source of the LNG;
 - (e) The estimated saturated pressure and temperature of the LNG on arrival at the Terminal;
 - (f) If the LNG is to be received from Shipper's Vessel(s), the information required by Section 3.1(A)(2)(a); and
 - (g) If the LNG is to be received from Shipper's Truck(s), the information required by Section 3.1(A)(2)(b).
- (3) Information Required For Nominations to Repay the Loaned Quantity With Gas
 - (a) The Day(s) the Gas is to be received; and
 - (b) The Quantities of Gas to be received.
- (C) Nominations shall conform to the means of receipt or delivery specified in the Service Agreement; provided, however, that TLNG may accept nominations that deviate from such means as operating conditions permit and without detrimental impact to other Shippers and upon confirmation that satisfactory arrangements for delivery have been made. In the event Shipper desires to deliver LNG to TLNG by means of a vessel that has not previously been utilized under Shipper's Service Agreement, Shipper shall submit with its nominations, the information required by Section 2.2.
- (D) By submitting a nomination Shipper represents and warrants that it has obtained all necessary regulatory approvals to deliver LNG to the Terminal and that valid contractual arrangements are in place by which the LNG will be transported to the Terminal and LNG or Regasified LNG will be transported from the Terminal. TLNG shall be allowed to rely conclusively on the information submitted as part of the nomination in confirming the nomination and scheduling the service.

3.2 Means By Which Nominations Are To Be Submitted

- (A) Nominations may be submitted electronically or in writing to:

Trunkline LNG Company, LLC
Attn: Marketing Operations
P. O. Box 4967
Houston, Texas 77210-4967
Phone: (713) 962-9862
Facsimile: (713) 286-5402

- (B) Shipper may give written notice at any time to change the designation of the person to provide the nomination information set forth in this Section to TLNG. If Shipper designates another person to provide this information, TLNG shall be entitled to rely on the nominations previously provided by Shipper's designee.

3.3 Time For Submission of Nominations

- (A) Projected nominations for Terminal Service to be provided during the Month shall be submitted by the first Day of the preceding Month. If Shipper fails to provide a projected nomination, TLNG may deem Shipper's nomination to be zero unless Shipper has previously provided TLNG with a default nomination for such Month.

- (B) Next Day Service

Shipper shall have the right to submit in writing a new nomination for any Gas Day by submitting notice by 11:30 a.m. Central Time the preceding Gas Day or such later time acceptable to TLNG. Such new or revised nomination shall conform to the requirements of Section 3.1 herein. Overrun Quantities shall be requested in a separate nomination.

The nomination timeline in Central Time on the Day prior to Gas flow shall be the following:

The Timely Nomination Cycle

- 11:30 a.m. Nomination leaves control of the Shipper
- 11:45 a.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)
- 12:00 p.m. TLNG provides quick response for validity of data elements

3:30 p.m. Completed confirmations from upstream and downstream connected parties

4:30 p.m. Scheduled Quantities made available by TLNG for receipt by Shipper and point operator

In addition, at the end of each Gas Day TLNG shall make available to each Shipper information containing scheduled Quantities, including scheduled intra-day nominations and any other scheduling changes.

Shipper shall specify a begin date and an end date for each nomination. Such begin date and end date shall be within the term of Shipper's Service Agreement. To the extent that Shipper desires to change its nomination for any Gas Day Shipper must submit a new nomination for such Day. 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. Should Shipper fail to provide this nomination on or before the nomination deadline, TLNG may deem Shipper's nomination to be zero.

(C) Intra-day Nominations

Any nomination submitted after the deadline set forth in Section 3.3(B) above shall be an intra-day nomination. An intra-day nomination shall be effective for one Gas Day only. An intra-day nomination shall specify an effective date, time and the daily Quantity. The interconnected parties shall agree on the hourly flows for such Gas Day.

The intra-day nomination timeline in Central Time on the Day prior to Gas flow shall be the following:

The Evening Nomination Cycle

6:00 p.m. Nomination leaves control of the Shipper

6:15 p.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)

6:30 p.m. TLNG provides quick response for validity of data elements

9:00 p.m. Completed confirmations from upstream and downstream connected parties

10:00 p.m. Scheduled Quantities provided by TLNG to affected Shippers, point operators and bumped parties (notice to bumped parties)

Scheduled Quantities resulting from an Evening Nomination that does not cause another Shipper to receive notice that it is being bumped should be effective at 9:00 a.m. on Gas Day; and when an Evening Nomination causes another Shipper to receive notice that it is being bumped, the scheduled Quantities should be effective at 9:00 a.m. on Gas Day. Bumped parties shall be notified of such bump through Messenger® and the Web Site and by telephone and facsimile transmission.

The intra-day nomination timelines in Central Time on the Day of Gas flow shall be the following:

(1) The Intra-day 1 Nomination Cycle

- 10:00 a.m. Nomination leaves control of the Shipper
- 10:15 a.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)
- 10:30 a.m. TLNG provides quick response for validity of data elements
- 1:00 p.m. Completed confirmations from upstream and downstream connected parties
- 2:00 p.m. Scheduled Quantities provided by TLNG to Shippers, point operators and bumped parties (notice to bumped Parties)
- 5:00 p.m. Intra-day 1 nomination effective

Bumped parties shall be notified of such bump through Messenger® and the Web Site and by telephone and facsimile transmission.

(2) The Intra-day 2 Nomination Cycle

- 5:00 p.m. Nomination leaves control of the Shipper
- 5:15 p.m. Receipt of nomination by TLNG (including from title transfer tracking service providers)
- 5:30 p.m. TLNG provides quick response for validity of data elements

- 8:00 p.m. Completed confirmations from upstream and downstream connected parties
- 9:00 p.m. Scheduled Quantities provided by TLNG to Shipper and point operator
- 9:00 p.m. Intra-day 2 nomination effective

Bumping is not allowed during the Intra-day 2 Nomination Cycle.

For purposes of this Section 3.3(C), "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (D) TLNG shall have the right to refuse to receive or deliver any LNG, Boil-Off, or Regasified LNG not timely or properly nominated. TLNG shall not be liable to Shipper or any other person as a direct or indirect consequence of such refusal and Shipper shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

3.4 Additional Information Requirements

- (A) Shipper shall comply with requests by TLNG for additional information which TLNG believes is necessary to perform service hereunder or to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction.
- (B) Shipper shall notify TLNG immediately of any unexpected changes in Quantities tendered for receipt or delivery, whether or not such notice conforms to the times set out herein.
- (C) Shipper shall cause the operator of each vessel, truck or Point of Delivery designated in any nomination or change to a nomination to confirm all such nominations or changes to nominations in writing prior to implementation by TLNG.

3.5 Scheduling Procedures for the Receipt and Delivery of LNG by Shipper's Vessel(s) or Shipper's Truck(s) pursuant to Rate Schedules FTS, FTS-2, ITS and ITS-2

- (A) If all nominations for the receipt and delivery of LNG by Shipper's Vessel(s) and Truck(s) during the Month cannot be accommodated and all conflicts cannot be

resolved by mutual agreement among TLNG and the affected Shippers, service utilizing Base Facilities and service utilizing Expansion Facilities shall be scheduled separately and shall be scheduled in the following order:

- (1) Firm service under Rate Schedule FTS or FTS-2 in sequence starting with the highest rate for Terminal Service;
- (2) Interruptible service under Rate Schedule ITS or ITS-2 in sequence starting with the highest rate for Terminal Service.

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of this Section 3.5(A).

In the event two (2) or more Shippers have the same priority using the above criteria, service will be scheduled in sequence starting with the service to be provided pursuant to the Service Agreement with the earliest request date.

- (B) Once service is nominated and scheduled during any Month under any Rate Schedule, such service shall not be bumped for the purpose of scheduling other service with equal or lower priority during the Month.

3.6 Scheduling Procedure for Delivery of Regasified LNG

- (A) The Quantities of Regasified LNG nominated for delivery by Shippers from Storage utilizing Base Facilities and Quantities of Regasified LNG nominated for delivery by Shippers from Storage utilizing Expansion Facilities shall be scheduled separately and shall be scheduled by TLNG in the following order:
 - (1) Firm service under Rate Schedules FTS, FTS-2 and FAV;
 - (2) Interruptible service under Rate Schedules ITS, ITS-2 and IAV and overrun Quantities under firm rate schedules.
- (B) Within each sequence of the categories listed above, Shipper's Service Agreement request date will determine the scheduling priority. For Shippers with the same request date, Quantities will be scheduled on a pro rata basis based on each Shipper's MCSC.
- (C) Once service is nominated and scheduled during any Month under any Rate Schedule, such service shall not be bumped for the purpose of scheduling other Quantities with equal or lower priority during the Month.

3.7 Scheduling Procedure for Lending Service

- (A) Quantities of LNG nominated for Lending pursuant to Rate Schedule LLS shall be scheduled by TLNG after it has scheduled service under all other Rate Schedules.
- (B) Quantities of LNG nominated to repay the Loaned Quantity pursuant to Rate Schedule LLS and to be delivered to TLNG by Shipper's Vessel(s) or Truck(s) shall be scheduled by TLNG after scheduling all receipts and deliveries of LNG by Vessel(s) or Truck(s) under all other Rate Schedules.
- (C) Quantities of Gas nominated to repay the Loaned Quantity pursuant to Rate Schedule LLS and to be made available to TLNG at the Point of Delivery shall be scheduled by TLNG after scheduling all deliveries at the Point of Delivery under all other Rate Schedules.
- (D) If all nominations pursuant to Rate Schedule LLS cannot be accommodated, Quantities will be scheduled in sequence starting with service paying the rate most proximate to the maximum rate. In the event of a tie among Shippers paying the same rate, Shipper's Lending Service request date shall determine the scheduling priority. For Shippers with the same request date, Quantities shall be scheduled on a pro rata basis.
- (E) Once service is nominated and scheduled during any Day under Rate Schedule LLS, such service shall not be bumped for the purpose of scheduling other service under Rate Schedule LLS.

3.8 Predetermined Allocations

- (A) For all Regasified LNG to be delivered to Shipper, Shipper shall cause the operating party of facilities immediately downstream of TLNG's Point of Delivery to provide a predetermined allocation methodology to be used in allocating said Gas through the Point of Delivery. Parties may agree upon one of the following allocation methodologies: ranked, pro rata, percentage, swing and operator provided value. In the event the parties cannot agree on an allocation methodology, pro rata based on confirmed nominations will be used as the default method. The party responsible for custody transfer (the party performing the measurement function) must provide the allocation. TLNG will accept such allocation if operationally and administratively feasible.
- (B) The allocation methodology shall be provided to TLNG in writing before the start of the Gas Day that Gas is to be delivered and shall prescribe the methodology for all Service Agreements for which Quantities have been scheduled at the Point of Delivery.

- (C) In the event no methodology acceptable to TLNG is provided, TLNG shall allocate the actual Quantities delivered by TLNG among Shippers based on the ratio of each scheduled Quantity to the total scheduled Quantities of Gas at the Point of Delivery applied to the total Quantity of Regasified LNG actually delivered by TLNG.
- (D) Changes to the daily allocation methodology must be submitted in writing and confirmed in advance of the effective date and shall be effective prospectively. No retroactive reallocation of any transaction shall be permitted.
- (E) TLNG shall not have any liability to any Shipper as a result of TLNG's reliance on any allocation methodology described herein, and Shipper shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of TLNG's reliance on such allocation methodology, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

GENERAL TERMS AND CONDITIONS

4. OPERATING CONDITIONS

4.1 General

- (A) Shipper shall make or cause to be made all necessary arrangements with other parties at the point where Shipper tenders LNG to TLNG for storage, and at the point where TLNG delivers LNG or Regasified LNG for Shipper's account, and such arrangements must be compatible with TLNG's facility operations.
- (B) TLNG shall have the unqualified right to commingle LNG received and, stored hereunder with LNG from other sources, and to treat and handle all such LNG as its own. It is recognized that the LNG or Regasified LNG delivered to Shipper will not consist of the same molecules as received from Shipper.

4.2 Operating Conditions for the Receipt of LNG from, and the Delivery of LNG to, Shipper's Vessel(s)

- (A) Shipper's Vessel(s) shall not exceed the following minimum and maximum dimensions, to the extent permitted by the port authorities or other governing agency:

For vessels docking at the West Berth:

	<u>Minimum</u>	<u>Maximum</u>
Overall Length	180.0 meters	300.00 meters
Width	24.00 meters	50.00 meters
Draft at full capacity	N/A	11.50 meters
Displacement	N/A	115,000 metric tons

For vessels docking at the East Berth:

	<u>Minimum</u>	<u>Maximum</u>
Overall Length	180.0 meters	315.00 meters
Width	24.00 meters	50.00 meters

Draft at full capacity	N/A	12.19 meters
Displacement	N/A	143,000 metric tons

- (B) TLNG shall make available or cause to be made Available at the Terminal berthing, loading, and unloading facilities, including:
- (1) mooring equipment;
 - (2) lighting sufficient to permit docking maneuvers by day or by night in safety, to the extent permitted by the port authorities;
 - (3) unloading arms, pipes and other appropriate facilities permitting the unloading of LNG at the average rate of 10,000 m³/hour, and loading of LNG at the average rate of 5,000 m³/hour;
 - (4) a vapor return line from the LNG vessel to shore facilities having a diameter sufficient to maintain appropriate operating pressure in the tanks of the Shipper's Vessel.
- (C) Loading and unloading of LNG shall be carried out in accordance with applicable safety and other regulations.
- (D) Shippers shall give written notice to TLNG of the date and hour of arrival at the Terminal as well as the estimated quantity of LNG which is to be loaded or unloaded. Shippers shall send or cause to be sent to TLNG the following written designation notices:
- (1) a first designation notice shall be given upon departure of Shipper's Vessel from the port of origin and shall contain an estimated time of arrival;
 - (2) a second designation notice shall be given so as to arrive 96 hours prior to the estimated time of arrival;
 - (3) a third designation notice shall be given so as to arrive 72 hours prior to the estimated time of arrival;
 - (4) a fourth designation notice shall be given so as to arrive 48 hours prior to the estimated time of arrival;
 - (5) a fifth designation notice shall be given so as to arrive 24 hours prior to the estimated time of arrival; and

(6) a final designation notice shall be given so as to arrive 5 hours prior to the estimated time of arrival at the Terminal.

(E) As soon as the Shipper's Vessel is berthed alongside the pier and prepared to unload or load its cargo, the Captain of the Shipper's Vessel shall give written notice to TLNG or its representative that the Shipper's Vessel is ready to unload or load LNG. TLNG shall then take all appropriate measures within its reasonable control to permit the unloading and loading of Shipper's Vessel as quickly as possible.

(F) If Shipper's Vessel does not arrive at the Terminal as scheduled, TLNG shall unload or load, as the case may be, Shipper's Vessel at the first available time when such unloading or loading can be accomplished without detriment to any other scheduled service. Shipper shall pay all costs incurred by TLNG as a result of the failure to arrive at the Terminal as scheduled. In addition, unless Shipper provides TLNG written notice of the Vessel's delay at least thirty-six (36) hours before the Shipper's Vessel's scheduled arrival, Shipper shall pay TLNG \$10,000 per occurrence.

(G) TLNG shall not be obligated to receive LNG at a flowrate or saturation pressure that exceeds prudent conditions or that may interfere with the normal operations of the Terminal.

(H) Shipper receiving LNG from a vessel shall nominate the delivery of Regasified LNG to coincide with ship unloading operations in order to accommodate vapor handling needs of the Terminal. The Quantity of Gas nominated for delivery must be adequate to avoid interference with normal operations of the Terminal without affecting the unloading rate from the ship. Such nomination is required for the duration of the unload plus 24 hours after unloading completion to accommodate vapor handling requirements for post discharge vapor release from the cargo.

4.3 Reserved

4.4 Operating Conditions for the Storage of LNG

(A) Boil-Off

(1) Shipper's available Stored Volume shall be reduced by Shipper's share of the Terminal's Boil-Off. Shipper's share of such Boil-Off shall consist of the sum of the LNG boiling off as a direct result of the loading or unloading of Shipper's LNG, plus a proportionate share of the day-to-day Terminal Boil-Off, which share shall be the ratio of Shipper's Stored Volume to the total amount of LNG in Storage.

- (2) Shipper shall make all necessary arrangements for the delivery of Shipper's share of the Terminal's Boil-Off on daily basis. If Shipper fails to nominate its share of the Terminal's Boil-Off on any Day, or if Shipper's nomination is not confirmed or not accepted at the Point of Delivery, TLNG may take title to such Gas, free and clear of any adverse claim.

(B) Transfers of Storage Inventory

- (1) Shipper may transfer by sale or otherwise all or a portion of its Stored Volume to any Shipper that receives Terminal Service under Rate Schedule FTS or FTS-2 if:

- (a) Both the transferee and transferor of the Stored Volume shall provide TLNG with verification of the transfer in writing; and
- (b) The transfer does not cause the Stored Volume to exceed the MCSC specified in the applicable Service Agreement.

- (2) Shipper may transfer by sale or otherwise all or a portion of its Stored Volume to any Shipper that receives Terminal Service under Rate Schedule ITS or ITS-2, if:

- (a) Shipper receives prior approval from TLNG for such transfer; and
- (b) All of the requirements of Section 4.4(B)(1) above are met.

- (3) TLNG will recognize the transfer for purposes of computing available Stored Volume on a prospective basis within one Business Day after receiving the verification required by Section 4.4(B)(1)(a).

(C) Cycling

Within 120 Days after a Quantity of LNG is received at the Terminal, Shipper shall cause such Quantity to be withdrawn from the Terminal, unless TLNG agrees otherwise. If Shipper fails to so withdraw such LNG, then TLNG may, at its option, take title to such LNG free and clear of any adverse claims, in which case Shipper shall indemnify TLNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of Shipper to remove such LNG and the disposal of such LNG by TLNG, including storage charges under the applicable rate schedule. TLNG shall be permitted to retain any proceeds from the sale of LNG to which it takes title hereunder. TLNG shall extend the time available for Shipper to remove its Gas from Storage by one Day for every Day that Shipper

has been unable to withdraw properly nominated Quantities due to operational or force majeure conditions at TLNG's Terminal.

4.5 Operating Conditions for the Delivery of Regasified LNG

- (A) TLNG shall not be required to deliver Regasified LNG at a rate in excess of the rate of 1/10th of Shipper's MCSC per Day.
- (B) TLNG shall not be obligated to deliver Regasified LNG if the total Quantities nominated for the Day are less than 72,000 Dt per Day.

GENERAL TERMS AND CONDITIONS

4. OPERATING CONDITIONS

4.1 General

- (A) Shipper shall make or cause to be made all necessary arrangements with other parties at the point where Shipper tenders LNG to TLNG for storage, and at the point where TLNG delivers LNG or Regasified LNG for Shipper's account, and such arrangements must be compatible with TLNG's facility operations.
- (B) TLNG shall have the unqualified right to commingle LNG received and, stored hereunder with LNG from other sources, and to treat and handle all such LNG as its own. It is recognized that the LNG or Regasified LNG delivered to Shipper will not consist of the same molecules as received from Shipper.

4.2 Operating Conditions for the Receipt of LNG from, and the Delivery of LNG to, Shipper's Vessel(s)

- (A) Shipper's Vessel(s) shall not exceed the following minimum and maximum dimensions, to the extent permitted by the port authorities or other governing agency:

For vessels docking at the West Berth:

	<u>Minimum</u>	<u>Maximum</u>
Overall Length	180.0 meters	300.00 meters
Width	24.00 meters	50.00 meters
Draft at full capacity	N/A	11.50 meters
Displacement	N/A	115,000 metric tons

For vessels docking at the East Berth:

	<u>Minimum</u>	<u>Maximum</u>
Overall Length	180.0 meters	315.00 meters
Width	24.00 meters	50.00 meters

Draft at full capacity	N/A	12.19 meters
Displacement	N/A	143,000 metric tons

- (B) TLNG shall make available or cause to be made Available at the Terminal berthing, loading, and unloading facilities, including:
- (1) mooring equipment;
 - (2) lighting sufficient to permit docking maneuvers by day or by night in safety, to the extent permitted by the port authorities;
 - (3) unloading arms, pipes and other appropriate facilities permitting the unloading of LNG at the average rate of 10,000 m³/hour, and loading of LNG at the average rate of 5,000 m³/hour;
 - (4) a vapor return line from the LNG vessel to shore facilities having a diameter sufficient to maintain appropriate operating pressure in the tanks of the Shipper's Vessel.
- (C) Loading and unloading of LNG shall be carried out in accordance with applicable safety and other regulations.
- (D) Shippers shall give written notice to TLNG of the date and hour of arrival at the Terminal as well as the estimated quantity of LNG which is to be loaded or unloaded. Shippers shall send or cause to be sent to TLNG the following written designation notices:
- (1) a first designation notice shall be given upon departure of Shipper's Vessel from the port of origin and shall contain an estimated time of arrival;
 - (2) a second designation notice shall be given so as to arrive 96 hours prior to the estimated time of arrival;
 - (3) a third designation notice shall be given so as to arrive 72 hours prior to the estimated time of arrival;
 - (4) a fourth designation notice shall be given so as to arrive 48 hours prior to the estimated time of arrival;
 - (5) a fifth designation notice shall be given so as to arrive 24 hours prior to the estimated time of arrival; and

- (6) a final designation notice shall be given so as to arrive 5 hours prior to the estimated time of arrival at the Terminal.
- (E) As soon as the Shipper's Vessel is berthed alongside the pier and prepared to unload or load its cargo, the Captain of the Shipper's Vessel shall give written notice to TLNG or its representative that the Shipper's Vessel is ready to unload or load LNG. TLNG shall then take all appropriate measures within its reasonable control to permit the unloading and loading of Shipper's Vessel as quickly as possible.
- (F) If Shipper's Vessel does not arrive at the Terminal as scheduled, TLNG shall unload or load, as the case may be, Shipper's Vessel at the first available time when such unloading or loading can be accomplished without detriment to any other scheduled service. Shipper shall pay all costs incurred by TLNG as a result of the failure to arrive at the Terminal as scheduled. In addition, unless Shipper provides TLNG written notice of the Vessel's delay at least thirty-six (36) hours before the Shipper's Vessel's scheduled arrival, Shipper shall pay TLNG \$10,000 per occurrence.
- (G) TLNG shall not be obligated to receive LNG at a flowrate or saturation pressure that exceeds prudent conditions or that may interfere with the normal operations of the Terminal.

4.3 Reserved

4.4 Operating Conditions for the Storage of LNG

- (A) Boil-Off
 - (1) Shipper's available Stored Volume shall be reduced by Shipper's share of the Terminal's Boil-Off. Shipper's share of such Boil-Off shall consist of the sum of the LNG boiling off as a direct result of the loading or unloading of Shipper's LNG, plus a proportionate share of the day-to-day Terminal Boil-Off, which share shall be the ratio of Shipper's Stored Volume to the total amount of LNG in Storage.
 - (2) Shipper shall make all necessary arrangements for the delivery of Shipper's share of the Terminal's Boil-Off on daily basis. If Shipper fails to nominate its share of the Terminal's Boil-Off on any Day, or if Shipper's nomination is not confirmed or not accepted at the Point of Delivery, TLNG may take title to such Gas, free and clear of any adverse claim.

(B) Transfers of Storage Inventory

- (1) Shipper may transfer by sale or otherwise all or a portion of its Stored Volume to any Shipper that receives Terminal Service under Rate Schedule FTS or FTS-2 if:
 - (a) Both the transferee and transferor of the Stored Volume shall provide TLNG with verification of the transfer in writing; and
 - (b) The transfer does not cause the Stored Volume to exceed the MCSC specified in the applicable Service Agreement.
- (2) Shipper may transfer by sale or otherwise all or a portion of its Stored Volume to any Shipper that receives Terminal Service under Rate Schedule ITS or ITS-2, if:
 - (a) Shipper receives prior approval from TLNG for such transfer; and
 - (b) All of the requirements of Section 4.4(B)(1) above are met.
- (3) TLNG will recognize the transfer for purposes of computing available Stored Volume on a prospective basis within one Business Day after receiving the verification required by Section 4.4(B)(1)(a).

(C) Cycling

Within 120 Days after a Quantity of LNG is received at the Terminal, Shipper shall cause such Quantity to be withdrawn from the Terminal, unless TLNG agrees otherwise. If Shipper fails to so withdraw such LNG, then TLNG may, at its option, take title to such LNG free and clear of any adverse claims, in which case Shipper shall indemnify TLNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of Shipper to remove such LNG and the disposal of such LNG by TLNG, including storage charges under the applicable rate schedule. TLNG shall be permitted to retain any proceeds from the sale of LNG to which it takes title hereunder. TLNG shall extend the time available for Shipper to remove its Gas from Storage by one Day for every Day that Shipper has been unable to withdraw properly nominated Quantities due to operational or force majeure conditions at TLNG's Terminal.

4.5 Operating Conditions for the Delivery of Regasified LNG

- (A) TLNG shall not be required to deliver Regasified LNG at a rate in excess of the rate of 1/10th of Shipper's MCSC per Day.

- (B) TLNG shall not be obligated to deliver Regasified LNG if the total Quantities nominated for the Day are less than 72,000 Dt per Day.

GENERAL TERMS AND CONDITIONS

4. OPERATING CONDITIONS

4.1 General

- (A) Shipper shall make or cause to be made all necessary arrangements with other parties at the point where Shipper tenders LNG to TLNG for storage, and at the point where TLNG delivers LNG or Regasified LNG for Shipper's account, and such arrangements must be compatible with TLNG's facility operations.
- (B) TLNG shall have the unqualified right to commingle LNG received and, stored hereunder with LNG from other sources, and to treat and handle all such LNG as its own. It is recognized that the LNG or Regasified LNG delivered to Shipper will not consist of the same molecules as received from Shipper.

4.2 Operating Conditions for the Receipt of LNG from, and the Delivery of LNG to, Shipper's Vessel(s)

- (A) Shipper's Vessel(s) shall not exceed the following minimum and maximum dimensions:

	<u>Minimum</u>	<u>Maximum</u>
Overall Length	180.0 meters	300.00 meters
Width	24.00 meters	50.00 meters
Draft at full capacity	N/A	11.50 meters

- (B) TLNG shall make available or cause to be made Available at the Terminal berthing, loading, and unloading facilities, including:
 - (1) mooring equipment;
 - (2) lighting sufficient to permit docking maneuvers by day or by night in safety, to the extent permitted by the port authorities;
 - (3) unloading arms, pipes and other appropriate facilities permitting the unloading of LNG at the average rate of 10,000 m³/hour, and loading of LNG at the average rate of 5,000 m³/hour;

- (4) a vapor return line from the LNG vessel to shore facilities having a diameter sufficient to maintain appropriate operating pressure in the tanks of the Shipper's Vessel.
- (C) Loading and unloading of LNG shall be carried out in accordance with applicable safety and other regulations.
- (D) Shippers shall give written notice to TLNG of the date and hour of arrival at the Terminal as well as the estimated quantity of LNG which is to be loaded or unloaded. Shippers shall send or cause to be sent to TLNG the following written designation notices:
 - (1) a first designation notice shall be given upon departure of Shipper's Vessel from the port of origin and shall contain an estimated time of arrival;
 - (2) a second designation notice shall be given so as to arrive 96 hours prior to the estimated time of arrival;
 - (3) a third designation notice shall be given so as to arrive 72 hours prior to the estimated time of arrival;
 - (4) a fourth designation notice shall be given so as to arrive 48 hours prior to the estimated time of arrival;
 - (5) a fifth designation notice shall be given so as to arrive 24 hours prior to the estimated time of arrival; and
 - (6) a final designation notice shall be given so as to arrive 5 hours prior to the estimated time of arrival at the Terminal.
- (E) As soon as the Shipper's Vessel is berthed alongside the pier and prepared to unload or load its cargo, the Captain of the Shipper's Vessel shall give written notice to TLNG or its representative that the Shipper's Vessel is ready to unload or load LNG. TLNG shall then take all appropriate measures within its reasonable control to permit the unloading and loading of Shipper's Vessel as quickly as possible.
- (F) If Shipper's Vessel does not arrive at the Terminal as scheduled, TLNG shall unload or load, as the case may be, Shipper's Vessel at the first available time when such unloading or loading can be accomplished without detriment to any other scheduled service. Shipper shall pay all costs incurred by TLNG as a result of the failure to arrive at the Terminal as scheduled. In addition, unless Shipper provides TLNG written notice of the Vessel's delay at least thirty-six (36) hours

before the Shipper's Vessel's scheduled arrival, Shipper shall pay TLNG \$10,000 per occurrence.

- (G) TLNG shall not be obligated to receive LNG at a flowrate or saturation pressure that exceeds prudent conditions or that may interfere with the normal operations of the Terminal.

4.3 Operating Conditions for the Receipt of LNG from, and the Delivery of LNG to, Shipper's Truck(s)

- (A) Shipper's Truck(s) shall not exceed the following dimensions:

Width	10'-0"
Tractor height	13'-6"
Trailer height	13'-6"
Anticipated gross weight	80,000 lbs.
Axle loading	48,000 lbs./tandem axle

- (B) TLNG shall make available or cause to be made available facilities capable of loading and unloading LNG certified trailers during Business Days.
- (C) The loading and unloading of LNG shall be carried out in accordance with applicable safety and other regulations.
- (D) LNG shall be loaded or unloaded, as the case may be, only into trailers certified by the Department of Transportation to transport LNG and operated by approved hazardous material operators.
- (E) Shipper shall give written notice to TLNG of the date and hour of arrival at the Terminal of Shipper's Truck(s) not less than twenty-four (24) hours in advance of the estimated time of arrival.
- (F) If the Shipper's Truck does not arrive at the Terminal as scheduled, TLNG shall unload or load, as the case may be, Shipper's Truck at the first available time when such unloading or loading can be accomplished without detriment to any other scheduled service.
- (G) It shall be Shipper's responsibility to assure that each Shipper's Truck, Shipper's driver and load of LNG is in compliance with all applicable codes and regulations pertaining to the design, construction, and operation of containers for the

transportation of LNG, including such limitations as TLNG may require in connection with its facilities.

- (H) It shall be Shipper's responsibility to have proper insurance for Shipper's Truck(s), and Shipper shall provide TLNG with a certificate of insurance satisfactory to TLNG prior to the movement of Shipper's Truck onto TLNG's property. This requirement is without limitation to other insurance requirements specified in this tariff or required by law.
- (I) If Shipper employs a carrier company to receive or deliver LNG at the Terminal, Shipper shall cause such carrier company to comply with the requirements set forth herein.

4.4 Operating Conditions for the Storage of LNG

(A) Boil-Off

- (1) Shipper's available Stored Volume shall be reduced by Shipper's share of the Terminal's Boil-Off. Shipper's share of such Boil-Off shall consist of the sum of the LNG boiling off as a direct result of the loading or unloading of Shipper's LNG, plus a proportionate share of the day-to-day Terminal Boil-Off, which share shall be the ratio of Shipper's Stored Volume to the total amount of LNG in Storage.
- (2) Shipper shall make all necessary arrangements for the delivery of Shipper's share of the Terminal's Boil-Off on daily basis. If Shipper fails to nominate its share of the Terminal's Boil-Off on any Day, or if Shipper's nomination is not confirmed or not accepted at the Point of Delivery, TLNG may take title to such Gas, free and clear of any adverse claim.

(B) Transfers of Storage Inventory

- (1) Shipper may transfer by sale or otherwise all or a portion of its Stored Volume to any Shipper that receives Terminal Service under Rate Schedule FTS or FTS-2 if:
 - (a) Both the transferee and transferor of the Stored Volume shall provide TLNG with verification of the transfer in writing; and
 - (b) The transfer does not cause the Stored Volume to exceed the MCSC specified in the applicable Service Agreement.

- (2) Shipper may transfer by sale or otherwise all or a portion of its Stored Volume to any Shipper that receives Terminal Service under Rate Schedule ITS or ITS-2, if:
 - (a) Shipper receives prior approval from TLNG for such transfer; and
 - (b) All of the requirements of Section 4.4(B)(1) above are met.
- (3) TLNG will recognize the transfer for purposes of computing available Stored Volume on a prospective basis within one Business Day after receiving the verification required by Section 4.4(B)(1)(a).

(C) Cycling

Within 120 Days after a Quantity of LNG is received at the Terminal, Shipper shall cause such Quantity to be withdrawn from the Terminal, unless TLNG agrees otherwise. If Shipper fails to so withdraw such LNG, then TLNG may, at its option, take title to such LNG free and clear of any adverse claims, in which case Shipper shall indemnify TLNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of Shipper to remove such LNG and the disposal of such LNG by TLNG, including storage charges under the applicable rate schedule. TLNG shall be permitted to retain any proceeds from the sale of LNG to which it takes title hereunder. TLNG shall extend the time available for Shipper to remove its Gas from Storage by one Day for every Day that Shipper has been unable to withdraw properly nominated Quantities due to operational or force majeure conditions at TLNG's Terminal.

4.5 Operating Conditions for the Delivery of Regasified LNG

- (A) TLNG shall not be required to deliver Regasified LNG at a rate in excess of the rate of 1/10th of Shipper's MCSC per Day.
- (B) TLNG shall not be obligated to deliver Regasified LNG if the total Quantities nominated for the Day are less than 72,000 Dt per Day.

GENERAL TERMS AND CONDITIONS

5. CURTAILMENT AND INTERRUPTION

5.1 Interruption

TLNG shall have the unqualified right to interrupt Terminal Service, including Alternate Vaporization Service, or Lending Service, in whole or in part, at any time under its Interruptible Rate Schedule(s) to provide service under its Firm Rate Schedules.

5.2 Curtailment

TLNG shall have the right to curtail or discontinue Terminal Service, including Alternate Vaporization Service, or Lending Service, in whole or in part, at any time for reasons of Force Majeure or when, in TLNG's sole judgment, capacity, supply, or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its Terminal. TLNG shall use reasonable efforts to provide Shipper such notice of the curtailment as is reasonable under the circumstances.

5.3 Order of Curtailment and Interruption

When the curtailment or interruption is necessary, Service will be curtailed in the following order:

- (A) In the event of an interruption pursuant to Section 5.1 above, service shall be interrupted in the reverse order from which such service was scheduled in accordance with Section 3 of these General Terms and Conditions.
- (B) In the event of a curtailment pursuant to Section 5.2 above, interruptible service shall be curtailed first. Following the curtailment of interruptible service, firm service shall be curtailed. Within each category, service shall be curtailed in the reverse order from which it was scheduled in accordance with Section 3 of these General Terms and Conditions.

5.4 Curtailment Reports and Notices

- (A) TLNG shall use reasonable efforts to provide Shipper with notice of curtailment at a time and in a manner that is reasonable under then existing conditions, and shall in any event confirm in writing or by facsimile transmission the notice given.

- (B) TLNG shall have no responsibility to inform Shipper's end users, suppliers, other transporters and any others involved in the transaction, as to any notice of curtailment.

5.5 Curtailment Compliance

- (A) When a curtailment notice has been issued, the affected Shipper shall undertake the required action set forth in the curtailment notice. Failure to comply with a curtailment notice shall subject Shipper to the penalty provisions of Section 7 herein as if such curtailment notice were an OFO.
- (B) Shipper shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of TLNG's performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.
- (C) Without regard to any other remedy provided by law or by the provisions hereof, TLNG shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with curtailment or interruption ordered by TLNG in compliance with this Section 5 or any directive from any governmental authority having jurisdiction.

GENERAL TERMS AND CONDITIONS

6. BALANCING

Shipper shall have the responsibility to balance the actual Quantities of LNG received, adjusted for appropriate Fuel Reimbursement, Boil-Off, and Transfers of Storage Inventory, and the actual Quantities of LNG and Regasified LNG delivered under each Service Agreement.

6.1 Boil-Off Balancing

- (A) It is recognized that Shipper's nominations of Boil-Off will be based on estimates and that Shipper's share of the Terminal's actual Boil-Off may vary from the estimates. Shipper shall eliminate any variance as promptly as is reasonable, consistent with operating conditions. TLNG shall make data concerning actual Boil-Off available on Messenger® within one Business Day.
- (B) If a variance between Shipper's nominations of Boil-Off and Shipper's share of the Terminal's actual recovered Boil-Off exists for the Month, TLNG shall notify Shipper of such variance with the invoice for the Month. TLNG shall net the Boil-Off variance on Shipper's Terminal Service Agreements. After netting, Shipper shall reduce the remaining variance to zero through nominations or Boil-Off imbalance trading by the end of the Month in which Shipper is notified of the existence of the variance. If the variance is not reduced to zero, an imbalance penalty of \$10 per MMBtu per Month shall be applied to the remaining variance, beginning with the invoice for the Month in which the Shipper was notified of the existence of a variance and for each Month thereafter until the variance is reduced to zero. Any adjustment to Shipper's share of the Terminal Boil-Off for a prior Month ("Prior Month Adjustment" or "PMA") may be used to reduce Shipper's oldest monthly variance. Otherwise, the PMA shall be accounted for as a variance arising in the Month the PMA is recognized. Any nomination to make-up a Boil-Off Imbalance shall be used to reduce the Shipper's oldest remaining variance.
- (C) Boil-Off Imbalance Trading
 - (1) Shipper may authorize Boil-Off Imbalances to be posted for trading.
 - (2) Authorizations to post imbalances that are received by TLNG by 11:45 a.m. shall be effective by 8:00 a.m. the next Business Day (Central Clock Time). Imbalances authorized for posting shall be posted on or before the ninth (9th) Business Day of the Month.

- (3) TLNG shall provide the ability to post and trade imbalances until at least the close of the seventeenth (17th) Business Day of the Month.
 - (4) Boil-Off Imbalances must be traded with Boil-Off Imbalances in the opposite direction and such trade must move Shipper's imbalance closer to zero. When trading imbalances, a Quantity must be specified.
 - (5) TLNG shall enable the Boil-Off imbalance trading process by:
 - . Receiving the request for imbalance trade;
 - . Receiving the imbalance trade confirmation;
 - . Sending the imbalance trade notification; and
 - . Reflecting the trade prior to or on the next monthly Shipper imbalance or cashout.
 - (6) Imbalance trades can only be withdrawn by the initiating Shipper and only prior to the confirming Shipper's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming Shipper and effectuated by TLNG. Imbalance trades shall be deemed to be effectuated when TLNG sends the imbalance trade notification.
 - (7) After receipt of an imbalance trade confirmation, TLNG shall send the imbalance trade notification to the initiating Shipper and the confirming Shipper no later than noon (Central Clock Time) on the next Business Day.
- (D) If at any time Shipper's nominations for Boil-Off and Shipper's share of the actual Boil-Off for any contract are out of balance by the greater of 1,000 MMBtu or 5% of the nomination, TLNG shall be entitled, upon notice to Shipper, to adjust Shipper's nominations to bring them into balance. TLNG's entitlement to adjust Shipper's nominations shall not relieve Shipper of the obligation to pay any balancing or any other penalties provided for in these General Terms and Conditions.
- (E) Notwithstanding any other provision of this Section 6, TLNG may issue an OFO pursuant to Section 7 of these General Terms and Conditions to reduce any Boil-Off Imbalance.

6.2 Final Balancing

Shipper shall withdraw, or otherwise dispose of, all of its Stored Volume by the date the Service Agreement terminates.

- (A) If Shipper fails to withdraw, or otherwise dispose of, all of its Stored Volume prior to the termination of the Service Agreement, TLNG may retain any remaining quantities of Stored Volume free and clear of any adverse claims; provided, however, that TLNG will notify Shipper in writing sixty (60) days prior to termination of its Service Agreement with a term of greater than ninety (90) Days or fifteen (15) Days prior to termination of its Service Agreement with a term of ninety (90) Days or less of the quantity of Stored Volume being held by TLNG for Shipper's account.
- (B) If Shipper in good faith disagrees with the Quantity of Stored Volume set forth in the notification required above, then within fifteen (15) days of such notification regarding a Service Agreement with a term greater than 90 days or within seven (7) Days of such notification regarding a Service Agreement with a term of ninety (90) days or less Shipper shall notify TLNG in writing of such dispute and request a reconciliation. If, as of the date of termination of Shipper's Service Agreement, the Quantity of Stored Volume contained in TLNG's notice has not been finally reconciled and such failure to reconcile results in a retention hereunder by TLNG, then title to the difference between the Quantity subject to retention according to TLNG's records and that reflected on Shipper's records shall not finally pass to TLNG until such reconciliation has been completed. TLNG shall extend the time available for Shipper to remove its Gas from Storage by one Day for every Day that Shipper has been unable to withdraw properly nominated Gas due to operational or force majeure conditions at TLNG's Terminal.

GENERAL TERMS AND CONDITIONS

7. OPERATIONAL FLOW ORDERS (OFOs)

7.1 TLNG will have the right to issue an OFO to any Shipper directing Shipper to adjust receipts or deliveries, as the case may be, when, in TLNG's sole judgment, it is required to alleviate conditions which threaten the Terminal's integrity, safety or service or to ensure compliance with the provisions contained in this Tariff. During conditions which threaten the Terminal's integrity, safety or service, an OFO will not be issued to protect interruptible service.

Examples of conditions which may cause OFOs to be issued include, but are not be limited to:

- (A) Failure of Shipper's Vessel(s) to arrive on the schedule date;
- (B) Unscheduled plant or downstream pipeline maintenance and repairs affecting capacity;
- (C) Non-compliance with curtailment orders where such non-compliance threatens the integrity of TLNG's Terminal;
- (D) Failure to deliver LNG or Regasified LNG in accordance with the delivery schedule where such failure interferes with TLNG's ability to provide scheduled service;
- (E) The release of capacity under Section 9; or
- (F) The recall of capacity under Section 9.

If Shipper fails to so remove Quantities of Gas as directed, then TLNG may, at its option, take title to such Quantities free and clear of any adverse claims, in which case Shipper shall indemnify TLNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Shipper to remove such Quantities and the disposal of such Quantities by TLNG, including storage charges under the applicable rate schedule. TLNG shall be permitted to sell the Quantities to which it takes title in accordance with this Section 7 and to retain the proceeds from such sale; provided, however, in the event that, notwithstanding its exercise of due diligence, Shipper is inhibited by TLNG from so withdrawing its Quantities of Gas, TLNG shall pay to Shipper any net proceeds from TLNG's sale of such Quantities.

- 7.2 An OFO may be issued for a specific period of time or until further notice is given. Prior to issuing an OFO, TLNG will take all reasonable actions to minimize the issuance and adverse consequences of the OFO.
- 7.3 Nothing shall limit TLNG's right to take action as may be required to physically adjust actual receipts and actual deliveries of Gas in order to alleviate conditions which threaten the integrity of its Terminal.
- 7.4 Situation Reports, Notices and Indemnity
- (A) TLNG shall provide Shipper with as much advance notice of OFOs as is reasonable under then existing conditions through the Messenger® system and the Web Site and by telephone and by facsimile or via e-mail communication. The notice will provide the time and date the OFO is to become effective, the time the OFO is expected to remain in effect, the action required of the Shipper, the reason for issuing the OFO, together with operating variables providing the basis for issuing the order, and any other information which may be required in the circumstances. Ordinarily, the notice will be issued by 10:00 a.m. CT on the Gas Day before the OFO is to be effective. The OFO will ordinarily become effective at 9:00 a.m. CT on the following Gas Day. When operating conditions so require, three hours notice, or lesser notice if necessary, may be given. An OFO may be issued for a specific period of time or until further notice is given. Such notice shall be provided to the person, including any agent, designated by the Shipper, to submit or confirm nominations. TLNG will post notification and provide updated information concerning the need for the OFO on the Messenger® system and the Web Site at the commencement of the Gas Day until TLNG notifies the Shipper that the order is no longer effective. Within a reasonable time after the OFO terminates, TLNG will post on the Messenger® system and the Web Site a report detailing the conditions that required the issuance and termination of the OFO.
- (B) TLNG shall have no responsibility to inform Shipper's end users, suppliers, other transporters or any others involved in the transaction, as to any OFO.
- (C) Shipper shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of TLNG's performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

GENERAL TERMS AND CONDITIONS

7. OPERATIONAL FLOW ORDERS (OFOs)

7.1 TLNG will have the right to issue an OFO to any Shipper directing Shipper to adjust receipts or deliveries, as the case may be, when, in TLNG's sole judgment, it is required to alleviate conditions which threaten the Terminal's integrity, safety or service or to ensure compliance with the provisions contained in this Tariff. During conditions which threaten the Terminal's integrity, safety or service, an OFO will not be issued to protect interruptible service.

Examples of conditions which may cause OFOs to be issued include, but are not be limited to:

- (A) Failure of Shipper's Vessel(s) or Truck(s) to arrive on the schedule date;
- (B) Unscheduled plant or downstream pipeline maintenance and repairs affecting capacity;
- (C) Non-compliance with curtailment orders where such non-compliance threatens the integrity of TLNG's Terminal;
- (D) Failure to deliver LNG or Regasified LNG in accordance with the delivery schedule where such failure interferes with TLNG's ability to provide scheduled service;
- (E) The release of capacity under Section 9; or
- (F) The recall of capacity under Section 9.

If Shipper fails to so remove Quantities of Gas as directed, then TLNG may, at its option, take title to such Quantities free and clear of any adverse claims, in which case Shipper shall indemnify TLNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Shipper to remove such Quantities and the disposal of such Quantities by TLNG, including storage charges under the applicable rate schedule. TLNG shall be permitted to sell the Quantities to which it takes title in accordance with this Section 7 and to retain the proceeds from such sale; provided, however, in the event that, notwithstanding its exercise of due diligence, Shipper is inhibited by TLNG from so withdrawing its Quantities of Gas, TLNG shall pay to Shipper any net proceeds from TLNG's sale of such Quantities.

- 7.2 An OFO may be issued for a specific period of time or until further notice is given. Prior to issuing an OFO, TLNG will take all reasonable actions to minimize the issuance and adverse consequences of the OFO.
- 7.3 Nothing shall limit TLNG's right to take action as may be required to physically adjust actual receipts and actual deliveries of Gas in order to alleviate conditions which threaten the integrity of its Terminal.
- 7.4 Situation Reports, Notices and Indemnity
- (A) TLNG shall provide Shipper with as much advance notice of OFOs as is reasonable under then existing conditions through the Messenger[®] system and the Web Site and by telephone and by facsimile or via e-mail communication. The notice will provide the time and date the OFO is to become effective, the time the OFO is expected to remain in effect, the action required of the Shipper, the reason for issuing the OFO, together with operating variables providing the basis for issuing the order, and any other information which may be required in the circumstances. Ordinarily, the notice will be issued by 10:00 a.m. CT on the Gas Day before the OFO is to be effective. The OFO will ordinarily become effective at 9:00 a.m. CT on the following Gas Day. When operating conditions so require, three hours notice, or lesser notice if necessary, may be given. An OFO may be issued for a specific period of time or until further notice is given. Such notice shall be provided to the person, including any agent, designated by the Shipper, to submit or confirm nominations. TLNG will post notification and provide updated information concerning the need for the OFO on the Messenger[®] system and the Web Site at the commencement of the Gas Day until TLNG notifies the Shipper that the order is no longer effective. Within a reasonable time after the OFO terminates, TLNG will post on the Messenger[®] system and the Web Site a report detailing the conditions that required the issuance and termination of the OFO.
- (B) TLNG shall have no responsibility to inform Shipper's end users, suppliers, other transporters or any others involved in the transaction, as to any OFO.
- (C) Shipper shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of TLNG's performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

GENERAL TERMS AND CONDITIONS

8. MISCELLANEOUS SALES

After the effective date of this Tariff, TLNG may from time to time sell Regasified LNG as required to dispose of LNG it is permitted to retain pursuant to these General Terms and Conditions. The point of sale for all such sales shall be the Point of Delivery.

The purchaser shall be responsible for the transportation of the Regasified LNG from the point of sale.

GENERAL TERMS AND CONDITIONS

9. CAPACITY RELEASE

9.1 Capacity Eligible for Release

- (A) Shippers under Rate Schedules FTS, FTS-2 and FAV shall be permitted to release their capacity on a temporary or permanent basis, in accordance with this Section 9. Capacity which may be assigned to the Replacement Shipper hereunder shall be limited to the firm capacity reserved by the Releasing Shipper. Releases may be made on an interruptible (i.e., subject to recall) or firm basis and may be billed by TLNG based on usage.
- (B) TLNG shall continue to sell its unsubscribed firm capacity by providing notice of the availability of such capacity on Messenger® or by using any other marketing services at its disposal.

9.2 Shipper Release Notice

- (A) A Shipper that desires to release any or all of its firm capacity under this Section 9 must notify TLNG electronically on Messenger® or through electronic data interchange of its intent to release capacity and the terms of the release (hereinafter referred to as "Shipper Notice"). A Shipper Notice shall be posted upon receipt by TLNG or such later time which must comply with the timeline set forth in Section 9.4(B) herein, as requested by Releasing Shipper. This Shipper Notice shall include:
 - (1) Releasing Shipper's contract number;
 - (2) The specific quantity of capacity to be released;
 - (3) If the request for release is on a permanent basis;
 - (4) The period of time or term of the release;
 - (5) The conditions of Releasing Shipper's right of recall as well as methods and rights associated with returning the previously recalled capacity to the Replacement Shipper, if applicable;
 - (6) Whether contingent bids will be accepted and when the contingency must be removed;
 - (7) The identity of a Pre-arranged Replacement Shipper (PRS), if applicable;

- (8) The minimum rate expressed in dollars and cents, percentage of Maximum Tariff Rate or the index-based formula as detailed in the capacity release offer, term, and quantity of capacity Releasing Shipper will accept, if any, and whether bids using a volumetric rate for the collection of Reservation and Usage Charges will be accepted and whether Releasing Shipper requires a volumetric commitment. The maximum volumetric rate that may be bid shall not exceed the one hundred percent (100%) load factor equivalent of the maximum Reservation and Usage rates. Notwithstanding the above, no rate limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release;
 - (9) The duration of the posting which may not be less than the minimum bid period specified in Section 9.4(B) herein;
 - (10) The best bid criterion if different from that described in Section 9.4(H) herein, the method by which volumetric or contingent bids will be evaluated, and any alternate, objective and nondiscriminatory method for breaking ties. The best bid evaluation method established by Releasing Shipper must be objectively stated, applicable to all PRS or Replacement Shippers and not unduly discriminatory and shall enable TLNG to rank the bids received by utilizing the weight assigned by Releasing Shipper to each element of the Shipper Notice;
 - (11) If the release is for any period of thirty-one (31) days or less and is exempt from bidding in accordance with Section 9.3(A), the Releasing Shipper may designate in the Shipper Notice the winning bid criterion to be the first acceptable bid received;
 - (12) Whether the Shipper Notice may be rejected in part in the event TLNG rejects such Shipper Notice pursuant to Section 9.7; and
 - (13) Whether the Replacement Shipper is (a) an asset manager as defined in Section 284.8(h)(3) of the Commission's Regulations and, if so, include the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect or (b) a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's Regulations.
- (B) Releasing Shipper may withdraw its Shipper Notice at any time prior to the close of the bid period specified in the Shipper Notice herein when unanticipated circumstances justify and no minimum bid has been made.

- (C) When a Releasing Shipper presents a PRS that is on the approved bidders list, such PRS shall acknowledge the Shipper Release Notice electronically.
- (D) The terms Releasing Shipper imposes may not conflict with any provision of the Service Agreement, Rate Schedule or General Terms and Conditions. In the event of such conflict, TLNG may withdraw the Shipper Notice from posting.

9.3 Exceptions to Bidding

- (A) The following capacity releases are exempt from the bidding process set forth in Section 9.4 herein:
 - (1) A capacity release for any period of thirty-one (31) days or less. A firm Shipper shall not roll over, extend or in any way continue such capacity release to the same Replacement Shipper until 28 days after the first release period has ended. This 28-day period does not apply to any release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth in Sections 9.3(A)(2), (3) or (4) below.
 - (2) A capacity release for more than one year at the maximum tariff rate.
 - (3) A capacity release to an asset manager as defined in Section 284.8(h)(3) of the Commission's Regulations.
 - (4) A capacity release to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's Regulations.
- (B) In the event a capacity release is exempt from bidding in accordance with Section 9.3(A) herein, the Releasing Shipper presents a PRS that is on the approved bidders list, and such PRS agrees to all conditions of the release prior to the submission of the Shipper Notice to TLNG, the released capacity will be assigned to the PRS and such Shipper Notice shall be exempt from the bidding process in accordance with Section 9.4 herein. The PRS will be posted as the winning bidder in accordance with Section 9.4(l) herein.
- (C) Timing of Capacity Releases Exempt from Bidding

For non-biddable releases, the posting of the Shipper Notice for prearranged deals not subject to bid are due (Central Clock Time):

- (1) Timely Cycle - by 10:30 a.m.
- (2) Evening Cycle - by 5:00 p.m.

- (3) Intra-day 1 Cycle - by 9:00 a.m.
- (4) Intra-day 2 Cycle - by 4:00 p.m.

The capacity release addendum number will be issued within one hour of the award posting. Nomination is possible beginning at the next available nomination cycle for the effective date of the capacity release addendum.

9.4 Bidding Process

- (A) In order to submit a valid bid under this capacity release program, any party, including a PRS, must be on the approved bidders list. To be on the approved bidders list, a party must meet the provisions of Section 2 herein and have executed a capacity release service agreement with TLNG in the form as set forth in this Tariff (Capacity Release Service Agreement). A party shall remain on the approved bidders list until such party notifies TLNG to the contrary, no longer meets the credit qualifications in Section 2.3 herein, or is suspended from the approved bidders list in the event and for such time as such party fails to pay part or all of the amount of any bill for service in accordance with Section 15 herein.
- (B) The capacity release timeline in Central Clock Time 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 Replacement 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 TLNG 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, TLNG 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 TLNG).

- (1) For biddable releases (1 year or less)

On a Business Day

12:00 p.m. Time by which Releasing Shipper shall post the Shipper Notice on the Messenger® system

- 1:00 p.m. Bidding period ends
Evaluation period begins during which contingency is eliminated, determination of best bid is made and ties are broken
- 2:00 p.m. Evaluation period ends and award posting if no match required

Match or award is communicated
- 2:30 p.m. Match response is due
- 3:00 p.m. Award posting where match is required

The capacity release addendum number will be issued within one hour of the award posting. Nomination is possible beginning at the next available nomination cycle for the effective date of the capacity release addendum. (Central Clock Time)

(2) For biddable releases (more than 1 year)

- 12:00 p.m. Releasing Shipper shall post the Release Notice on the Messenger® system four Business Days before award
- 1:00 p.m. Open season ends no later than 1:00 p.m. on the Business Day before timely nominations are due (open season is three Business Days).
Evaluation period begins during which contingency is eliminated, determination of best bid is made and ties are broken
- 2:00 p.m. Evaluation period ends and award posting if no match required
Match or award is communicated to Designated Replacement Shipper
- 2:30 p.m. Match response is due from Designated Replacement Shipper
- 3:00 p.m. Award posting where match is required to Replacement Shipper or Designated Replacement Shipper

The capacity release addendum number will be issued within one hour of the award posting. Nomination is possible beginning at the next

available nomination cycle for the effective date of the capacity release addendum. (Central Clock Time)

(3) Releases with Special Conditions

For the capacity release business process timing model, only the following methodologies are required to be supported by TLNG and provided to releasing shippers as choices from which they may select and, once chosen, be used in determining the awards from the bid(s) submitted. They are: 1) highest rate 2) net revenue and 3) present value. For index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of TLNG. However, TLNG is not required to offer other choices or similar timeline treatment for other choices, nor, is TLNG held to the timeline should the releasing shipper elect another method of evaluation.

- (C) All bids must be expressed in dollars and cents, percentage of Maximum Rate or the index-based formula as detailed in the capacity release offer, whichever is stated in the Shipper Notice, must include the required bid information and must be received and posted on TLNG's Messenger[®] system with any contingencies identified and with the bidder's identity deleted.
- (D) A bidder may submit only one bid at a time in response to a Shipper Notice. A bidder may withdraw its bid at any time prior to the close of the posting period specified in the Shipper Notice without prejudice to its submitting another bid with an economic value equal to or greater than the economic value of the withdrawn bid.
- (E) Where there is a PRS and a bid which is better than the bid submitted by the PRS, TLNG will notify the PRS by 2:00 p.m. Central Clock Time on the Day capacity is awarded and the PRS will have until 2:30 p.m. to match the better bid and obtain the right to the released capacity. TLNG shall issue an Addendum to the PRS unless a better bid, as defined in Section 9.2(A)(10) or 9.4(H) herein, is received within the time period specified in the posting. In the event the PRS does not match the better bid, TLNG shall issue an Addendum to the party who made the best bid.
- (F) All bids not withdrawn prior to the close of the posting period specified in the Shipper Notice shall be binding.

- (G) In the event that a winning bid has a contingency, and TLNG is not notified that such contingency has been removed within the time period specified in the Shipper Notice, such contingent bid will be rejected by TLNG.
- (H) If there are multiple bids meeting the minimum conditions, TLNG shall rank the bids and TLNG shall award the bids, best bid first, until all offered capacity is awarded. TLNG will notify, through the Messenger® system by 2:00 p.m. Central Clock Time following the end of the posting period, or by 3:00 p.m. Central Clock Time if a matching period is applicable, the PRS or Replacement Shipper that capacity has been awarded.
- (I) TLNG will post the winning bids and Replacement Shippers' identity on the Messenger® system for at least five (5) Business Days.

9.5 Rights and Obligations of Releasing Shipper

- (A) Regardless of the amount of capacity Releasing Shipper releases under this Section 9, Releasing Shipper shall remain liable for the Reservation and Usage Charges attributable to the released capacity unless otherwise agreed to in writing and in advance by TLNG. In the event of a permanent release, TLNG may, and will not unreasonably refuse to, waive liability of Releasing Shipper for the Reservation and Usage Charges.
- (B) When capacity is awarded to Replacement Shipper, Releasing Shipper must adjust or reconfirm its nominations to reflect the capacity released. TLNG will automatically change Releasing Shipper's nominations to zero for the Service Agreement under which capacity was released unless such nominations are adjusted or reconfirmed by the Releasing Shipper.
- (C) When Releasing Shipper partially releases its capacity under a Service Agreement by releasing only a portion of its MCSC or MDQ, as applicable, Releasing Shipper's Service Agreement shall be deemed to be modified in accordance with the release and Releasing Shipper may not utilize the capacity released during the term of the release.
- (D) By the day the capacity is released, Releasing Shipper shall reduce its Stored Volumes to the remaining MCSC if any. Releasing Shipper may satisfy its obligation to reduce its Stored Volume by causing LNG to be withdrawn or Regasified LNG to be delivered or by transferring Stored Volumes to another Shipper pursuant to Section 4.4(B).
- (E) Releasing Shipper shall retain all Rights of First Refusal with respect to the released capacity, unless such release is a permanent release.

- (F) In the event of termination of a Replacement Shipper's Addendum pursuant to Section 9.6(C) herein, the released capacity related to such Addendum will revert to the Releasing Shipper.
- (G) Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. The recall notification to TLNG shall specify the Quantity in terms of total released capacity entitlements.

9.6 Rights and Obligations of Replacement Shipper

- (A) Any bid submitted will bind Replacement Shipper or PRS to the terms of the bid if TLNG selects such bid as the best bid. If all the information provided by the Releasing Shipper and the bidder/PRS is valid, the Replacement Shipper is creditworthy, and there are no special terms and conditions, TLNG will issue and execute the Addendum to the Capacity Release Service Agreement within one hour of awarding the winning bid. The capacity release addendum number will be issued within one hour of the award posting.
- (B) Replacement Shipper may submit nominations pursuant to Section 3 herein beginning at the next available nomination cycle for the effective date of the capacity release addendum; however, in no event will service commence on Replacement Shipper's Service Agreement prior to the effective date of the release as posted in the Shipper Notice.
- (C) Replacement Shipper is responsible for payment of the Reservation Charge, and any surcharges thereon, in the amount of its winning bid. Replacement Shipper is also responsible for all other billings, e.g., usage rate and applicable usage surcharges. In the event of payment default, subject to Section 15 herein, TLNG may elect to terminate that Replacement Shipper's Capacity Release Service Agreement which shall terminate all service thereunder.
- (D) Once Replacement Shipper or PRS is notified of a winning bid, such Replacement Shipper or PRS shall have all the rights and obligations specified under the Releasing Shipper's Rate Schedule, the Releasing Shipper's Service Agreement and the General Terms and Conditions of this Tariff including the right to release firm capacity pursuant to this Section unless the conditions prescribed by the Shipper Notice require otherwise.
- (E) Replacement Shipper shall have no Right of First Refusal with respect to the released capacity, unless such release is permanent.

9.7 Rights and Obligations of TLNG

TLNG shall determine, in its sole discretion, the best bid based upon the best bid criteria established pursuant to Section 9.2(A)(10) or Section 9.4(H) herein. TLNG shall have the right, but not the obligation, to reject, in whole or in part, the terms of any Shipper Notice or bid which is discriminatory or conflicts with any order or regulation issued by the FERC, or provision of the Service Agreement, Rate Schedule or General Terms and Conditions. Such Shipper Notice shall be rejected in its entirety unless Shipper, pursuant to Section 9.2(A)(12), permits a partial rejection. TLNG shall provide notification to Shipper of the reason(s) for rejecting a release notice with the notice of rejection. TLNG shall not have any liability to any Shipper, Releasing Shipper, Replacement Shipper, bidder or any other party as a result of TLNG's performance of its obligations under its capacity release program, and such Shippers, Releasing Shippers, Replacement Shippers, and bidders shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of TLNG's performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

9.8 Term

- (A) Any release under this Section 9 shall be for a minimum term of at least ten Gas Days.
- (B) Any release under this Section 9 shall be for a maximum term expiring on the earlier of:
 - (1) The last date this Tariff provision shall be effective;
 - (2) The expiration date of Releasing Shipper's Service Agreement when the release is for the full term of such agreement; or
 - (3) The expiration date specified by the Releasing Shipper in the Shipper Notice.

9.9 Billing Adjustments to Releasing Shipper

- (A) TLNG shall credit Releasing Shipper's monthly bill to reflect the Reservation Charges (including surcharges, if any) invoiced to Replacement Shipper provided, however, that TLNG and Releasing Shipper may, in connection with a Negotiated Rate based on a rate design other than straight fixed variable, agree upon a payment obligation and crediting mechanism that varies from or is in addition to the provisions of this Section 9.9 in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. In the event of a release with a

volumetric rate, the volumetric rate shall be no greater than the 100% load factor equivalent of the Maximum Reservation Rate currently applicable to the service released and shall be credited to the Releasing Shipper's monthly bill. Replacement Shipper's payment of the Usage Charge and applicable usage surcharges, if any, will be retained by TLNG. Notwithstanding the above, no 100% load factor equivalent limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release.

- (B) If Replacement Shipper fails to pay all or any part of the Reservation Charges so credited within thirty (30) days of its due date, then such unpaid amount plus interest will be charged to Releasing Shipper's next monthly bill and will be due and payable by Releasing Shipper in accordance with Section 15 herein.
- (C) TLNG and Releasing Shipper may enter into a marketing agreement. In the event TLNG issues an Addendum to a Replacement Shipper found by TLNG pursuant to such marketing agreement, any negotiated marketing fee will be added to Releasing Shipper's invoice.

GENERAL TERMS AND CONDITIONS

9. CAPACITY RELEASE

9.1 Capacity Eligible for Release

- (A) Shippers under Rate Schedules FTS, FTS-2 and FAV shall be permitted to release their capacity on a temporary or permanent basis, in accordance with this Section 9. Capacity which may be assigned to the Replacement Shipper hereunder shall be limited to the firm capacity reserved by the Releasing Shipper. Releases may be made on an interruptible (i.e., subject to recall) or firm basis and may be billed by TLNG based on usage.
- (B) TLNG shall continue to sell its unsubscribed firm capacity by providing notice of the availability of such capacity on Messenger® or by using any other marketing services at its disposal.

9.2 Shipper Release Notice

- (A) A Shipper that desires to release any or all of its firm capacity under this Section 9 must notify TLNG electronically on Messenger® or through electronic data interchange of its intent to release capacity and the terms of the release (hereinafter referred to as "Shipper Notice"). A Shipper Notice shall be posted upon receipt by TLNG or such later time which must comply with the timeline set forth in Section 9.4(B) herein, as requested by Releasing Shipper. This Shipper Notice shall include:
 - (1) Releasing Shipper's contract number;
 - (2) The specific quantity of capacity to be released;
 - (3) If the request for release is on a permanent basis;
 - (4) The period of time or term of the release;
 - (5) The conditions of Releasing Shipper's right of recall as well as methods and rights associated with returning the previously recalled capacity to the Replacement Shipper, if applicable;
 - (6) Whether contingent bids will be accepted and when the contingency must be removed;
 - (7) The identity of a Pre-arranged Replacement Shipper (PRS), if applicable;

- (8) The minimum rate expressed in dollars and cents or percentage of Maximum Tariff Rate, term, and quantity of capacity Releasing Shipper will accept, if any, and whether bids using a volumetric rate for the collection of Reservation and Usage Charges will be accepted and whether Releasing Shipper requires a volumetric commitment. The maximum volumetric rate that may be bid shall not exceed the one hundred percent (100%) load factor equivalent of the maximum Reservation and Usage rates. Notwithstanding the above, no rate limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release;
 - (9) The duration of the posting which may not be less than the minimum bid period specified in Section 9.4(B) herein;
 - (10) The best bid criterion if different from that described in Section 9.4(H) herein, the method by which volumetric or contingent bids will be evaluated, and any alternate, objective and nondiscriminatory method for breaking ties. The best bid evaluation method established by Releasing Shipper must be objectively stated, applicable to all PRS or Replacement Shippers and not unduly discriminatory and shall enable TLNG to rank the bids received by utilizing the weight assigned by Releasing Shipper to each element of the Shipper Notice;
 - (11) If the release is for any period of thirty-one (31) days or less and is exempt from bidding in accordance with Section 9.3(A), the Releasing Shipper may designate in the Shipper Notice the winning bid criterion to be the first acceptable bid received;
 - (12) Whether the Shipper Notice may be rejected in part in the event TLNG rejects such Shipper Notice pursuant to Section 9.7; and
 - (13) Whether the Replacement Shipper is (a) an asset manager as defined in Section 284.8(h)(3) of the Commission's Regulations and, if so, include the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect or (b) a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's Regulations.
- (B) Releasing Shipper may withdraw its Shipper Notice at any time prior to the close of the bid period specified in the Shipper Notice herein when unanticipated circumstances justify and no minimum bid has been made.

- (C) When a Releasing Shipper presents a PRS that is on the approved bidders list, such PRS shall acknowledge the Shipper Release Notice electronically.
- (D) The terms Releasing Shipper imposes may not conflict with any provision of the Service Agreement, Rate Schedule or General Terms and Conditions. In the event of such conflict, TLNG may withdraw the Shipper Notice from posting.

9.3 Exceptions to Bidding

- (A) The following capacity releases are exempt from the bidding process set forth in Section 9.4 herein:
 - (1) A capacity release for any period of thirty-one (31) days or less. A firm Shipper shall not roll over, extend or in any way continue such capacity release to the same Replacement Shipper until 28 days after the first release period has ended. This 28-day period does not apply to any release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth in Sections 9.3(A)(2), (3) or (4) below.
 - (2) A capacity release for more than one year at the maximum tariff rate.
 - (3) A capacity release to an asset manager as defined in Section 284.8(h)(3) of the Commission's Regulations.
 - (4) A capacity release to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's Regulations.
- (B) In the event a capacity release is exempt from bidding in accordance with Section 9.3(A) herein, the Releasing Shipper presents a PRS that is on the approved bidders list, and such PRS agrees to all conditions of the release prior to the submission of the Shipper Notice to TLNG, the released capacity will be assigned to the PRS and such Shipper Notice shall be exempt from the bidding process in accordance with Section 9.4 herein. The PRS will be posted as the winning bidder in accordance with Section 9.4(l) herein.
- (C) Timing of Capacity Releases Exempt from Bidding

For non-biddable releases, the posting of the Shipper Notice for prearranged deals not subject to bid are due (Central Time):

- (1) Timely Cycle - by 10:30 a.m.
- (2) Evening Cycle - by 5:00 p.m.

- (3) Intra-day 1 Cycle - by 9:00 a.m.
- (4) Intra-day 2 Cycle - by 4:00 p.m.

The capacity release addendum number will be issued within one hour of the award posting. Nomination is possible beginning at the next available nomination cycle for the effective date of the capacity release addendum.

9.4 Bidding Process

- (A) In order to submit a valid bid under this capacity release program, any party, including a PRS, must be on the approved bidders list. To be on the approved bidders list, a party must meet the provisions of Section 2 herein and have executed a capacity release service agreement with TLNG in the form as set forth in this Tariff (Capacity Release Service Agreement). A party shall remain on the approved bidders list until such party notifies TLNG to the contrary, no longer meets the credit qualifications in Section 2.3 herein, or is suspended from the approved bidders list in the event and for such time as such party fails to pay part or all of the amount of any bill for service in accordance with Section 15 herein.
- (B) The capacity release timeline in Central Time is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and 2) there are no special terms or conditions of the release.

- (1) For biddable releases (1 year or less)

On a Business Day

12:00 p.m.	Time by which Releasing Shipper shall post the Shipper Notice on the Messenger® system
1:00 p.m.	Bidding period ends Evaluation period begins during which contingency is eliminated, determination of best bid is made and ties are broken
2:00 p.m.	Evaluation period ends and award posting if no match required Match or award is communicated
2:30 p.m.	Match response is due

3:00 p.m. Award posting where match is required

(2) For biddable releases (more than 1 year)

The timeline is the same as biddable releases for 1 year or less except that the Releasing Shipper shall post the Shipper Notice on the Messenger[®] system by 12:00 p.m. Central Time four (4) Business Days before award. Open season ends no later than 1:00 p.m. Central Time on the Business Day before timely nominations are due (open season is three Business Days).

(3) Releases with Special Conditions

For the capacity release business process timing model, only the following methodologies are required to be supported by TLNG and provided to releasing shippers as choices from which they may select and, once chosen, be used in determining the awards from the bid(s) submitted. They are: 1) highest rate 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of TLNG. However, TLNG is not required to offer other choices or similar timeline treatment for other choices, nor, is TLNG held to the timeline should the releasing shipper elect another method of evaluation.

- (C) All bids must be expressed in dollars and cents or percents of Maximum Rate, whichever is stated in the Shipper Notice, must include the required bid information and must be received and posted on TLNG's Messenger[®] system with any contingencies identified and with the bidder's identity deleted.
- (D) A bidder may submit only one bid at a time in response to a Shipper Notice. A bidder may withdraw its bid at any time prior to the close of the posting period specified in the Shipper Notice without prejudice to its submitting another bid with an economic value equal to or greater than the economic value of the withdrawn bid.
- (E) Where there is a PRS and a bid which is better than the bid submitted by the PRS, TLNG will notify the PRS by 2:00 p.m. Central Time on the Day capacity is awarded and the PRS will have until 2:30 p.m. to match the better bid and obtain the right to the released capacity. TLNG shall issue an Addendum to the PRS unless a better bid, as defined in Section 9.2(A)(10) or 9.4(H) herein, is received within the time period specified in the posting. In the event the PRS does not match the better bid, TLNG shall issue an Addendum to the party who made the best bid.

- (F) All bids not withdrawn prior to the close of the posting period specified in the Shipper Notice shall be binding.
- (G) In the event that a winning bid has a contingency, and TLNG is not notified that such contingency has been removed within the time period specified in the Shipper Notice, such contingent bid will be rejected by TLNG.
- (H) If there are multiple bids meeting the minimum conditions, TLNG shall rank the bids and TLNG shall award the bids, best bid first, until all offered capacity is awarded. TLNG will notify, through the Messenger® system by 2:00 p.m. Central Time following the end of the posting period, or by 3:00 p.m. Central Time if a matching period is applicable, the PRS or Replacement Shipper that capacity has been awarded.
- (I) TLNG will post the winning bids and Replacement Shippers' identity on the Messenger® system for at least five (5) Business Days.

9.5 Rights and Obligations of Releasing Shipper

- (A) Regardless of the amount of capacity Releasing Shipper releases under this Section 9, Releasing Shipper shall remain liable for the Reservation and Usage Charges attributable to the released capacity unless otherwise agreed to in writing and in advance by TLNG. In the event of a permanent release, TLNG may, and will not unreasonably refuse to, waive liability of Releasing Shipper for the Reservation and Usage Charges.
- (B) When capacity is awarded to Replacement Shipper, Releasing Shipper must adjust or reconfirm its nominations to reflect the capacity released. TLNG will automatically change Releasing Shipper's nominations to zero for the Service Agreement under which capacity was released unless such nominations are adjusted or reconfirmed by the Releasing Shipper.
- (C) When Releasing Shipper partially releases its capacity under a Service Agreement by releasing only a portion of its MCSC or MDQ, as applicable, Releasing Shipper's Service Agreement shall be deemed to be modified in accordance with the release and Releasing Shipper may not utilize the capacity released during the term of the release.
- (D) By the day the capacity is released, Releasing Shipper shall reduce its Stored Volumes to the remaining MCSC if any. Releasing Shipper may satisfy its obligation to reduce its Stored Volume by causing LNG to be withdrawn or Regasified LNG to be delivered or by transferring Stored Volumes to another Shipper pursuant to Section 4.4(B).

- (E) Releasing Shipper shall retain all Rights of First Refusal with respect to the released capacity, unless such release is a permanent release.
- (F) In the event of termination of a Replacement Shipper's Addendum pursuant to Section 9.6(C) herein, the released capacity related to such Addendum will revert to the Releasing Shipper.
- (G) Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. The recall notification to TLNG shall specify the Quantity in terms of total released capacity entitlements.

9.6 Rights and Obligations of Replacement Shipper

- (A) Any bid submitted will bind Replacement Shipper or PRS to the terms of the bid if TLNG selects such bid as the best bid. If all the information provided by the Releasing Shipper and the bidder/PRS is valid, the Replacement Shipper is creditworthy, and there are no special terms and conditions, TLNG will issue and execute the Addendum to the Capacity Release Service Agreement within one hour of awarding the winning bid. The capacity release addendum number will be issued within one hour of the award posting.
- (B) Replacement Shipper may submit nominations pursuant to Section 3 herein beginning at the next available nomination cycle for the effective date of the capacity release addendum; however, in no event will service commence on Replacement Shipper's Service Agreement prior to the effective date of the release as posted in the Shipper Notice.
- (C) Replacement Shipper is responsible for payment of the Reservation Charge, and any surcharges thereon, in the amount of its winning bid. Replacement Shipper is also responsible for all other billings, e.g., usage rate and applicable usage surcharges. In the event of payment default, subject to Section 15 herein, TLNG may elect to terminate that Replacement Shipper's Capacity Release Service Agreement which shall terminate all service thereunder.
- (D) Once Replacement Shipper or PRS is notified of a winning bid, such Replacement Shipper or PRS shall have all the rights and obligations specified under the Releasing Shipper's Rate Schedule, the Releasing Shipper's Service Agreement and the General Terms and Conditions of this Tariff including the right to release firm capacity pursuant to this Section unless the conditions prescribed by the Shipper Notice require otherwise.
- (E) Replacement Shipper shall have no Right of First Refusal with respect to the released capacity, unless such release is permanent.

9.7 Rights and Obligations of TLNG

TLNG shall determine, in its sole discretion, the best bid based upon the best bid criteria established pursuant to Section 9.2(A)(10) or Section 9.4(H) herein. TLNG shall have the right, but not the obligation, to reject, in whole or in part, the terms of any Shipper Notice or bid which is discriminatory or conflicts with any order or regulation issued by the FERC, or provision of the Service Agreement, Rate Schedule or General Terms and Conditions. Such Shipper Notice shall be rejected in its entirety unless Shipper, pursuant to Section 9.2(A)(12), permits a partial rejection. TLNG shall provide notification to Shipper of the reason(s) for rejecting a release notice with the notice of rejection. TLNG shall not have any liability to any Shipper, Releasing Shipper, Replacement Shipper, bidder or any other party as a result of TLNG's performance of its obligations under its capacity release program, and such Shippers, Releasing Shippers, Replacement Shippers, and bidders shall indemnify TLNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of TLNG's performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.

9.8 Term

- (A) Any release under this Section 9 shall be for a minimum term of at least ten Gas Days.
- (B) Any release under this Section 9 shall be for a maximum term expiring on the earlier of:
 - (1) The last date this Tariff provision shall be effective;
 - (2) The expiration date of Releasing Shipper's Service Agreement when the release is for the full term of such agreement; or
 - (3) The expiration date specified by the Releasing Shipper in the Shipper Notice.

9.9 Billing Adjustments to Releasing Shipper

- (A) TLNG shall credit Releasing Shipper's monthly bill to reflect the Reservation Charges (including surcharges, if any) invoiced to Replacement Shipper provided, however, that TLNG and Releasing Shipper may, in connection with a Negotiated Rate based on a rate design other than straight fixed variable, agree upon a payment obligation and crediting mechanism that varies from or is in addition to the provisions of this Section 9.9 in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. In the event of a release with a

volumetric rate, the volumetric rate shall be no greater than the 100% load factor equivalent of the Maximum Reservation Rate currently applicable to the service released and shall be credited to the Releasing Shipper's monthly bill. Replacement Shipper's payment of the Usage Charge and applicable usage surcharges, if any, will be retained by TLNG. Notwithstanding the above, no 100% load factor equivalent limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release.

- (B) If Replacement Shipper fails to pay all or any part of the Reservation Charges so credited within thirty (30) days of its due date, then such unpaid amount plus interest will be charged to Releasing Shipper's next monthly bill and will be due and payable by Releasing Shipper in accordance with Section 15 herein.
- (C) TLNG and Releasing Shipper may enter into a marketing agreement. In the event TLNG issues an Addendum to a Replacement Shipper found by TLNG pursuant to such marketing agreement, any negotiated marketing fee will be added to Releasing Shipper's invoice.

GENERAL TERMS AND CONDITIONS

10. CONTRACTING FOR UNSUBSCRIBED FIRM CAPACITY

This Section 10 governs the order in which requests for service shall be accommodated when unsubscribed firm capacity, other than released capacity, becomes available. It does not govern scheduling, which is governed by Section 3 herein. Requests for firm capacity shall be accommodated in the following manner and subject to the following conditions and limitations:

- 10.1 In order to be eligible for firm capacity, a party requesting service (requestor) must submit a valid request in accordance with the provisions of Section 2 herein.
- 10.2 TLNG will post on the Web Site available Terminal capacity and Alternate Vaporization capacity. A requestor that submits a valid request may submit in writing a bid for the available capacity at any time. In the event of multiple bids, TLNG will evaluate the bids and determine the bid having the greatest economic value as determined in Section 10.3.
- 10.3 The criteria for determining which requestor has submitted the bid with the greatest economic value shall be the Net Present Value (NPV) of the Reservation Charge that requestor would pay at the rates requestor has bid, which shall not be less than the Minimum Rate nor greater than the Maximum Rate, as stated on the Currently Effective Rates for the applicable Rate Schedule, over the term of service specified in the request, utilizing a ten percent (10%) annual discount factor. Shippers requesting service at a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of determining the bid with the greatest economic value. For purposes of calculating each requestor's NPV, the term will be limited to ten (10) years. If the economic values of separate service requests are equal, then service shall be offered in sequence starting with the request with the earliest date. If separate service requests have equal economic values and the same date of request, service shall be offered to such requestors on a pro rata basis.
- 10.4 If TLNG accepts the winning bid and tenders a Service Agreement, requestor shall complete and return the Service Agreement within thirty (30) days.
- 10.5 TLNG shall not be obligated to tender or execute a Service Agreement at any rate less than the Maximum Rate. It shall be in TLNG's sole discretion to tender or execute a Service Agreement at any rate less than the applicable Maximum Rate for the service requested. TLNG and requestor both shall agree to any rate requested at less than the applicable Maximum Rate before TLNG becomes obligated to tender or execute a Service Agreement.
- 10.6 Once a Service Agreement for firm Terminal Service or Alternate Vaporization is executed, the economic value of the Service Agreement shall be determined in

accordance with Section 10.3. During the term of the Service Agreement, any change Shipper may make in the terms of the Service Agreement shall not reduce such economic value of the Service Agreement to TLNG, or Shipper's Reservation Charge, without TLNG's written consent to such reduction.

GENERAL TERMS AND CONDITIONS

11. RIGHT OF FIRST REFUSAL

- 11.1 TLNG shall continue to provide firm service pursuant to a Long-Term Agreement beyond the term specified in such Agreement if:
- (A) The Long-Term Agreement is extended according to its terms; or
 - (B) Shipper exercises its Right of First Refusal pursuant to Section 11.2
- 11.2 The Right of First Refusal process shall apply to a Long-Term Agreement for firm service that (1) is in effect prior to August 1, 2000; or (2) commences on or after August 1, 2000 and Shipper has agreed to pay the Maximum Rate or a Negotiated Rate which equals or exceeds the Maximum Rate applicable for the service, or, if the service is not available for twelve (12) consecutive months, the Long-Term Agreement is for more than one year and provides for service at the Maximum Rate or a Negotiated Rate which equals or exceeds the Maximum Rate applicable to the service; or (3) commences on or after August 1, 2000, Shipper has agreed to pay a Negotiated Rate, and TLNG has agreed to afford Shipper a Right of First Refusal. Shipper may exercise its Right of First Refusal as follows:
- (A) If TLNG receives an acceptable offer for all or any portion of the capacity used to provide service under Shipper's Long-Term Agreement, TLNG shall notify Shipper of such offer and its terms no later than six (6) months prior to the expiration of the primary term of the Long-Term Agreement.
 - (B) Shipper shall be permitted to designate an MCSC/MDQ less than its existing MCSC/MDQ which Shipper wishes to retain under the Right of First Refusal.
 - (C) Shipper shall respond to TLNG within thirty (30) days after TLNG's notification whether it will match the economic value of the offer for the level of service Shipper wishes to retain as defined in this Section 11.2; provided that for purposes of the value comparisons under this Section, the rate utilized shall not exceed the Maximum Rate that can be charged the Shipper for its existing service.
 - (D) If Shipper agrees to match the economic value of such offer for the MCSC/MDQ Shipper wishes to retain, Shipper shall execute a new Service Agreement matching the economic value of the offer within thirty (30) days after TLNG tenders the Service Agreement to Shipper.

(E) If TLNG receives no acceptable offers for all or any portion of the capacity used to provide service under Shipper's Long-Term Agreement, TLNG shall notify Shipper of such no later than six (6) months prior to the expiration of the primary term of the Long-Term Agreement. In such event, Shipper may continue to receive service under a new Long-Term Agreement with any term Shipper chooses, at the applicable maximum rate or at a rate agreed to by TLNG and Shipper. Shipper must notify TLNG of its intent and indicate the term of the new Long-Term Agreement within 15 days of having been notified by TLNG that no acceptable offer was received. TLNG will then be obligated to tender the new Long-Term Agreement to Shipper within 15 days of Shipper's notification. If Shipper (1) fails to provide TLNG the term of the requested new Long-Term Agreement within the required 15 day period, or (2) does not return an executed Service Agreement reflecting such term to TLNG within 30 days of the date such contract is tendered, then Shipper shall be deemed to have elected not to continue service under a Long-Term Agreement pursuant to the provisions of this Section 11.

11.3 TLNG shall not be obligated to tender, execute or extend a Service Agreement at any rate less than the Maximum Rate. It shall be within TLNG's sole discretion to tender, execute or extend a Service Agreement at any rate and economic value less than the applicable Maximum Rate and economic value for the service requested.

11.4 A party desiring to bid on capacity that is subject to a right of first refusal must first meet all of the requirements for a request for service set forth in Section 2 herein, including submission of the applicable payment under Section 2.4 herein.

GENERAL TERMS AND CONDITIONS

12. QUALITY

12.1 The LNG to be received hereunder for Terminal Service shall be merchantable and shall have in its gaseous state:

- (A) A Gross Heating Value of not less than nine hundred fifty (950) Btu and not more than one thousand two hundred (1,200) Btu per standard cubic foot;
- (B) Constituent elements varying within the following percentage limits (in molecular percentage):

Nitrogen	between 0.00 and 1.40
Methane	between 84.55 and 100.00
Ethane	between 0.00 and 9.20
Propane	between 0.00 and 3.25
Isobutane	between 0.00 and 0.60
Normal butane	between 0.00 and 0.75
Pentanes Plus	between 0.00 and 0.25
- (C) A hydrogen sulfide content not to exceed 0.25 grains per 100 cubic feet;
- (D) A total sulfur content of not more than 30 mg/Nm³;
- (E) A mercaptan sulfur content not exceeding 2.30 mg/Nm³;
- (F) No water, carbon dioxide or mercury;
- (G) No active bacteria or bacterial agent, including but not limited to, sulphate reducing bacteria or acid producing bacteria; and
- (H) No hazardous or toxic substances.

TLNG shall not be obligated to receive any LNG that does not meet these standards.

- 12.2 The LNG or Regasified LNG delivered by TLNG to or for the account of Shipper shall be merchantable Natural Gas and shall meet the quality specifications in Section 12.1.
- 12.3 The Regasified LNG delivered by TLNG to or for the account of Shipper shall be delivered at a pressure sufficient to enter the pipeline facilities.
- 12.4 Shipper shall indemnify TLNG from any loss, cost, damage, or expense incurred by TLNG as a direct or indirect result of Shipper's failure to comply with the provisions of this Section 12, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of TLNG's negligence, bad faith or willful misconduct or is the direct result of TLNG's deliberate decision to take Shipper's nonconforming LNG.

GENERAL TERMS AND CONDITIONS

13. MEASUREMENT

13.1 Measurement of Quantity of LNG Received from, or Delivered to, Shipper's Vessel(s)

- (A) The volume of cubic meters of LNG received or delivered at the Terminal shall be measured in metric units by gauging of the liquid in the tanks of the Shipper's Vessel. TLNG shall cause the first gauging to be made after the Captain of the Shipper's Vessel has given his notice of "ready to receive" or "ready to discharge," and prior to starting the pumps. A second gauging operation shall take place immediately after completion of loading or unloading. Representatives of Shipper and TLNG shall have the right to be present at such gaugings.
- (B) Shipper shall send or cause to be sent to TLNG a certified copy of the gauging standards for each tank of each Shipper's Vessel being used to deliver hereunder, in metric units approved by the U.S. Bureau of Standards in Washington, (D.C.), as well as correction charts (list, trim, tanks' contraction, etc.). Such standards and charts shall be used throughout the term of the Service Agreement, except in the case of a physical change in the tanks, in which case new standards and charts shall be used. LNG level measuring devices shall be approved by both TLNG and Shipper. Each tank shall be equipped with two level-measuring devices of different types.
- (C) The density of the LNG shall be calculated using the revised Klosek and McKinley method.
- (D) The temperature of the LNG contained in the tanks of any Shipper's Vessel shall be determined by using the arithmetic average of the temperature indicated by special thermo-couples or resistance thermometers spaced at various locations from top to bottom of each tank with an accuracy of plus or minus two-tenths of a degree centigrade. Such temperatures shall be either logged or printed.
- (E) Samples of the LNG shall be taken with a frequency adequate to assure a representative analysis of the LNG being loaded or unloaded, at a suitable point between the receipt discharge Point and TLNG's storage facilities. The sampling device shall be such as to permit the total and continuous vaporization of a quantity of LNG sufficient for the taking of a gaseous sample representative of the LNG then being received or delivered. Such samples shall be analyzed by means of a suitable gas chromatograph. An analysis or the average of such analyses shall determine the molecular composition of the LNG. A calibration of the chromatograph utilized shall be performed before the analysis of the

samples taken from each unloading. Representatives of Shipper shall have the right to be present, but the absence of a duly summoned representative of Shipper shall not prevent the carrying out of calibration and sampling. Such calibration shall be effected with the aid of a gaseous mixture having a known composition closely similar to the vaporized LNG being measured.

- (F) The Gross Heating Value of LNG shall be calculated on the basis of its molecular composition and of the molecular weights and the Thermies per kilogram of each of its components. The values of physical constants to be used for such calculations shall conform to those contained in the most current publications of the National Bureau of Standards of the United States.
- (G) The quantity of Dt's loaded or unloaded from the Shipper's Vessel(s) shall be calculated on the basis of the following formula:

$$Q = \frac{V \times M \times Pc}{252}$$

In which

Q = the number of Dt's unloaded

V = the volume of LNG loaded or unloaded, in m³, as determined in accordance with Section 13.1(A)

M = the density calculated in accordance with Section 13.1(C) of the LNG in kg/M³

Pc = the GHV of LNG per unit of mass, in thermies/kg, as calculated in accordance with Section 13.1(F)

The Quantity of LNG unloaded from the Vessel for Shipper's account shall not include the amount of boil-off returning to Shipper's Vessel during unloading of LNG.

- (H) Gauging Equipment
 - (1) Shipper shall cause to be supplied, operated and maintained equipment for accurately gauging the level of liquid and liquid temperature in the tanks of the LNG Vessel. TLNG shall supply, operate and maintain all equipment, instruments and devices used for the sample of and for the determination of the density, quality and composition of the LNG unloaded.

- (2) All measurements and calculations relating to gauging and determination of the density of the LNG and the testing of the quality and composition of the LNG shall be performed by TLNG. Representatives of Shipper shall have the right to be present, but the absence of a duly summoned representative of Shipper shall not prevent either the carrying out of the measurements or the preparation of the calculations.
 - (3) Both parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information shall be made available to the parties and preserved for a period of not less than three (3) years.
- (I) Verification of Accuracy
 - (1) The accuracy of the instruments used shall be verified at the request of either party. Such verifications shall be made in the presence of the party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
 - (2) If, at the time of verification, a measuring instrument is found to result in errors of one (1) percent or less of loaded or unloaded LNG, such equipment's previous measurements shall be considered accurate for purposes of delivery calculations and such equipment shall be adjusted forthwith as necessary. If, at the time of verification, a measuring instrument is found to result in errors of more than one (1) percent of LNG loaded or unloaded, such equipment's previous measurements shall be brought to a zero difference by comparison with calibration results for any period known definitively or agreed to have been affected by such error, and the calculation of deliveries made during said period shall be corrected accordingly however, in the event that the period during which such error occurred is not definitively known or agreed upon, corrections shall be made for those Quantities received or delivered during the last half of the period since the date of the last calibration.
- (J) The installation and operation of devices for measuring the level of LNG and temperature in the tanks of the Shipper's Vessel(s), as well as chromatographs used for the analysis of Regasified LNG, shall be carried out according to the manufacturers' specifications.
- (K) All instruments and gauges used for computing the LNG received or delivered hereunder shall be calibrated in the following manner:

- (1) in cubic meters (m³)
- (2) in degrees centigrade
- (3) on a dual scale calibrated in bars or millibars on one side and pounds per square inch on the other

13.2 Measurement and Tests for Delivery of Regasified LNG

Unless otherwise agreed upon by the parties, Shipper shall cause the measurement of the quantities of Regasified LNG delivered by TLNG to be performed by Trunkline Gas Company, LLC or other third party transporter receiving such regasified LNG at the Point of Delivery in accordance with such transporter's normal practices for measurement and testing of measuring equipment. Shipper shall seek to assure the right of TLNG to be present at the installation, maintenance, or testing of the equipment used to measure the quantities redelivered by TLNG and shall cooperate with any requests of TLNG to do so.

13.3 Failure of Meters

In the event a meter is out of service, or registering inaccurately, the volume of LNG received or delivered hereunder shall be estimated:

- (A) By using the registration of any check meter or meters if installed and accurately registering, or in the absence thereof;
- (B) By correcting the error, if such error is ascertainable by calibration, test or mathematical calculation; or
- (C) In the absence of both (a) and (b) then by estimating the quantity of delivery by mutually agreed method.

13.4 Test of Meters

The accuracy of any measuring equipment for LNG and Regasified LNG, other than recording calorimeters, installed by either party shall be verified at reasonable intervals by the installing party upon notice given to the other party. Either party shall notify the other when it desires a special test of any measuring equipment other than recording calorimeters installed by either party, and the parties shall thereupon cooperate to secure a prompt verification of the accuracy of such equipment; provided that no party shall be required to verify the accuracy of its equipment more frequently than once in any fourteen (14) day period. Recording calorimeters shall be verified by the installing party not less than once per day at approximately the same hour each day while in use, and if requested, in the presence of representatives of the other party.

13.5 Correction of Errors of Meters

If, upon test, any measuring equipment for measuring LNG and Regasified LNG, including recording calorimeters, is found to be in error by not more than two percent (2%), previous recordings of such equipment shall be considered accurate in computing deliveries hereunder but such equipment shall be adjusted at once to record correctly. If, upon test, measuring equipment shall be found to be inaccurate by an amount exceeding two percent (2%) at a recording corresponding to the average hourly rate of flow while recording for the period since the last preceding test, or if, upon test, a recording calorimeter shall be found to be inaccurate by an amount exceeding two percent (2%), any previous recordings of such equipment shall be corrected to zero error for any period which is definitely known or agreed upon by any Buyer affected or otherwise correction shall be made for a period equal to one-half of the time elapsed since the date of last test, not to exceed a correction period of sixteen (16) Days.

13.6 Preservation of Records

Each party shall preserve for a period of at least three (3) years all test data, charts, and other similar records relating to the equipment referred to in the preceding paragraphs of this Section 13.

GENERAL TERMS AND CONDITIONS

13. MEASUREMENT

13.1 Measurement of Quantity of LNG Received from, or Delivered to, Shipper's Truck(s)

- (A) Shipper's Truck(s) shall be weighed immediately before and immediately after loading or unloading, as the case may be. The difference in the two weights expressed in pounds shall constitute the weight of LNG received or delivered. Shipper's Truck(s) shall be weighed using scales installed, maintained, operated and verified in accordance with the regulations of the Louisiana Bureau of Weights and Measures.
- (B) The total Quantity received or delivered each Day shall be the product of the average Btu's per pound of LNG determined for each truckload during the Day in accordance with Section 13.2(C)-(F) and the weight of LNG received or delivered during that Day.

13.2 Measurement of Quantity of LNG Received from, or Delivered to, Shipper's Vessel(s)

- (A) The volume of cubic meters of LNG received or delivered at the Terminal shall be measured in metric units by gauging of the liquid in the tanks of the Shipper's Vessel. TLNG shall cause the first gauging to be made after the Captain of the Shipper's Vessel has given his notice of "ready to receive" or "ready to discharge," and prior to starting the pumps. A second gauging operation shall take place immediately after completion of loading or unloading. Representatives of Shipper and TLNG shall have the right to be present at such gaugings.
- (B) Shipper shall send or cause to be sent to TLNG a certified copy of the gauging standards for each tank of each Shipper's Vessel being used to deliver hereunder, in metric units approved by the U.S. Bureau of Standards in Washington, (D.C.), as well as correction charts (list, trim, tanks' contraction, etc.). Such standards and charts shall be used throughout the term of the Service Agreement, except in the case of a physical change in the tanks, in which case new standards and charts shall be used. LNG level measuring devices shall be approved by both TLNG and Shipper. Each tank shall be equipped with two level-measuring devices of different types.
- (C) The density of the LNG shall be calculated using the revised Klosek and McKinley method.

- (D) The temperature of the LNG contained in the tanks of any Shipper's Vessel shall be determined by using the arithmetic average of the temperature indicated by special thermo-couples or resistance thermometers spaced at various locations from top to bottom of each tank with an accuracy of plus or minus two-tenths of a degree centigrade. Such temperatures shall be either logged or printed.
- (E) Samples of the LNG shall be taken with a frequency adequate to assure a representative analysis of the LNG being loaded or unloaded, at a suitable point between the receipt discharge Point and TLNG's storage facilities. The sampling device shall be such as to permit the total and continuous vaporization of a quantity of LNG sufficient for the taking of a gaseous sample representative of the LNG then being received or delivered. Such samples shall be analyzed by means of a suitable gas chromatograph. An analysis or the average of such analyses shall determine the molecular composition of the LNG. A calibration of the chromatograph utilized shall be performed before the analysis of the samples taken from each unloading. Representatives of Shipper shall have the right to be present, but the absence of a duly summoned representative of Shipper shall not prevent the carrying out of calibration and sampling. Such calibration shall be effected with the aid of a gaseous mixture having a known composition closely similar to the vaporized LNG being measured.
- (F) The Gross Heating Value of LNG shall be calculated on the basis of its molecular composition and of the molecular weights and the Thermies per kilogram of each of its components. The values of physical constants to be used for such calculations shall conform to those contained in the most current publications of the National Bureau of Standards of the United States.
- (G) The quantity of Dt's loaded or unloaded from the Shipper's Vessel(s) shall be calculated on the basis of the following formula:

$$Q = \frac{V \times M \times Pc}{252}$$

In which

Q = the number of Dt's unloaded

V = the volume of LNG loaded or unloaded, in m³, as determined in accordance with Section 13.2(A)

M = the density calculated in accordance with Section 13.2(C) of the LNG in kg/M³

Pc = the GHV of LNG per unit of mass, in thermies/kg, as calculated in accordance with Section 13.2(F)

The Quantity of LNG unloaded from the Vessel for Shipper's account shall not include the amount of boil-off returning to Shipper's Vessel during unloading of LNG.

(H) Gauging Equipment

- (1) Shipper shall cause to be supplied, operated and maintained equipment for accurately gauging the level of liquid and liquid temperature in the tanks of the LNG Vessel. TLNG shall supply, operate and maintain all equipment, instruments and devices used for the sample of and for the determination of the density, quality and composition of the LNG unloaded.
- (2) All measurements and calculations relating to gauging and determination of the density of the LNG and the testing of the quality and composition of the LNG shall be performed by TLNG. Representatives of Shipper shall have the right to be present, but the absence of a duly summoned representative of Shipper shall not prevent either the carrying out of the measurements or the preparation of the calculations.
- (3) Both parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information shall be made available to the parties and preserved for a period of not less than three (3) years.

(I) Verification of Accuracy

- (1) The accuracy of the instruments used shall be verified at the request of either party. Such verifications shall be made in the presence of the party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
- (2) If, at the time of verification, a measuring instrument is found to result in errors of one (1) percent or less of loaded or unloaded LNG, such equipment's previous measurements shall be considered accurate for purposes of delivery calculations and such equipment shall be adjusted forthwith as necessary. If, at the time of verification, a measuring instrument is found to result in errors of more than one (1) percent of LNG loaded or unloaded, such equipment's previous measurements shall be brought to a zero difference by comparison with calibration results for any period known definitively or agreed to have been affected by such error, and the calculation of deliveries made during

said period shall be corrected accordingly however, in the event that the period during which such error occurred is not definitively known or agreed upon, corrections shall be made for those Quantities received or delivered during the last half of the period since the date of the last calibration.

- (J) The installation and operation of devices for measuring the level of LNG and temperature in the tanks of the Shipper's Vessel(s), as well as chromatographs used for the analysis of Regasified LNG, shall be carried out according to the manufacturers' specifications.
- (K) All instruments and gauges used for computing the LNG received or delivered hereunder shall be calibrated in the following manner:
 - (1) in cubic meters (m³)
 - (2) in degrees centigrade
 - (3) on a dual scale calibrated in bars or millibars on one side and pounds per square inch on the other

13.3 Measurement and Tests for Delivery of Regasified LNG

Unless otherwise agreed upon by the parties, Shipper shall cause the measurement of the quantities of Regasified LNG delivered by TLNG to be performed by Trunkline Gas Company, LLC or other third party transporter receiving such regasified LNG at the Point of Delivery in accordance with such transporter's normal practices for measurement and testing of measuring equipment. Shipper shall seek to assure the right of TLNG to be present at the installation, maintenance, or testing of the equipment used to measure the quantities redelivered by TLNG and shall cooperate with any requests of TLNG to do so.

13.4 Failure of Meters

In the event a meter is out of service, or registering inaccurately, the volume of LNG received or delivered hereunder shall be estimated:

- (A) By using the registration of any check meter or meters if installed and accurately registering, or in the absence thereof;
- (B) By correcting the error, if such error is ascertainable by calibration, test or mathematical calculation; or
- (C) In the absence of both (a) and (b) then by estimating the quantity of delivery by mutually agreed method.

13.5 Test of Meters

The accuracy of any measuring equipment for LNG and Regasified LNG, other than recording calorimeters, installed by either party shall be verified at reasonable intervals by the installing party upon notice given to the other party. Either party shall notify the other when it desires a special test of any measuring equipment other than recording calorimeters installed by either party, and the parties shall thereupon cooperate to secure a prompt verification of the accuracy of such equipment; provided that no party shall be required to verify the accuracy of its equipment more frequently than once in any fourteen (14) day period. Recording calorimeters shall be verified by the installing party not less than once per day at approximately the same hour each day while in use, and if requested, in the presence of representatives of the other party.

13.6 Correction of Errors of Meters

If, upon test, any measuring equipment for measuring LNG and Regasified LNG, including recording calorimeters, is found to be in error by not more than two percent (2%), previous recordings of such equipment shall be considered accurate in computing deliveries hereunder but such equipment shall be adjusted at once to record correctly. If, upon test, measuring equipment shall be found to be inaccurate by an amount exceeding two percent (2%) at a recording corresponding to the average hourly rate of flow while recording for the period since the last preceding test, or if, upon test, a recording calorimeter shall be found to be inaccurate by an amount exceeding two percent (2%), any previous recordings of such equipment shall be corrected to zero error for any period which is definitely known or agreed upon by any Buyer affected or otherwise correction shall be made for a period equal to one-half of the time elapsed since the date of last test, not to exceed a correction period of sixteen (16) Days.

13.7 Preservation of Records

Each party shall preserve for a period of at least three (3) years all test data, charts, and other similar records relating to the equipment referred to in the preceding paragraphs of this Section 13.

GENERAL TERMS AND CONDITIONS

14. ELECTRONIC COMMUNICATION SYSTEM

14.1 TLNG has established an electronic communication system, the Messenger® system, for use by any party, including Shippers and potential Shippers. The Messenger® system will be available on a nondiscriminatory basis to any party (hereinafter the "User") that has compatible equipment for electronic transmission of data, provided that such party has been assigned a user identification (USERID) and password, and agrees to comply with the procedures for use of the Messenger® system as set forth in the Form of Agreement for Messenger® contained in this tariff. TLNG shall provide timely and equal access to information available on the Messenger® system.

14.2 Through the Messenger® system the User may obtain:

- (A) Information concerning the availability of capacity for firm Terminal Service and firm Alternate Vaporization Service, and whether the capacity is available from TLNG directly, through exercise of Shipper's right of first refusal, or through capacity release
- (B) TLNG's currently effective FERC Gas Tariff, Third Revised Volume No. 1-A
- (C) An Index of Firm Customers
- (D) TLNG's Terminal Service log
- (E) Standards of Conduct information
- (F) Affiliate information

14.3 Should TLNG invalidate any password or USERID due to breach of confidentiality or unauthorized use of the Messenger® system, TLNG shall provide notice and reason for the invalidation.

GENERAL TERMS AND CONDITIONS

15. STATEMENTS AND PAYMENTS

15.1 Billing

TLNG shall send to Shipper, on or before the ninth (9th) Business Day of each month, a billing of charges applicable to the preceding month for Terminal Service, Lending Service and Alternate Vaporization Service. TLNG shall also send to Shipper a billing of all other charges or penalties. Such charges shall be based on actual Quantities. If actual Quantities are unavailable in time to prepare the billing, such charges shall be based on estimated Quantities and TLNG shall provide, in the succeeding month's billing, an adjustment based on any difference between actual Quantities and estimated Quantities.

15.2 Payment

Shipper shall pay TLNG by Electronic Funds Transfer to a designated bank account established by TLNG for invoiced amounts equal to or greater than \$50,000. For invoiced amounts less than \$50,000, Shipper shall pay TLNG by check to TLNG's designated post office box or, at Shipper's election, by Electronic Funds Transfer to a designated bank account established by TLNG. Payments shall be made by Shipper and received by TLNG within ten (10) days from the date on which the bill is sent for all charges billed in accordance with the provisions of the applicable Rate Schedule and these General Terms and Conditions. Payments made by Electronic Funds Transfer shall be considered to have been made on the date when such payment of good funds is received by TLNG.

15.3 Unpaid and Disputed Bills

Should Shipper fail to pay part or all of the amount of any such bill, interest thereon shall accrue at an average prime interest rate computed in a manner consistent with Section 154.501(d) of the Commission's Regulations, from the due date until date of payment. If such failure to pay continues thirty (30) Days after payment is due, TLNG, in addition to any other remedy it may have, may suspend further service to Shipper until such amount is paid after TLNG provides Shipper with twenty (20) Days prior written notice; provided, however, that if Shipper in good faith disputes in writing the amount of any such bill or parts thereof and pays to TLNG such amounts as it concedes to be correct, and at any time thereafter within thirty (30) Days of demand made by TLNG shall furnish a good and sufficient surety bond guaranteeing payment to TLNG of the amount ultimately found due upon such bills after a final determination, which may be reached either by agreement or judgment of the courts as may be the case, then TLNG shall not be entitled to suspend further service unless and until default be made in the conditions of such bond. If resolution of the dispute is in favor of Shipper and Shipper furnished a surety

bond instead of paying the disputed amount, then TLNG shall reimburse Shipper for the cost of securing that surety bond.

15.4 Billing Errors

In the event that an error is discovered in the invoiced amount hereunder, such error shall be adjusted within thirty (30) days of the determination thereof, provided that claim therefor shall have been made in writing.

- (A) Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period.
- (B) The time limitation for disputes of allocations should be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period.
- (C) Prior period adjustment time limits should be six (6) months from the date of the initial transportation invoice and seven (7) months from date of initial sales invoice with a three (3) month rebuttal period, excluding government-required rate changes.

The above 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 these standards.

15.5 Filing Fees

In addition to all other rates and charges applicable to the service provided to Shipper, Shipper shall reimburse TLNG for all filing or other fees, in connection with service provided under any Rate Schedule in this Tariff, that TLNG is obligated to pay to the Commission or to any other governmental authority having jurisdiction. The term "fees" as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the LNG or Regasified LNG itself or on the act, right or privilege of importing, producing, transporting, handling, selling, receiving or delivering LNG or Regasified LNG, however such fees or charges are measured.

15.6 Reimbursement for Additional Facilities

In addition to all other rates and charges applicable to the service provided to Shipper, Shipper shall reimburse TLNG or cause TLNG to be reimbursed for any and all costs and expenses incurred in constructing, establishing or modifying the facilities required for receipt and delivery of LNG or Regasified LNG hereunder, unless otherwise agreed to in advance and in writing; provided, however, that TLNG may agree at its sole discretion to construct, modify, expand or acquire facilities to enable it to perform such services.

15.7 Refunds

Refunds due Shipper pursuant to the terms of this Tariff or orders of the Commission shall be paid by Electronic Funds Transfer to a bank account established by Shipper if:

- (A) Shipper has transmitted payment for services to TLNG by Electronic Funds Transfer within the twelve (12) month period preceding the date of the refunds;
- (B) Shipper has designated a bank account for the receipt of Electronic Funds Transfer at least thirty (30) days prior to the date established for refunds; and
- (C) Shipper shall designate a bank account for receipt of Electronic Funds Transfer by written communication to TLNG at the following address:

TRUNKLINE LNG COMPANY, LLC
Attn: Cash Management
P. O. Box 4967
Houston, Texas 77210-4967

Refunds not paid by Electronic Funds Transfer shall be paid by check.

15.8 Order of Discounting

If and when TLNG discounts the rates applicable for service under any Service Agreement under Rate Schedules included in this FERC Gas Tariff, the base rate shall be deemed to be the component of the currently applicable Maximum Rate discounted.

GENERAL TERMS AND CONDITIONS

16. RESPONSIBILITY, WARRANTY AND ASSIGNMENTS

- 16.1 TLNG shall be deemed to be in control of and have responsibility for the LNG to be stored by TLNG after the receipt thereof by TLNG from Shipper, and prior to the delivery of such LNG or Regasified LNG to Shipper. TLNG shall be deemed to have no responsibility with respect to such LNG prior to TLNG's receipt thereof, or after TLNG's delivery of LNG or Regasified LNG thereof, to or for Shipper's account.
- 16.2 Each of TLNG and Shipper warrants that it shall, at the time of delivery of LNG or Regasified LNG to the other, have good title to or good right to deliver all such LNG or Regasified LNG, and that it shall deliver, or cause to be delivered, such LNG or Regasified LNG free from all liens, encumbrances and claims whatsoever. Except as provided in Section 16.6 and 16.7 herein, both TLNG and Shipper shall, as to the LNG or Regasified LNG it delivers or causes to be delivered to the other, indemnify and save the other harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said LNG or Regasified LNG and to royalties, taxes, fees or charges thereon.
- 16.3 As to all matters within its actual or imputed control, Shipper represents and warrants that service hereunder and all arrangements incident thereto conform to applicable regulations, and agrees to indemnify and hold TLNG harmless against any and all actions, suits or proceedings, concerning such service or arrangements, which are brought before or instituted by any authority having jurisdiction, except to the extent such action, suit or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.
- 16.4 The Service Agreement shall be binding upon and inure to the benefit of any successor to either TLNG or Shipper by merger, consolidation or acquisition. Both TLNG and Shipper may assign or pledge the Service Agreement and all rights and obligations thereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness or as an assignment of receivables; otherwise, neither TLNG nor Shipper shall assign the Service Agreement or any of its rights hereunder unless it shall first have obtained the written consent of the other. Such consent shall not be unreasonably withheld.
- 16.5 Shipper shall be responsible for all port or wharfage fees, pilotage fees, agent fees, taxes, levies or other charges imposed on Shipper's Vessels or the LNG Shipper delivers to the Terminal. The term "fees" as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the LNG or Regasified LNG itself or on the act, right or privilege of importing, producing, transporting, handling, selling, receiving or delivering LNG or Regasified LNG, however such fees or charges are measured.

- 16.6 TLNG shall not be liable for any indirect or consequential damages incurred by Shippers in connection with TLNG's performance or failure to perform any service available under this Tariff. Consequential damages shall include, but not be limited to, lost profits, lost earnings, special and punitive damages, and loss of production.
- 16.7 Shipper shall indemnify, defend and hold TLNG harmless from and against any and all losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay arising out of or related to performance or nonperformance in connection with this Tariff by Shipper or Shipper's Vessel or the owners thereof except to the extent that such losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay are the result of TLNG's negligence, gross negligence, bad faith or willful misconduct.

GENERAL TERMS AND CONDITIONS

16. RESPONSIBILITY, WARRANTY AND ASSIGNMENTS

- 16.1 TLNG shall be deemed to be in control of and have responsibility for the LNG to be stored by TLNG after the receipt thereof by TLNG from Shipper, and prior to the delivery of such LNG or Regasified LNG to Shipper. TLNG shall be deemed to have no responsibility with respect to such LNG prior to TLNG's receipt thereof, or after TLNG's delivery of LNG or Regasified LNG thereof, to or for Shipper's account.
- 16.2 Each of TLNG and Shipper warrants that it shall, at the time of delivery of LNG or Regasified LNG to the other, have good title to or good right to deliver all such LNG or Regasified LNG, and that it shall deliver, or cause to be delivered, such LNG or Regasified LNG free from all liens, encumbrances and claims whatsoever. Except as provided in Section 16.6 and 16.7 herein, both TLNG and Shipper shall, as to the LNG or Regasified LNG it delivers or causes to be delivered to the other, indemnify and save the other harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said LNG or Regasified LNG and to royalties, taxes, fees or charges thereon.
- 16.3 As to all matters within its actual or imputed control, Shipper represents and warrants that service hereunder and all arrangements incident thereto conform to applicable regulations, and agrees to indemnify and hold TLNG harmless against any and all actions, suits or proceedings, concerning such service or arrangements, which are brought before or instituted by any authority having jurisdiction, except to the extent such action, suit or proceeding is the result of TLNG's negligence, bad faith or willful misconduct.
- 16.4 The Service Agreement shall be binding upon and inure to the benefit of any successor to either TLNG or Shipper by merger, consolidation or acquisition. Both TLNG and Shipper may assign or pledge the Service Agreement and all rights and obligations thereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness or as an assignment of receivables; otherwise, neither TLNG nor Shipper shall assign the Service Agreement or any of its rights hereunder unless it shall first have obtained the written consent of the other. Such consent shall not be unreasonably withheld.
- 16.5 Shipper shall be responsible for all port or wharfage fees, pilotage fees, agent fees, taxes, levies or other charges imposed on Shipper's Vessels, Shipper's Trucks, or the LNG Shipper delivers to the Terminal. The term "fees" as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the LNG or Regasified LNG itself or on the act, right or privilege of importing, producing, transporting, handling, selling, receiving or delivering LNG or Regasified LNG, however such fees or charges are measured.

- 16.6 TLNG shall not be liable for any indirect or consequential damages incurred by Shippers in connection with TLNG's performance or failure to perform any service available under this Tariff. Consequential damages shall include, but not be limited to, lost profits, lost earnings, special and punitive damages, and loss of production.
- 16.7 Shipper shall indemnify, defend and hold TLNG harmless from and against any and all losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay arising out of or related to performance or nonperformance in connection with this Tariff by Shipper or Shipper's Vessel, Shipper's Truck or the owners thereof except to the extent that such losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay are the result of TLNG's negligence, gross negligence, bad faith or willful misconduct.

GENERAL TERMS AND CONDITIONS

17. OPERATING CONDITIONS IN CONJUNCTION WITH AFFILIATES

- 17.1 All terms and conditions contained herein shall be applied in a uniform and nondiscriminatory manner consistent with Part 358 of the Commission's Regulations.
- 17.2 Except as permitted in Part 358 of the Commission's Regulations or otherwise permitted by Commission order, TLNG's transmission function employees will function independently of its marketing function employees.
- 17.3 TLNG will post on the Web Site the information required in Part 358 of the Commission's Regulations.

GENERAL TERMS AND CONDITIONS

18. FORCE MAJEURE

- 18.1 In the event, to the extent, and for so long as either TLNG or Shipper is unable, by reason of force majeure, to carry out its obligations hereunder, in whole or in part, the obligations of either of TLNG or Shipper, other than to make payments, shall be suspended, in whole or in part. Force majeure, as employed herein, shall mean any cause, whether of the kind herein enumerated or otherwise, not within the control of either of TLNG or Shipper claiming suspension, and which by the exercise of due diligence, either of TLNG or Shipper has been unable to prevent or overcome, including without limitation acts of God, the government, or a public enemy; strikes, lockouts, or other industrial disturbances; wars, blockades, or civil disturbances of any kind; epidemics, landslides, hurricanes, washouts, tornadoes, storms, fires, explosions, arrests, and restraints of governments or people; freezing of, breakage or accident to, or the necessity for making repairs or alterations to tanks, machinery or lines of pipe; unplanned outages of TLNG's terminal or the inability of TLNG's system to deliver LNG or Regasified LNG; an event of force majeure affecting any third party providing transportation service for LNG or Regasified LNG and the inability of either TLNG or Shipper to acquire, or the delays on the part of either of TLNG or Shipper in acquiring, at reasonable cost and after the exercise of reasonable diligence: (a) any servitudes, rights of way grants, permits, or licenses; (b) any materials or supplies for the construction or maintenance of facilities; or (c) any permits or permissions from any governmental agency; if such are required to enable either of TLNG or Shipper to fulfill its obligations hereunder.
- 18.2 Either TLNG or Shipper claiming force majeure shall give to the other notice and full particulars of such force majeure by telephone as soon as reasonably possible after the occurrence of the case relied on, and shall remedy such inability to perform with all reasonable dispatch; provided, however, that such requirement or remedy shall not require the settlement of strikes or lockouts by accession to the demands of those opposing either of TLNG or Shipper when such course is inadvisable in the discretion of either of TLNG or Shipper.

GENERAL TERMS AND CONDITIONS

19. FUEL REIMBURSEMENT

- 19.1 Shippers under Rate Schedules FTS, FTS-2, ITS and ITS-2 shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas, excluding fuel used for processing. TLNG shall flow through fuel use and lost or unaccounted for Gas to Shipper(s) on a monthly basis. TLNG shall retain a pro rata share of Regasified LNG delivered for the account of Shipper as reimbursement for fuel usage and gas otherwise used or lost and unaccounted for in TLNG's operations, excluding fuel used for processing. Pro rata share shall mean the ratio of the Quantity of Regasified LNG delivered by TLNG for Shipper during the applicable month to the total Quantity of Regasified LNG delivered for all Shippers during the applicable month. In the event no Quantities of Regasified LNG are delivered by TLNG in a given month, the fuel use and lost or unaccounted for gas shall be allocated to Shippers based upon the ratio of Shipper's average daily Stored Volume during the applicable month to the sum of the average daily Stored Volume of all Shippers during the applicable month. In the event the average daily Stored Volume for all Shippers is zero, the actual fuel usage and lost or unaccounted for Gas will be allocated based on the ratio of Shipper's Maximum Contract Storage Capacity (MCSC) to the sum of the MCSC set forth on all firm Service Agreements. Fuel use shall consist of Gas used as fuel for vaporization and other Terminal operations, excluding fuel used for processing, and lost or unaccounted for Gas. Shipper's Stored Volume shall be reduced by Shipper's pro rata share of the Terminal's fuel use and lost or unaccounted for Gas but shall not be reduced below zero. If Shipper's Stored Volume is insufficient to cover this Quantity, any such deficiency shall be deducted from Shipper's next subsequent LNG shipment received at the Terminal.
- 19.2 Upon the revision to this Section 19, Fuel Reimbursement, effective October 1, 2008, and in accordance with the Notice of Responsibility of Deferred Amounts in previously effective Section 19, Fuel Reimbursement Adjustment, specifically Section 19.5, each Shipper that received Terminal Service during the period affected by such Deferred Fuel Reimbursement Account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred Fuel Reimbursement. If Shipper's Stored Volume is insufficient to cover this Quantity, any such deficiency shall be deducted from Shipper's next subsequent LNG shipment received at the Terminal.

19.3 Notice of Responsibility for Fuel Reimbursement

In the event this Section 19 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of fuel use and lost or unaccounted for Gas, each Shipper that received Terminal Service during the affected period shall be responsible to TLNG for its proportionate share of the amount of TLNG's fuel use and lost or unaccounted for Gas for the Terminal Service which it was provided.

GENERAL TERMS AND CONDITIONS

20. ELECTRIC POWER COST REIMBURSEMENT

20.1 Each Shipper under Rate Schedule FTS, FTS-2, ITS or ITS-2 shall reimburse TLNG for its pro rata share of Electric Power Costs. TLNG shall flow through Electric Power Costs to Shipper(s) on a monthly basis. Each Shipper's pro rata share shall be calculated by multiplying the Electric Power Costs by the ratio of the actual Quantities of LNG received at the Terminal for Shipper's account during the applicable month to the sum of the actual Quantities of LNG received at the Terminal for all Shippers during the applicable month. In the event no Quantities of LNG are received at the Terminal in a given month, the Electric Power Costs shall be allocated to Shippers based upon the ratio of Shipper's average daily Stored Volume during the applicable month to the sum of the average daily Stored Volume of all Shippers during the applicable month. In the event the average daily Stored Volume for all Shippers is zero, Electric Power Costs will be allocated based on the ratio of Shipper's Maximum Contract Storage Capacity (MCSC) to the sum of the MCSC set forth on all firm Service Agreements. Electric Power Costs subject to this Section 20 shall consist of all costs, fees, surcharges and other costs included in billings from third party electric providers, excluding electric power costs used for processing, and the cost of natural gas used for stand-by generation incurred during the applicable month.

20.2 Upon the revision to this Section 20, Electric Power Cost Reimbursement, effective October 1, 2008, and in accordance with the Notice of Responsibility of Deferred Account in previously effective Section 20, Electric Power Cost Adjustment, specifically Section 20.5, each Shipper that received Terminal Service during the period affected by such Deferred Electric Power Cost Account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred Electric Power Costs.

20.3 Notice of Responsibility for Electric Power Cost Reimbursement

In the event this Section 20 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of Electric Power Costs, each Shipper that received Terminal Service during the affected period shall be responsible to TLNG for its proportionate share of the amount of TLNG's Electric Power Costs for the Terminal Service it was provided.

GENERAL TERMS AND CONDITIONS

21. MISCELLANEOUS REVENUE FLOWTHROUGH SURCHARGE ADJUSTMENT

This Section 21 sets forth the procedures by which the sum of all penalties collected, net of cost, shall be flowed back under Rate Schedules FTS, FTS-2, ITS and ITS-2 by means of a surcharge adjustment to the base reservation and usage rates (Miscellaneous Revenue Flowthrough Surcharge Adjustment).

21.1 Filing of Miscellaneous Revenue Flowthrough Surcharge Adjustment

(A) Effective Date of Adjustment

The effective date of the each Miscellaneous Revenue Flowthrough Surcharge Adjustment shall be August 1.

(B) Filing Procedure

At least thirty (30) days prior to August 1, TLNG shall file with the Commission, and post as defined by Section 154.2 of the Commission's Regulations, a schedule of Effective Base Rates and Rates after Miscellaneous Revenue Flowthrough Surcharge Adjustment under Section 21 on the Currently Effective Rates for the applicable Rate Schedule, together with supporting documentation. With respect to the adjustment described herein, such filing shall be in lieu of any other rate change filing required by the Commission's Regulations under the Natural Gas Act.

(C) Miscellaneous Revenue Flowthrough Surcharge Adjustment Period

The Miscellaneous Revenue Flowthrough Surcharge Adjustment Period shall be the twelve (12) month billing period beginning with each Effective Date of Adjustment.

(D) Effective Rate after Miscellaneous Revenue Flowthrough Surcharge Adjustment

The effective Reservation Charge under Rate Schedules FTS and FTS-2 and the effective Usage Charge under Rate Schedules ITS and ITS-2 shall be the base rates for each such Rate Schedule, as adjusted to reflect the Miscellaneous Revenue Flowthrough Surcharge Adjustment and as shown on the Currently Effective Rates for the applicable Rate Schedule.

(E) Miscellaneous Revenue Amount

The Miscellaneous Revenue Amount shall consist of the penalties collected, net of cost, pursuant to Section 6.1(D) of the General Terms and Conditions.

21.2 Computation of Miscellaneous Revenue Flowthrough Surcharge Adjustment

The Miscellaneous Revenue Flowthrough Surcharge Adjustment shall be determined for each Miscellaneous Revenue Flowthrough Surcharge Adjustment Period by dividing the Miscellaneous Revenue Amount, determined four (4) months prior to August 1, by the total reservation billing determinants for Rate Schedules FTS, FTS-2, ITS and ITS-2 underlying TLNG's currently effective rates, adjusted as necessary to reflect retroactive changes to such reservation billing determinants. Each Miscellaneous Revenue Flowthrough Surcharge Adjustment shall be computed to the nearest cent. No rate change shall be made unless the change in rates for Rate Schedule FTS or FTS-2 is at least one cent per Dt.

GENERAL TERMS AND CONDITIONS

22. MISCELLANEOUS

- 22.1 Service Agreements shall be governed by and interpreted in accordance with the laws of the State of Texas, except for the conflict of laws provisions thereof.
- 22.2 Service Agreements create no rights in third parties.
- 22.3 Except as otherwise specified in any Service Agreement, any notice, request, demand, statement or bill provided for in the General Terms and Conditions and any other notice which either TLNG or Shipper may desire to give to the other shall be in writing and shall be considered as duly delivered when mailed by registered mail to the Post Office address of the other as stated in the Service Agreement, or at such other address as may be designated by formal written notice. Routine communications and bills, excluding payments otherwise provided for in Section 15 herein, shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent.
- 22.4 TLNG may waive any of its rights hereunder or any obligations of Shipper, on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.
- 22.5 In compliance with the Commission's Opinion No. 796 in Docket No. CP74-138 et al., TLNG shall file semi-annual reports on February 15 and August 14 of each year. Each report shall identify abnormal events in the operation of the Terminal and describe the status of the LNG import project and the operation of the Terminal for immediately preceding six (6) Month period ended on December 31 or June 30.
- 22.6 TLNG may, from time to time, enter into agreements with other interstate or intrastate pipeline companies for capacity (off-system capacity). In the event that TLNG acquires off-system capacity, TLNG will provide service to Shippers with the off-system capacity pursuant to TLNG's open access tariff and subject to TLNG's Commission-approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 22.6, the "shipper must have title" requirement is waived.

GENERAL TERMS AND CONDITIONS

22. MISCELLANEOUS

- 22.1 Service Agreements shall be governed by and interpreted in accordance with the laws of the State of Texas, except for the conflict of laws provisions thereof.
- 22.2 Service Agreements create no rights in third parties.
- 22.3 Except as otherwise specified in any Service Agreement, any notice, request, demand, statement or bill provided for in the General Terms and Conditions and any other notice which either TLNG or Shipper may desire to give to the other shall be in writing and shall be considered as duly delivered when mailed by registered mail to the Post Office address of the other as stated in the Service Agreement, or at such other address as may be designated by formal written notice. Routine communications and bills, excluding payments otherwise provided for in Section 15 herein, shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent.
- 22.4 TLNG may waive any of its rights hereunder or any obligations of Shipper, on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.
- 22.5 In compliance with the Commission's Opinion No. 796 in Docket No. CP74-138 *et al.*, TLNG shall file semi-annual reports on February 15 and August 14 of each year. Each report shall identify abnormal events in the operation of the Terminal and describe the status of the LNG import project and the operation of the Terminal for immediately preceding six (6) Month period ended on December 31 or June 30.
- 22.6 TLNG has adopted all of the Business Practices and Electronic Communication Standards which are incorporated in 18 CFR ¶284.12(a). Notwithstanding this Section 22.6, TLNG shall adhere to the NAESB standards as modified by Order No. 717. In addition to the standards which are reflected in other provisions of this tariff, the following NAESB standards, definitions and data sets are incorporated herein by reference.

Version 1.8, September 30, 2006: 0.2.1 through 0.2.3, 0.3.1 through 0.3.15, 0.4.1, 1.2.1 through 1.2.3, 1.2.5, 1.2.8 through 1.2.12, 1.3.2(vi), 1.3.3, 1.3.4, 1.3.6, 1.3.13 through 1.3.18, 1.3.20 through 1.3.22, 1.3.24 through 1.3.29, 1.3.31 through 1.3.33, 1.3.35 through 1.3.77, 1.3.79, 1.4.1 through 1.4.7, 2.2.1 through 2.2.5, 2.3.1 through 2.3.13, 2.3.15, 2.3.17, 2.3.19 through 2.3.23, 2.3.25, 2.3.27, 2.3.28 through 2.3.35, 2.3.42 through 2.3.44, 2.3.48, 2.3.50 through 2.3.65, 2.4.1 through 2.4.18, 3.3.1 through 3.3.14, 3.3.16 through 3.3.18, 3.3.20 through 3.3.26, 3.4.1 through 3.4.4, 4.2.1 through 4.2.20, 4.3.1 through 4.3.3, 4.3.5, 4.3.16 through 4.3.18, 4.3.20, 4.3.22 through 4.3.36, 4.3.38

through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, 4.3.89 through 4.3.93, 5.2.1 through 5.2.3, 5.3.7, 5.3.12, 5.3.17 through 5.3.23, 5.3.25, 5.3.27 through 5.3.60, 5.4.1 through 5.4.23, 10.2.1 through 10.2.38, 10.3.1 and 10.3.3 through 10.3.25.

- 22.7 TLNG may, from time to time, enter into agreements with other interstate or intrastate pipeline companies for capacity (off-system capacity). In the event that TLNG acquires off-system capacity, TLNG will provide service to Shippers with the off-system capacity pursuant to TLNG's open access tariff and subject to TLNG's Commission-approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 22.7, the "shipper must have title" requirement is waived.

GENERAL TERMS AND CONDITIONS

23. REVENUE CREDIT

23.1 Applicability

The credit available under this Section 23 shall apply to all Long-Term Agreements at Maximum Rates under Rate Schedule FTS.

23.2 Basis of the Credit

Revenues to which the credit under this Section 23 shall apply ("Eligible Revenues") shall be the revenues actually received by TLNG in excess of \$3,000,000 annually that are attributable to (i) inventory charges under Rate Schedule ITS, (ii) daily lending charges under Rate Schedule LLS, (iii) reservation charges and overrun charges under Rate Schedule FTS Service Agreements having a primary term of less than 12 months of consecutive service, (iv) usage charges under Rate Schedule IAV, and (v) monthly overrun charges under Long-Term Agreements. Each month TLNG shall credit to current month invoices of Shippers receiving service under Maximum Rate Long-Term Agreements under Rate Schedule FTS 100% of the Eligible Revenues received during the prior month.

23.3 Apportionment of Eligible Revenues

Eligible Revenues attributable to a month shall be apportioned among all Shippers paying Maximum Rates pursuant to Long-Term Agreements by applying the following ratio for each Shipper: (a) the Shipper's total MCSC in effect during that month under Maximum Rate Long-Term Agreements (b) divided by the sum of all MCSCs in effect during that month for all Shippers under Maximum Rate Long-Term Agreements provided, however, that no Shipper shall receive a credit under this Section 23 in excess of its reservation charges under the applicable Long-Term Agreements for that month.

23.4 Credit Subject to Refund

In the event that any revenues credited pursuant to this Section 23 are subject to refund, and are ultimately required to be refunded to Shippers receiving service under Rate Schedules ITS, LLS, short-term FTS Service Agreements or FTS Shippers paying monthly overrun charges, TLNG shall recalculate the revenue credits that would have been due to Shippers if the rates used for purposes of the refund computation had been in effect at the time of the required credit, and shall bill such Shippers for the differences between revenues actually credited, and the recalculated revenue credit, plus interest at the rate prescribed by the Commission's Regulations.

GENERAL TERMS AND CONDITIONS

24. ANNUAL CHARGE ADJUSTMENT PROVISION (ACA)

24.1 Purpose

Annual charges are assessed on Gas pipelines by the Commission under Part 382 of the Commission's Regulations prior to each fiscal year in order to cover the cost of the operation of the FERC. For the purpose of recovering such charges assessed TLNG by the Commission, pursuant to Section 154.402 of the Commission's Regulations, an ACA unit charge shall be applicable to Quantities of LNG received for Terminal Service under TLNG's Rate Schedules FTS, FTS-2, ITS and ITS-2. This ACA unit charge is in addition to any amounts otherwise payable to TLNG under said Rate Schedules.

24.2 ACA Unit Charge

The ACA unit charge, as revised annually and posted on the Commission's website located at <http://www.ferc.gov>, is incorporated by reference in TLNG's Tariff. The annual charges unit charge (ACA unit charge) is stated on the Commission's website under "Natural Gas, Annual Charges, FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge." The ACA unit charge is restated to be effective each October 1 on the first day of the Commission's fiscal year.

24.3 Payment by Shipper

The amount of applicable Shipper's ACA unit charge shall be due and payable with the bill for the Month for each such Shipper.

GENERAL TERMS AND CONDITIONS

24. ANNUAL CHARGE ADJUSTMENT PROVISION (ACA)

24.1 Purpose

Annual charges are assessed on Gas pipelines by the Commission under Part 382 of the Commission's Regulations prior to each fiscal year in order to cover the cost of the operation of the FERC. For the purpose of recovering such charges assessed TLNG by the Commission, pursuant to Section 154.402 of the Commission's Regulations, an ACA Surcharge shall be applicable to Quantities of LNG received for Terminal Service under TLNG's Rate Schedules FTS, FTS-2, ITS and ITS-2. This ACA Surcharge is in addition to any amounts otherwise payable to TLNG under said Rate Schedules.

24.2 Basis of the ACA Unit Charge Rate

The ACA Unit Charge Rate shall be that increment, adjusted to TLNG's measurement base (Dekatherm) and pressure base, if required, which has been approved by valid Commission Orders approving an annual charge unit rate. The ACA Unit Charge Rate shall be stated on the Currently Effective Rates for the applicable Rate Schedule .

24.3 Filing Procedure

The ACA Surcharge or any subsequent changes in such surcharge shall be filed by TLNG at least thirty (30) days prior to the proposed effective date unless for good cause shown a lesser notice period is allowed by valid Commission orders or the establishment by the Commission of the annual charge unit rate for a particular fiscal year prohibits TLNG from making a timely filing. The proposed effective date of filings pursuant to this subsection shall be the effective date prescribed by the Commission. Such filing shall not become effective unless it becomes effective without suspension or refund obligation.

24.4 Payment by Shipper

The amount of applicable Shipper's ACA Surcharge shall be due and payable with the bill for the Month for each such Shipper.

GENERAL TERMS AND CONDITIONS

25. BUSINESS PRACTICES STANDARDS

Compliance with 18 CFR, Section 284.12

TLNG has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Standards 2.0, 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 the Tariff:

NAESB WGQ Standard No.	Tariff Record	Tariff Provision
1.3.2(i-v)	GT&C Section 3., Nomination and Scheduling of Services	3.3(B), 3.3(C)
1.3.7	GT&C Section 3., Nomination and Scheduling of Services	3.3(B)
1.3.19	GT&C Section 3., Nomination and Scheduling of Services	3.3(B)
2.3.14	GT&C Section 15., Statements and Payments	15.4
2.3.16	GT&C Section 3., Nomination and Scheduling of Services	3.8(A)
2.3.18	GT&C Section 3., Nomination and Scheduling of Services	3.8(A)
2.3.26	GT&C Section 15., Statements and Payments	15.4
2.3.40	GT&C Section 6., Balancing	6.1(C)(2)
2.3.41	GT&C Section 6., Balancing	6.1(C)(3)
2.3.45	GT&C Section 6., Balancing	6.1(C)(4)
2.3.46	GT&C Section 6., Balancing	6.1(C)(5)
2.3.47	GT&C Section 6., Balancing	6.1(C)(6)
2.3.49	GT&C Section 6., Balancing	6.1(C)(7)
3.3.15	GT&C Section 15., Statements and Payments	15.4
5.3.1	GT&C Section 9., Capacity Release	9.4(B)
5.3.2	GT&C Section 9., Capacity Release	9.3(C), 9.4(B)
5.3.3	GT&C Section 9., Capacity Release	9.4(B)(3)
5.3.4	GT&C Section 9., Capacity Release	9.4(H)
5.3.16	GT&C Section 9., Capacity Release	9.2(B)

Additional Standards:

General:

Standards:
0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

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

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed

Standards:

0.3.18, 0.3.19, 0.3.20, 0.3.21, 0.3.22

Datasets:

0.4.2, 0.4.3

Storage Information

Datasets:

0.4.1

Nominations Related Standards:

Definitions:

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

Standards:

1.3.1, 1.3.2(vi), 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.8, 1.3.9, 1.3.11, 1.3.13, 1.3.14, 1.3.15, 1.3.16,
1.3.17, 1.3.18, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29,
1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41,
1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49, 1.3.50, 1.3.51, 1.3.52, 1.3.53,
1.3.54, 1.3.55, 1.3.56, 1.3.57, 1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.64, 1.3.65,
1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77,
1.3.79, 1.3.80

Datasets:

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

Flowing Gas Related Standards:

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13,
2.3.15, 2.3.17, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.28, 2.3.29, 2.3.30,
2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.42, 2.3.43, 2.3.44, 2.3.48, 2.3.50, 2.3.51, 2.3.52,
2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64,
2.3.65

Datasets:

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

Invoicing Related Standards:

Definition:

3.2.1

Standards:

3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13,
3.3.14, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Datasets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

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

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26,
4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.39,
4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.51,
4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.56, 4.3.57, 4.3.58, 4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.65,
4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.78, 4.3.79, 4.3.80,
4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93 ,
4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102

Capacity Release Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.26, 5.3.27, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.44, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72

Datasets:

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

Internet Electronic Transport Related Standards:

Definitions:

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

Standards:

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

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

NAESB Standard
None

Waiver or Extension of Time
None

GENERAL TERMS AND CONDITIONS

25. BUSINESS PRACTICES STANDARDS

Compliance with 18 CFR, Section 284.12

TLNG has adopted all of the Business Practices and Electronic Communications Standards which are required by the Commission in 18 CFR, Section 284.12 (a), as amended from time to time, in accordance with Order No. 587, et al. In addition to the NAESB WGO Standards referenced elsewhere in the Tariff, TLNG specifically incorporates by reference the following NAESB WGO Version 1.9 Standards, Definitions, and Data Sets, by reference:

Additional Standards:

General:

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

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

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Storage Information

Data Sets:

0.4.1

Nominations Related Standards:

Definitions:

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

Standards:

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