

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

This Agreement is made as of the _____ day of _____, _____ by and between PERRYVILLE GAS STORAGE LLC, a Delaware limited liability company, herein called "PERRYVILLE STORAGE", and _____ an _____, herein called "Customer," pursuant to the following recitals and representations:

NOW, THEREFORE, PERRYVILLE STORAGE and Customer agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of PERRYVILLE STORAGE's Rate Schedule FSS, and of this Agreement, PERRYVILLE STORAGE shall, on any Day, receive for injection into storage for Customer's account a quantity of Gas up to Customer's Maximum Daily Injection Quantity pursuant to the schedule attached hereto as Exhibit "A," shall store quantities of Gas so injected in PERRYVILLE STORAGE's underground gas storage facility located in Franklin and Richland Parishes, Louisiana, up to a Maximum Storage Quantity of _____ Dth (on a cumulative basis), and on demand on any Day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of Gas up to Customer's Maximum Daily Withdrawal Quantity of _____ Dth.

ARTICLE II - POINTS OF RECEIPT AND DELIVERY

The point(s) at which the Gas is to be tendered by Customer to PERRYVILLE STORAGE under this Agreement (Customer's Point(s) of Receipt) and the point(s) at which the Gas is to be tendered by PERRYVILLE STORAGE to Customer under this Agreement (Customer's Point(s) of Delivery) shall be the point(s) designated on Exhibit "A" hereto.

ARTICLE III - PRICE

1. Customer agrees to pay PERRYVILLE STORAGE the following charges for all Gas storage service furnished to Customer hereunder:

_____ Storage reservation charge (\$/Dth/Month)
_____ Storage injection charge (\$/Dth)
_____ Storage withdrawal charge (\$/Dth)
_____ Excess injection charge (\$/Dth)
_____ Excess withdrawal charge (\$/Dth)
_____ Fuel reimbursement (\$/Dth) or (in kind)

2. Customer further agrees to pay PERRYVILLE STORAGE all other applicable fees and charges as set forth in these General Terms and Conditions and in Rate Schedule FSS.
3. Customer shall reimburse PERRYVILLE STORAGE for all applicable taxes as may be assessed against PERRYVILLE STORAGE for the receipt, injection, storage, withdrawal, and/or delivery of Customer's Working Gas. In addition, Customer shall reimburse PERRYVILLE STORAGE for Customer's pro rata portion, based on the MSQ of all Rate Schedule FSS Customers, of all ad valorem taxes, property taxes, and/or other similar taxes assessed against and paid by PERRYVILLE STORAGE related to Customer's Working Gas.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms and conditions specified in PERRYVILLE STORAGE's Rate Schedule FSS and the provisions of PERRYVILLE STORAGE's FERC Gas Tariff, as filed with the FERC, together with the General Terms and Conditions of this FERC Gas Tariff applicable thereto (including any changes in said Rate Schedule, Tariff, or General Terms and Conditions, as may from time to time be filed and made effective by PERRYVILLE STORAGE).

ARTICLE V - TERM OF AGREEMENT

This Agreement shall be effective as of _____, ____ and shall remain in force and effect until _____, ____ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of _____ Month(s) each (the "Renewal Term"), provided that the original Primary Term was for a period of at least twelve (12) consecutive Months, unless either party gives _____ Days' written notice to the other party prior to the end of the Primary Term or any Renewal Term thereafter.

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

PERRYVILLE STORAGE NOTICES:

Attention: _____

CUSTOMER NOTICES:

Attention: _____

BILLINGS:

Attention: _____

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

ARTICLE VII - TRANSFER AND ASSIGNMENT OF ALL AGREEMENTS

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

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

ARTICLE VIII - LAW OF AGREEMENT

THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO DOCTRINES GOVERNING CHOICE OF LAW.

ARTICLE IX - LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X - PRIOR AGREEMENTS CANCELLED

PERRYVILLE STORAGE and Customer agree that this Agreement, as of the date hereof, shall supersede and cancel the following Agreement(s) between the parties hereto:

Firm Storage Service Agreement, dated _____, ____

ARTICLE XI - WAREHOUSEMEN'S LIEN

11.1 CUSTOMER HEREBY ACKNOWLEDGES THAT PERRYVILLE STORAGE SHALL BE ENTITLED TO, AND PERRYVILLE STORAGE HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY PERRYVILLE STORAGE FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY PERRYVILLE STORAGE, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT PERRYVILLE STORAGE SHALL BE ENTITLED TO, AND PERRYVILLE STORAGE HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE,

LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

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

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

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, AND THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 6.14.1 OF THE GENERAL TERMS AND CONDITIONS);

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

PERRYVILLE GAS STORAGE LLC

By _____

Title _____

Customer _____

By _____

Title _____

EXHIBIT A
to the Agreement between PERRYVILLE STORAGE and _____
(Customer)

Point(s) of Receipt and Point(s) of Delivery:

(Pipeline _____):

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

(Pipeline _____):

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

Secondary Point(s) of Receipt and Secondary Point(s) of Delivery:

(Pipeline _____):

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

(Pipeline _____):

Maximum Daily Injection Quantity (MDIQ) _____

Maximum Daily Withdrawal Quantity (MDWQ) _____

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EXHIBIT A (Continued)

The Maximum Storage Injection Quantity ("MDIQ") Customer may inject pursuant to the Firm Storage Service Agreement at any time is determined by the following schedule:

	<u>Point of Receipt Pressure - PSIG</u>		
<u>Storage</u>	<u>800-850</u>	<u>851-900</u>	<u>901+_</u>
<u>Inventory*</u>			
0-20%	_____	_____	_____
21-40%	_____	_____	_____
41-60%	_____	_____	_____
61-80%	_____	_____	_____
81-100%	_____	_____	_____

* The Storage Inventory is expressed as a percentage of Customer's MSQ.