

FERC NGA GAS TARIFF

THIRD REVISED VOLUME NO. 1  
(Superseding Second Revised Volume No. 1)

of

SEA ROBIN PIPELINE COMPANY, LLC

Filed With The

Federal Energy Regulatory Commission

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## PRELIMINARY STATEMENT

Sea Robin Pipeline Company, LLC (Sea Robin) owns and operates a Natural Gas pipeline, together with related facilities, which extend from points in the federal offshore domain in the Gulf of Mexico to Sea Robin's Erath, Louisiana compressor station located in Vermilion Parish, Louisiana and to onshore points near Patterson, Louisiana and Kaplan, Louisiana .

The transportation of Natural Gas is undertaken by Sea Robin only under written Service Agreements acceptable to Sea Robin after consideration of its commitments to others, delivery capacity, and other pertinent factors.

**Part III  
Tariff Map**

- |              |     |
|--------------|-----|
| 1. System    | Map |
| 2. West Area | Map |
| 3. East Area | Map |

## System Map

The System Map may be viewed and downloaded at the Internet Web site below.

<http://sermessenger.energytransfer.com/ipost/SER/maps/system-map>

### West Area Map

The West Area Map may be viewed and downloaded at the Internet Web site below.

<http://sermessenger.energytransfer.com/ipost/SER/maps/west-area>

### East Area Map

The East Area Map may be viewed and downloaded at the Internet Web site below.

<http://sermessenger.energytransfer.com/ipost/SER/maps/east-area>



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- |                        |                           |
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| 2. Rate Schedule FTS-2 | Currently Effective Rates |
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CURRENTLY EFFECTIVE RATES  
 RATE SCHEDULE FTS

Each rate set forth in this Tariff is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate or rate schedule.

	<u>Base Rate Per Dth</u>	<u>Section 24 Adjustment</u>	<u>Maximum Rate Per Dth</u>	<u>Minimum Rate Per Dth</u>	<u>Fuel Reimbursement</u>
	(1)	(2)	(3)	(4)	(5)
WEST AREA					
Transmission					
Reservation Rate	\$ 8.2946	-	\$ 8.2946	-	-
Usage Rate (1)	0.0273	-	0.0273	\$ 0.0273	4.65 %
Overrun Rate (2)	0.2727	-	0.2727	-	-
Gathering Charge					
Reservation Rate	\$ 8.9303	-	\$ 8.9303	-	-
Usage Rate (1)	-	-	-	-	-
Overrun Rate (2)	0.2936	-	0.2936	-	-
EAST AREA					
Transmission					
Reservation Rate	\$ 9.1250	-	\$ 9.1250	-	-
Usage Rate (1)	-	-	-	-	1.15 %
Overrun Rate (2)	0.3000	-	0.3000	-	-
Gathering Charge					
Reservation Rate	\$ 11.5857	-	\$ 11.5857	-	-
Usage Rate (1)	-	-	-	-	-
Overrun Rate (2)	0.3809	-	0.3809	-	-
Section 22 Adjustment(3)	\$ 0.2125	-	\$ 0.2125	\$ 0.2125	-

- (1) Excludes the ACA unit charge applicable to Shippers pursuant to GT&C Section 21.
- (2) Maximum firm volumetric rate applicable for capacity release with a term of more than one Year.
- (3) This rate is applied to the gas volumes stated in Dth transported for Shippers in the West Area and the East Area in accordance with Section 22.3(b) of the General Terms and Conditions.

CURRENTLY EFFECTIVE RATES  
 RATE SCHEDULE FTS-2

Each rate set forth in this Tariff is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate or rate schedule.

Shipper shall pay either A or B, as applicable, under this Rate Schedule FTS-2:

	<u>Base Rate</u> <u>Per Dth</u>	<u>Section 24</u> <u>Adjustment</u>	<u>Maximum Rate</u> <u>Per Dth</u>	<u>Minimum Rate</u> <u>Per Dth</u>	<u>Fuel Reimbursement</u>
	(1)	(2)	(3)	(4)	(5)
WEST AREA					
Transmission					
A. Volumetric Rate (1)	\$ 0.3000	-	\$ 0.3000	\$ 0.0273	4.65 %
B. Reservation Rate	\$ 8.2946	-	\$ 8.2946	-	-
Usage Rate (1)	0.0273	-	0.0273	\$ 0.0273	4.65 %
Overrun Rate (2)	0.2727	-	0.2727	-	-
Gathering Charge					
A. Volumetric Rate (1)	\$ 0.2936	-	\$ 0.2936	-	-
B. Reservation Rate	\$ 8.9303	-	\$ 8.9303	-	-
Usage Rate (1)	-	-	-	-	-
Overrun Rate (2)	0.2936	-	0.2936	-	-
EAST AREA					
Transmission					
A. Volumetric Rate (1)	\$ 0.3000	-	\$ 0.3000	-	1.15 %
B. Reservation Rate	\$ 9.1250	-	\$ 9.1250	-	-
Usage Rate (1)	-	-	-	-	1.15 %
Overrun Rate (2)	0.3000	-	0.3000	-	-
Gathering Charge					
A. Volumetric Rate (1)	\$ 0.3809	-	\$ 0.3809	-	-
B. Reservation Rate	\$ 11.5857	-	\$ 11.5857	-	-
Usage Rate (1)	-	-	-	-	-
Overrun Rate (2)	0.3809	-	0.3809	-	-
Section 22 Adjustment(3)	\$ 0.2125	-	\$ 0.2125	\$ 0.2125	-

- (1) Excludes the ACA unit charge applicable to Shippers pursuant to GT&C Section 21.
- (2) Maximum firm volumetric rate applicable for capacity release with a term of more than one Year.
- (3) This rate is applied to the gas volumes stated in Dth transported for Shippers in the West Area and the East Area in accordance with Section 22.3(b) of the General Terms and Conditions.

CURRENTLY EFFECTIVE RATES  
 RATE SCHEDULE ITS

Each rate set forth in this Tariff is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate or rate schedule.

	<u>Base Rate Per Dth</u>	<u>Section 24 Adjustment</u>	<u>Maximum Rate Per Dth</u>	<u>Minimum Rate Per Dth</u>	<u>Fuel Reimbursement</u>
	(1)	(2)	(3)	(4)	(5)
WEST AREA					
Transmission					
Usage Rate (1)	\$ 0.3000	-	\$ 0.3000	\$ 0.0273	4.65 %
Gathering					
Usage Rate (1)	\$ 0.2936	-	\$ 0.2936	-	-
EAST AREA					
Transmission					
Usage Rate (1)	\$ 0.3000	-	\$ 0.3000	-	1.15 %
Gathering					
Usage Rate (1)	\$ 0.3809	-	\$ 0.3809	-	-
Section 22 Adjustment(2)	\$ 0.2125	-	\$ 0.2125	\$ 0.2125	-

(1) Excludes the ACA unit charge applicable to Shippers pursuant to GT&C Section 21.

(2) This rate is applied to the gas volumes stated in Dth transported for Shippers in the West Area and the East Area in accordance with Section 22.3(b) of the General Terms and Conditions.

CURRENTLY EFFECTIVE RATES  
RATE SCHEDULE GPS

Each rate set forth in this Tariff is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate or rate schedule.

	<u>Maximum Rate Per Dth</u>	<u>Minimum Rate Per Dth</u>
Daily Parking Rate	\$ 0.3000	-

**PART V**  
**Rate Schedules**

- |                        |                                      |
|------------------------|--------------------------------------|
| 1. Rate Schedule FTS   | Firm Transportation Service          |
| 2. Rate Schedule FTS-2 | Firm Transportation Service          |
| 3. Rate Schedule ITS   | Interruptible Transportation Service |
| 4. Rate Schedule GPS   | Gas Parking Service                  |

RATE SCHEDULE FTS  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule FTS is available for firm transportation service by Sea Robin Pipeline Company, LLC (hereinafter called Sea Robin) for any person (hereinafter called Shipper) to the extent that:
- (a) Capacity is available on Sea Robin's Pipeline System or part thereof (including Points of Receipt and Delivery) to provide service on a firm basis;
  - (b) Shipper makes a valid request as defined in Section 2 of the General Terms and Conditions of this Tariff and executes a Firm Transportation Service Agreement (FTS Agreement) in the form contained in this Tariff with Sea Robin applicable to service under this Rate Schedule FTS;
  - (c) Such service complies with the terms and conditions of this Rate Schedule FTS.
- 1.2 For purposes of further determining availability of firm transportation service hereunder, Sea Robin shall not be required to provide any requested transportation service:
- (a) For which capacity is not available on any Day on a firm basis throughout the year (or any portion of the year to which service is limited under the FTS Agreement);
  - (b) Which would require the construction, modification, expansion or acquisition of any facilities; provided, however, that Sea Robin may agree on a nondiscriminatory basis to construct, modify, expand or acquire facilities to enable it to perform such service;
  - (c) Unless and until Shipper has provided Sea Robin with information in accordance with Section 2.2 of the General Terms and Conditions, that Shipper in fact has a gas supply, a market, and intervening transportation service to enable Shipper actually to utilize Sea Robin's services and Sea Robin determines such evidence is bona fide and adequately substantiated;
  - (d) If Sea Robin determines that Shipper has failed to provide adequate assurances of Shipper's solvency and ability to perform and Shipper refuses to post security in an amount equal to three months billing assuming full contract quantities in accordance with Section 15.2 of the General Terms and Conditions;

- (e) Unless and until Shipper provides Sea Robin with acceptable evidence that all applicable regulatory requirements can be met;
- (f) If Shipper is unwilling to pay the maximum rates applicable to such service under this Rate Schedule FTS;
- (g) If such service does not comply with Sea Robin's General Terms and Conditions, this Rate Schedule FTS or the FTS Agreement;
- (h) If the FTS Agreement has expired and, if the Service Agreement had a primary term of one (1) year or more, no renewal of the Service Agreement has occurred pursuant to the provisions of Section 11.1 of the General Terms and Conditions;
- (i) Which would cause a reduction in Sea Robin's capacity disproportionate to the service requested (without regard to distance).

## 2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation services provided under this Rate Schedule FTS shall be performed under Subparts B and G of Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations. This Rate Schedule FTS shall apply to all gas transported by Sea Robin for Shipper pursuant to an executed FTS Agreement.
- 2.2 Except as provided in Section 3 of this Rate Schedule FTS and Section 8 of the General Terms and Conditions, service hereunder shall be provided on a firm basis. However, service may be interrupted when Shipper fails to comply with any provision of the General Terms and Conditions, this Rate Schedule FTS or the FTS Agreement thereunder specifically including, without limitation, Section 3 (Conditions of Receipt and Delivery) and Section 12 (Quality) of the General Terms and Conditions. Sea Robin shall furnish Shipper notice of such noncompliance and allow Shipper a reasonable opportunity of at least twenty-four (24) hours to cure it prior to interruption of service.
- 2.3 Service hereunder shall consist of the receipt by Sea Robin of Natural Gas tendered by Shipper for transportation at the Point(s) of Receipt specified in the FTS Agreement, the transportation thereof through Sea Robin's Pipeline System, and the delivery of Equivalent Volumes (as defined in Section 1 of the General Terms and Conditions) of Natural Gas by Sea Robin to Shipper or for Shipper's account at the Point(s) of Delivery specified in the FTS Agreement. The primary and secondary Points of Receipt specified on the FTS Agreement must be physically connected to the primary and secondary Points of Delivery specified in the FTS Agreement. Shipper may utilize pooling points that receive gas from Points of Receipt specified in Shipper's FTS Agreement. Sea Robin shall not be required to accept any gas tendered in excess of the Maximum Daily Quantity (MDQ) specified in the FTS Agreement for each Point of Receipt or for the aggregate of all Point(s) of Receipt; provided, however, that Shipper shall be required to



nominate at each Point of Receipt a quantity of gas in excess of its MDQ sufficient to cover volumes deducted for Fuel Reimbursement.

- 2.4 This service shall be subject to all conditions established by Sea Robin in this Rate Schedule FTS and in its General Terms and Conditions, as such conditions may be revised from time to time. Sea Robin shall make available to Shipper the filings Sea Robin makes at the Commission relating to Rate Schedule FTS, and its General Terms and Conditions. To the extent that Sea Robin complies with the provisions of its General Terms and Conditions and its Rate Schedule FTS, it shall have no liability to any Shipper receiving service under Rate Schedule FTS arising from or related to service thereunder except as provided in such General Terms and Conditions and Rate Schedule FTS. Consistent with the provisions of this Tariff, Sea Robin shall have the right to determine the priority and/or scheduling of the transportation service under the FTS Agreement. Consistent with the provisions of this Tariff, Sea Robin shall also have the right to revise its priority and/or scheduling of this transportation service from time to time.
- 2.5 The Point(s) of Receipt for all gas tendered to Sea Robin for transportation hereunder shall be at the interconnection of Sea Robin's and Shipper's (or any third-party as may be applicable) facilities, or at such other point(s), as specified in the FTS Agreement. The Point(s) of Delivery for all gas delivered by Sea Robin to Shipper (or to a third-party on behalf of Shipper) related to service provided under this Rate Schedule FTS shall be at the interconnection of Sea Robin's and Shipper's facilities (or facilities of third-parties as may be applicable), or at such other point(s), as specified in the FTS Agreement.
- 2.6 Priority of Service
- (a) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (1) on a firm basis for the primary Points of Receipt and the secondary Points of Receipt located within the Primary Path, shall not be subject to limitation or interruption except as provided in Section 4.6 of the General Terms and Conditions and shall have priority over all of Sea Robin's interruptible services; and
  - (2) on a secondary firm basis for the secondary Points of Receipt that are located outside the Primary Path and shall be subject in Sea Robin's reasonable judgment to the availability of excess capacity in Sea Robin's Pipeline System. Receipt of gas under this Rate Schedule at secondary Points of Receipt located outside the Primary Path shall have a priority over the receipt of gas for Sea Robin's interruptible services and shall have a priority subordinate to the receipt of gas for transportation services under Rate Schedule FTS at the primary Points of Receipt and those secondary Points of Receipt located within the Primary Path to the FTS and FTS-2 Agreements.

- (b) The transportation of gas received by Sea Robin under this Rate Schedule and the delivery of such gas to the primary Points of Delivery and those secondary Points of Delivery located within the Primary Path shall be on a firm basis, shall not be subject to limitation or interruption, except as provided in Section 4.6 of the General Terms and Conditions, and shall have priority over all of Sea Robin's interruptible services. The delivery of gas under this Rate Schedule at secondary Points of Delivery that are located outside the Primary Path shall be subject in Sea Robin's reasonable judgment to the availability of excess capacity in Sea Robin's Pipeline System. Delivery of gas under this Rate Schedule at secondary Points of Delivery located outside the Primary Path shall be on a secondary firm basis and shall have a priority over the delivery of gas for Sea Robin's interruptible services and a priority subordinate to the delivery of gas at the primary Points of Delivery and those secondary Points of Delivery located within the Primary Path to the FTS and FTS-2 Agreements.

#### 2.7 Term

- (a) The term for firm transportation service under this Rate Schedule FTS shall be as set forth in the FTS Agreement between Shipper and Sea Robin.
- (b) The FTS Agreement may specify that firm service is to be provided only during specified periods of the year.

### 3. RATES

Shipper shall pay Sea Robin each Month under this Rate Schedule FTS a two-part rate consisting of (i) a reservation charge based on Shipper's MDQ and (ii) a usage charge for each Dth of gas delivered by Sea Robin. Shipper shall also pay Sea Robin such other charges as are identified in this Section 3 or imposed under Sections 6 and 7 of the General Terms and Conditions.

- 3.1 The monthly reservation charge shall be the applicable West Area or East Area rate set out on the Currently Effective Rates for Rate Schedule FTS of this Tariff multiplied by Shipper's MDQ. The maximum monthly usage charge shall be the applicable West Area or East Area maximum unit usage rate(s) set out on the Currently Effective Rates for Rate Schedule FTS of this Tariff multiplied by the quantity of gas expressed in Dth actually delivered by Sea Robin during the billing Month.
- 3.2 If during such Month, Shipper takes volumes in excess of the MDQ as stated in the FTS Agreement for service provided hereunder, then, in addition to the reservation and usage charges established in Section 3.1 of this Rate Schedule, Shipper shall pay the overrun charge, which shall be the product of the applicable West Area or East Area maximum volumetric overrun rate set out on the Currently Effective Rates for Rate Schedule FTS multiplied by such excess volumes of gas expressed in Dth actually delivered during the billing Month.

- 3.3 If Shipper designates a primary Point of Receipt identified as a Gathering Point of Receipt on Exhibit A to the FTS Agreement, then, in addition to the reservation and usage charges established in Section 3.1 of this Rate Schedule, Shipper shall pay a monthly Gathering charge, which shall be the product of the applicable West Area or East Area maximum Gathering reservation rate per Dth as set out on the Currently Effective Rates for Rate Schedule FTS multiplied by Shipper's MDQ at such primary Point(s) of Receipt.
- 3.4 If Shipper utilizes a secondary Point of Receipt identified as a Gathering Point of Receipt (but has not designated a primary Point of Receipt identified as a Gathering Point of Receipt on Exhibit A to the FTS Agreement), or if during the Month, Shipper takes volumes in excess of the MDQ as stated in the FTS Agreement for service provided hereunder, from a primary Point of Receipt identified as a Gathering Point of Receipt on Exhibit A to the FTS Agreement, then, in addition to the reservation and usage charges established in Section 3.1 of this Rate Schedule, Shipper shall pay the monthly Gathering charge, which shall be the product of the applicable West Area or East Area maximum unit Gathering overrun rate set out on the Currently Effective Rates for Rate Schedule FTS multiplied by such excess volumes of gas expressed in Dth actually delivered to the outlet side of Sea Robin's Gathering facilities during the billing Month.
- 3.5 Surcharges
- (a) In accordance with Section 154.402 of the Commission's Regulations the applicable Annual Charge Adjustment (ACA) as set out on the Currently Effective Rates for Rate Schedule FTS will be charged.
  - (b) The Section 22 Adjustment as set out on the Currently Effective Rates for Rate Schedule FTS shall be charged or credited, as applicable, in accordance with Section 22 of the General Terms and Conditions.
  - (c) The applicable Hurricane Surcharge as set out on the Currently Effective Rates for Rate Schedule FTS shall be charged in accordance with Section 24 of the General Terms and Conditions; provided, however, the Hurricane Surcharge shall apply only once on each Dth of gas delivered by Sea Robin during the Month.
- 3.6 Fuel Reimbursement
- (a) Shipper shall reimburse Sea Robin in kind for fuel required in transporting gas hereunder pursuant to Section 27 of the General Terms and Conditions.
  - (b) The monthly Fuel Reimbursement shall be the product of the actual quantity of gas received, or applicable portion thereof, during the Month and the applicable Fuel Reimbursement percentage for service, as set forth on the Currently Effective Rates for Rate Schedule FTS.

- 3.7 The rate(s) which are stated on the Currently Effective Rates for Rate Schedule FTS set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. Shipper shall pay the maximum rate for service under this Rate Schedule unless Sea Robin in its reasonable judgment offers to discount its rate to Shipper under this Rate Schedule. Any discount agreed to by Sea Robin and the effective period of any such discount shall be documented in writing. The rate for service under this Rate Schedule shall not be discounted below the applicable minimum rate specified on the Currently Effective Rates for Rate Schedule FTS. Any discount agreed to by Sea Robin shall be consistent with the provisions of Section 20 of the General Terms and Conditions.
- 3.8 Sea Robin shall file with the Commission any and all reports as required by the Commission's Regulations setting forth the applicable charge, the individual Shipper(s) affected, the volume transported, and provisions for discounts and any other information which may be required.
- 3.9 Sea Robin shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in (i) the rates and charges applicable under this Rate Schedule FTS, including both the level and design of such rates and charges; (ii) this Rate Schedule FTS; and (iii) Sea Robin's General Terms and Conditions. Sea Robin agrees that Shipper may protest or contest the aforementioned filings.
- 3.10 Backhauls and exchanges shall be subject to the same charges as other transportation arrangements except that no fuel need be charged.
- 3.11 Upon presentment, Shipper shall reimburse to Sea Robin within ten (10) Business Days after the later of the commencement of service hereunder or the payment by Sea Robin for the fees required by the Commission or any regulatory body related to the specific service provided under this Rate Schedule FTS including, but not limited to, filing, reporting, and application fees, but excluding any fees recovered by Sea Robin as a regulatory expense in a previous Section 4 rate case. Shipper shall also reimburse Sea Robin for the cost of any facilities Sea Robin acquires or constructs to provide service hereunder as described in Section 19 of the General Terms and Conditions.
- 3.12 All imbalances accrued by Shipper during a Month between the quantities of gas allocated to Shipper at the Points of Receipt and the quantities of gas allocated to the Shipper at the Points of Delivery shall be resolved in accordance with the provisions set forth in Section 6 of the General Terms and Conditions.

4. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule FTS, and shall apply to service rendered hereunder, as though stated herein.

RATE SCHEDULE FTS-2  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any party (Shipper) that requests transportation of Natural Gas on a firm basis under this Rate Schedule from Sea Robin when:
- (a) Sea Robin's pipeline facilities have sufficient capacity and are able to provide said transportation;
  - (b) Shipper submits a valid request consistent with the requirements of Section 2 of the General Terms and Conditions applicable hereto including providing assurances of Shipper's solvency and ability to perform;
  - (c) Shipper and Sea Robin have executed a Service Agreement for service under this Rate Schedule FTS-2 (FTS-2 Agreement); and
  - (d) Shipper has executed a Reserve Commitment Agreement with Sea Robin in the form contained in Sea Robin's Tariff hereto.

Natural Gas dedicated pursuant to a Reserve Commitment Agreement is eligible for firm transportation services only under Sea Robin's Rate Schedules. Shipper shall execute no more than one (1) FTS-2 Agreement per Committed Lease dedicated under a Reserve Commitment Agreement.

- 1.2 Sea Robin shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule; provided, however, that Sea Robin may agree on a nondiscriminatory basis to construct, modify, expand or acquire facilities to enable it to perform such service.
- 1.3 Sea Robin shall have no obligation to accept any gas for transportation under this Rate Schedule FTS-2 unless Shipper (i) agrees to dedicate for delivery into and transportation through Sea Robin's Pipeline System all Natural Gas produced by or for the account of Shipper, or an affiliate of Shipper which Shipper controls (as defined in Section 1.2 of the Reserve Commitment Agreement), pursuant to the terms of a Reserve Commitment Agreement, from specific Outer Continental Shelf (OCS) Leases or State Waters Leases having estimated proven recoverable reserves of at least 40 Bcf attributable to Shipper's interests and its affiliates or aggregated with other Shippers' interests in such leases which are committed to Sea Robin pursuant to a Reserve Commitment Agreement (such Lease(s) being referred to herein as "Committed Lease(s)"); and (ii) demonstrates with sufficient information to Sea Robin's reasonable satisfaction the estimated proven recoverable reserves attributable to Shipper's interest or aggregate committed interests

in the Committed Lease(s). Any Shipper with Committed Leases connected to Sea Robin as of August 1, 1997, may be eligible for this Rate Schedule notwithstanding the fact that the proven recoverable reserves associated with the Committed Leases are less than 40 Bcf; provided, however, if a Shipper with connected reserves also has any Committed Leases with production connected after August 1, 1997, such Committed Leases must meet the 40 Bcf criteria set forth above. Sea Robin may waive the minimum recoverable reserves requirement of at least 40 Bcf on a nondiscriminatory basis.

- 1.4 Sea Robin shall have no obligation to accept any gas for transportation under this Rate Schedule FTS-2 other than the gas produced from working interests of Shipper or its affiliates in the Committed Lease(s) or which Shipper has the right to market under a joint operating or similar agreement and that is dedicated to Sea Robin's Pipeline System under a Reserve Commitment Agreement.

## 2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to firm transportation service rendered by Sea Robin for Shipper pursuant to Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below. The primary and secondary Points of Receipt specified on the FTS-2 Agreement must be physically connected to the primary and secondary Points of Delivery specified in the FTS-2 Agreement. Shipper may utilize pooling points that receive gas from Points of Receipt specified in Shipper's FTS-2 Agreement.
- 2.2 The receipt of gas tendered by Shipper from the Committed Leases for transportation services performed under this Rate Schedule shall:
  - (a) be on a firm basis for primary Points of Receipt and for secondary Points of Receipt located within the Primary Path, and shall not be subject to interruption or limitation, except as provided herein and in Sections 12 and 15 of the General Terms and Conditions. This service shall have priority over all of Sea Robin's interruptible services; and
  - (b) be on a secondary firm basis for those secondary Points of Receipt that are located outside the Primary Path and shall be subject, in Sea Robin's reasonable judgment, to the availability of capacity in Sea Robin's Pipeline System and to the operating conditions and system requirements of Sea Robin. Receipt of gas under this Rate Schedule at secondary Points of Receipt located outside the Primary Path shall have a priority over the receipt of gas for Sea Robin's interruptible services and shall have a priority subordinate to the receipt of gas at primary Points of Receipt and those secondary Points of Receipt located

within the Primary Path to the Service Agreements under this Rate Schedule and Rate Schedule FTS; and

- (c) have a comparable priority with service under Rate Schedule FTS.

2.3 The transportation of the gas received by Sea Robin for Shipper's account under this Rate Schedule and the delivery of such gas shall:

- (a) be on a firm basis to the primary Points of Delivery and to those secondary Points of Delivery located within the Primary Path and shall not be subject to interruption or limitation, except as provided herein and in Sections 12 and 15 of the General Terms and Conditions. This service shall have priority over all of Sea Robin's interruptible services; and
- (b) be on a secondary firm basis for those secondary Points of Delivery that are located outside the Primary Path and shall be subject, in Sea Robin's reasonable judgment to the availability of capacity in Sea Robin's Pipeline System and to the operating conditions and system requirements of Sea Robin. Delivery of gas under this Rate Schedule at secondary Points of Delivery located outside the Primary Path shall have a priority over delivery of gas for Sea Robin's interruptible services, but shall have a priority subordinate to the delivery of gas at the primary Points of Delivery and those secondary Points of Delivery located within the Primary Path to the Service Agreements under this Rate Schedule and under Rate Schedule FTS; and
- (c) have a comparable priority with service under Rate Schedule FTS.

2.4 Sea Robin's obligation to provide service under this Rate Schedule shall be limited to Shipper's MDQ specified in the Service Agreement. It is provided, however, that if gas in excess of Shipper's MDQ in effect is allocated to Shipper's FTS-2 Agreement on any Day pursuant to the General Terms and Conditions, such gas shall be deemed to be overrun gas and Shipper shall pay the maximum volumetric charge on the Currently Effective Rates for Rate Schedule FTS-2 of the Tariff for each Dth of overrun gas. Sea Robin may agree to discount such overrun rate in accordance with Section 20 of the General Terms and Conditions. Subject to the provisions of the preceding paragraphs, the firm transportation service hereunder shall have priority over all of Sea Robin's interruptible transportation services. If necessary due to capacity constraints on Sea Robin's Pipeline System, service hereunder may be limited on any one or more segments of Sea Robin's Pipeline System on a pro rata basis with respect to all priorities of service hereunder and under Rate Schedule FTS.



3. RATES AND CHARGES

- 3.1 For transportation services under each Shipper's FTS-2 Agreement, Shipper shall pay to Sea Robin the following transportation charges (a) or (b), whichever is applicable, for services each Month:
- (a) If the sum of the quantity of gas to Shipper's FTS-2 Agreement at the Point(s) of Delivery in the previous three Months, including the production Month being billed, equals or exceeds 80% of the MDQ specified in Shipper's FTS-2 Agreement for the same three Month period multiplied by the number of Days in each Month, based on the best available information at the time of billing, Shipper shall pay to Sea Robin the applicable West Area or East Area maximum volumetric charge set forth on the Currently Effective Rates for Rate Schedule FTS-2 multiplied by the sum of the quantities of gas (in Dth) actually delivered for Shipper's account each Day for the Month. If Shipper designates a Point of Receipt identified as a Gathering Point of Receipt on Exhibit A to the FTS-2 Agreement, then, in addition to the volumetric charge, Shipper shall pay a monthly Gathering charge which shall be the applicable West Area or East Area maximum Gathering volumetric rate set forth on the Currently Effective Rates for Rate Schedule FTS-2 multiplied by the sum of the quantities of gas (in Dth) actually delivered for Shipper's account to the outlet side of Sea Robin's Gathering facilities each Day during the Month.
  - (b) If the sum of the quantity of gas allocated to Shipper's FTS-2 Agreement at the Point(s) of Delivery in the previous three months, including the production Month being billed, is less than 80% of the MDQ specified in the FTS-2 Agreement for the same three-month period multiplied by the number of Days in each Month, based on the best information available at the time of billing, Shipper shall pay to Sea Robin in the next succeeding Month after the invoice is issued the sum of (i) the applicable West Area or East Area monthly reservation charge set forth on the Currently Effective Rates for Rate Schedule FTS-2 multiplied by Shipper's MDQ (in Dth) for the Month; and (ii) the applicable West Area or East Area maximum usage rate set forth on the Currently Effective Rates for Rate Schedule FTS-2 multiplied by the sum of the quantities of gas (in Dth) actually delivered for Shipper's account each Day of the Month. If during such Month, Shipper takes volumes in excess of the MDQ as stated in the FTS-2 Agreement for service provided hereunder, then, in addition to the reservation and usage charges established in Section 3.1(a) of this Rate Schedule, Shipper shall pay the overrun charge, which shall be the product of the applicable West Area or East Area maximum volumetric overrun rate set out on the Currently Effective Rates for Rate Schedule FTS-2 multiplied by such excess volumes of gas expressed in Dth actually delivered during the billing Month. If Shipper designates a primary Point of Receipt identified as a Gathering Point of Receipt on Exhibit A to the FTS-2 Agreement, then, in addition to the reservation and usage charges set forth above, Shipper shall pay a monthly Gathering charge,

which shall be the product of the applicable West Area or East Area maximum Gathering reservation rate per Dth as set out on the Currently Effective Rates for Rate Schedule FTS-2 multiplied by Shipper's MDQ at such primary Point(s) of Receipt.

Sea Robin shall notify Shipper on the invoice for the billing Month in which the three-month period has dropped below 80% of MDQ, as calculated above, that Shipper shall be billed the reservation charge under this Section 3.1(b) in the next, succeeding Month so that Shipper may release its firm capacity on a temporary basis pursuant to Section 9 of the General Terms and Conditions during the Month in which Shipper is being billed the reservation charge under this Section.

Notwithstanding the above, the quantities of gas allocated to Shipper shall be adjusted prior to calculating the 80% threshold to the extent that during the calculation period Sea Robin is unable to serve Shipper's nominations due to an incident of Force Majeure claimed by Sea Robin under Section 17 of the General Terms and Conditions or any limitations under Section 2.4 hereunder; and provided, further, that in Shipper's initial six months of service under this Rate Schedule, Shipper shall be billed pursuant to (a) above regardless of Shipper's ability to meet the 80% throughput level.

- (c) If Shipper utilizes a secondary Point of Receipt identified as a Gathering Point of Receipt (but has not designated a primary Point of Receipt identified as a Gathering Point of Receipt on Exhibit A to the FTS-2 Agreement), or if during the Month, Shipper takes volumes in excess of the MDQ as stated in the FTS-2 Agreement for service provided hereunder, from a primary Point(s) of Receipt identified as a Gathering Point of Receipt on Exhibit A to the FTS-2 Agreement, then, in addition to the reservation and commodity charges established in Section 3.1(a) of this Rate Schedule, Shipper shall pay the monthly Gathering charge, which shall be the product of the applicable West Area or East Area maximum unit Gathering overrun rate set out on the Currently Effective Rates for Rate Schedule FTS-2 multiplied by such excess quantity of gas (in Dth) actually delivered to the outlet side of Sea Robin's Gathering facilities during the billing Month.

3.2 In addition to the charges specified above, Shipper shall pay to Sea Robin the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:

- (a) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 21 of the General Terms and Conditions of Sea Robin's Tariff and set forth on the Currently Effective Rates for Rate Schedule FTS-2 of this Tariff, as said charge may be changed from time to time.

- (b) Section 22 Adjustment: The Section 22 Adjustment as set forth on the Currently Effective Rates for Rate Schedule FTS-2 shall be charged or credited, as applicable, in accordance with Section 22 of the General Terms and Conditions.
  - (c) Hurricane Surcharge: A Hurricane Surcharge as prescribed by Section 24 of the General Terms and Conditions of Sea Robin's Tariff and set forth on the Currently Effective Rates for Rate Schedule FTS-2 of this Tariff, as said charge may be changed from time to time; provided, however, the Hurricane Surcharge shall apply only once on each Dth of gas delivered by Sea Robin during the Month.
  - (d) Fuel Reimbursement: Shipper shall reimburse Sea Robin in kind for fuel required in transporting gas hereunder pursuant to Section 27 of the General Terms and Conditions. The monthly Fuel Reimbursement shall be the product of the actual quantity of gas received, or applicable portion thereof, during the Month and the applicable Fuel Reimbursement percentage for service, as set forth of the Currently Effective Rates for Rate Schedule FTS-2.
  - (e) Shipper shall reimburse Sea Robin for the cost of any other fees and charges required to provide the specific service hereunder, including any reporting, filing or application fees or the cost of any facilities acquired or constructed by Sea Robin as more particularly described in Section 19 of the General Terms and Conditions to the Tariff.
- 3.3 The rates which are stated on the Currently Effective Rates for Rate Schedule FTS-2 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. Shipper shall pay the maximum rates for service under this Rate Schedule unless Sea Robin, in its reasonable judgment, agrees to discount its rate to Shipper under this Rate Schedule. Any discount agreed to by Sea Robin and the effective period thereof shall be documented in writing and shall be made on a not unduly discriminatory basis. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified on the Currently Effective Rates for Rate Schedule FTS-2. Sea Robin shall not be obligated to discount its services in order to provide service to Shipper hereunder. Any discount agreed to by Sea Robin shall be consistent with the provisions of Section 20 of the General Terms and Conditions.
- 3.4 Backhauls shall be subject to the same charges as other services hereunder, except that no fuel need be charged.
- 3.5 Sea Robin shall file with the Commission any and all reports as required by the Commission's Regulations setting forth the applicable charge, the individual Shipper(s) affected, the volume transported, and provisions for discounts and any other information which may be required.

- 3.6 Sea Robin shall have the unilateral right to file with the Commission and/or any appropriate regulatory authority to make changes effective in (i) the rates and charges applicable under this Rate Schedule FTS-2, including both the level and design of such rates and charges; (ii) this Rate Schedule FTS-2 or the FTS-2 Agreement; and (iii) Sea Robin's General Terms and Conditions. Sea Robin agrees that nothing contained herein shall prevent Shipper from protesting or contesting any of the aforementioned filings.

#### 4. REQUESTS FOR FTS-2 TRANSPORTATION SERVICE

- 4.1 Any party desiring transportation service under Rate Schedule FTS-2 must provide to Sea Robin the information required by Section 2 of the General Terms and Conditions and the following information in order to qualify for transportation service:

(a) Production Profile

The MDQ to be transported shall be supported by a life of reserves production forecast for the Committed Lease(s) prepared by Shipper or the operator(s) of the Committed Lease(s), which reflects production build-up and expected production throughout the life of the lease. Shipper may request a separately stated MDQ under its FTS-2 Agreement for specified delivery periods of not less than three (3) consecutive months, hereinafter the "Delivery Periods"; provided, however, such separately stated MDQs must be supported by a life of reserves production forecast for the Committed Lease(s) provided hereunder; and provided further, that the MDQ shall not be less than 1,000 Dth per Day during any specified Delivery Period. In addition, the proposed commencement and termination dates of service shall be consistent with the life of the lease and supported by the production forecast submitted pursuant to this section.

(b) Technical Data

Subject to the execution of a mutually acceptable confidentiality agreement, Shipper's production profile shall be accompanied by either (1) technical data necessary to support the production profile and demonstrate that Shipper's requested MDQs and the term of service are supported by the production profile, or (2) a report issued by one of the engineering firms listed below supporting Shipper's production profile, requested MDQs and term of service. If Shipper elects to establish its production profile and MDQs with a report from an engineering firm in accordance with (2) above, then Shipper shall furnish to such engineering firm, subject to a mutually acceptable confidentiality agreement, all information Shipper is required to submit to Sea Robin under this Rate Schedule FTS-2 and such other technical data as may be appropriate to enable the engineering firm to provide to Sea Robin an opinion that on the basis of such data Shipper's production profile, requested MDQs and term of service appear reasonable. The cost of such engineering report shall be borne by Shipper.

ENGINEERING FIRMS

1. Ryder Scott Company Petroleum Engineers
2. Netherland, Sewell & Associates, Inc.
3. H. J. Gruy & Associates, Inc.
4. DeGolyer & MacNaughton Petroleum Consultants
5. IHS, Inc.

(c) Committed Lease(s)

Information provided shall include identification of the OCS Lease(s) or State Waters Lease(s) that define the Committed Lease(s), Shipper's interest therein, supporting documentation of estimated proven recoverable reserves from the Committed Lease(s) and production development plans, including facilities design capacity.

(d) Prepayment

Requests for firm transportation hereunder must be accompanied by a prepayment in the amount of the lesser of the first three months' reservation charge or \$500,000. Unless Shipper elects otherwise, the prepayment of the reservation charge shall be credited to Shipper's first months of service or refunded following a determination that Sea Robin is unable to provide service or the FTS-2 Agreement tendered to Shipper is not executed within 30 days.

(e) Certification of Title

Shipper must provide documentation or certification showing with respect to the Committed Lease: (i) that it has good title to the gas, that it has the requisite control of an Affiliate's gas or that it has an effective contractual right to acquire title for the life of the reserves; and (ii) that it has entered into all necessary arrangements to assure that the upstream and/or downstream transportation will be in place prior to the commencement of service. Sea Robin shall not be obligated to provide service at any requested point of receipt or delivery without sufficient information to support the certification made in (ii) above.

- 4.2 On or before February 1 of each year Shipper's FTS-2 Agreement is in effect, Shipper shall update its production profile to support its MDQs and, when available, provide an actual production history for its Committed Lease(s) and an update of its technical data, which may be used by Sea Robin in evaluating the reasonableness of Shipper's proposed MDQs for each Delivery Period. Shipper shall reduce its MDQs as may be appropriate based on the updated production profile throughout the life of the lease. MDQs may be increased based on the updated production profile only to the extent firm capacity on the system is available and not previously committed to another Shipper as determined by Sea Robin hereunder. If firm capacity is not available, Shipper may request that such

MDQ increase supported by its production profile update be placed in Sea Robin's firm service queue pursuant to Section 10.4 of the General Terms and Conditions and Sea Robin will place it in the firm service queue as a pending request as of the date of Shipper's update. Sea Robin shall have the right to require Shipper to reduce its MDQs based on an updated production profile and Sea Robin and Shipper shall amend Exhibit A to the FTS-2 Agreement to conform the MDQs to the updated production profile subject to the availability of capacity. Any changes in MDQs under this Section shall be effective June 1 of each year. When considering a system expansion or evaluating a Shipper's request to increase its MDQ or a Shipper's request for a permanent release of quantities of production from Committed Lease(s) under the Reserve Commitment Agreement, Sea Robin may request that Shipper update its production information to support its MDQs, and Shipper shall provide such information; provided, however, that Sea Robin shall not require such updates more often than two times within any calendar year.

- 4.3 If in Sea Robin's judgment the submitted estimated production profile (including updates) and MDQs provided in 4.1 or 4.2 are not reasonable, then, subject to a mutually acceptable confidentiality agreement, Sea Robin and Shipper shall meet and review the associated technical data or engineering report that is the basis for the estimated production profile submitted by Shipper. Sea Robin and Shipper shall make a good faith attempt to concur on an estimated production profile which shall be utilized pursuant to this section, including, but not limited to, to effectuate a reduction in Shipper's MDQs. If the parties cannot reach agreement on an estimated production profile and MDQs, then the technical data shall be supplied to a mutually acceptable and technically competent third party on a confidential basis to develop an estimated production profile which shall be utilized pursuant to this Section. All such third party costs shall be equally borne by Shipper and Sea Robin. Upon completion of such third party report, Sea Robin and Shipper shall amend Exhibit A to the Service Agreement to reflect the MDQs supported by such production profile to the extent capacity on the system is available.
- 4.4 Shipper shall have the right for any reason, at any time and from time to time, to permanently change, in whole or in part, the MDQs under its FTS-2 Agreement, for any Delivery Period(s) set forth on Exhibit A thereto, on six (6) months prior written notice to Sea Robin; provided, however, any increases in MDQ under the FTS-2 Agreement shall be subject to availability of firm capacity on the Pipeline System as determined by Sea Robin hereunder. Once a change in MDQs under this Section 4.4 has been requested, Shipper may not make another request to change its MDQs under this Section until the previous request has become effective. If firm capacity is not available, Shipper may request that such MDQ increase be placed in Sea Robin's firm service queue pursuant to Section 10.4 of the General Terms and Conditions and Sea Robin will place it in the firm service queue as a pending request as of the date of Shipper's update.

5. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

5.1 Service hereunder shall consist of the receipt by Sea Robin of natural gas tendered by Shipper for transportation at the Point(s) of Receipt specified in the FTS-2 Agreement, the transportation thereof through Sea Robin's Pipeline System, and the delivery of Equivalent Volumes (as defined in Section 1 of the General Terms and Conditions) of natural gas by Sea Robin to Shipper or for Shipper's account at the Point(s) of Delivery specified in the FTS-2 Agreement. Sea Robin shall not be required to accept any gas tendered in excess of the MDQ specified in the FTS-2 Agreement for each Point of Receipt or for the aggregate of all Points of Receipt; provided, however, that Shipper shall be required to nominate at each Point of Receipt a quantity of gas in excess of its MDQ sufficient to cover volumes deducted for Fuel Reimbursement.

The Point(s) of Receipt for all gas tendered to Sea Robin for transportation hereunder shall be at the interconnection of Sea Robin's and Shipper's (or any third-party as may be applicable) facilities, or at such other point(s), as specified in the FTS-2 Agreement. The Point(s) of Delivery for all gas delivered by Sea Robin to Shipper (or to a third-party on behalf of Shipper) related to service provided under this Rate Schedule FTS-2 shall be at the interconnection of Sea Robin's and Shipper's facilities (or facilities of third-parties as may be applicable), or at such other point(s), as specified in the FTS-2 Agreement.

5.2 All imbalances accrued by Shipper during a Month between the quantities of gas allocated to Shipper at the Point(s) of Receipt and the quantities of gas allocated to the Shipper at the Point(s) of Delivery shall be resolved in accordance with the provisions set forth in Section 6 of the General Terms and Conditions.

6. GENERAL TERMS AND CONDITIONS

This service shall be subject to all conditions established by Sea Robin in this Rate Schedule FTS-2 and in its General Terms and Conditions, as such provisions may be revised from time to time. All of the General Terms and Conditions contained in the Tariff, including any future modifications, additions or deletions, shall be incorporated by reference and made a part hereof. Sea Robin shall make available to Shipper the filings Sea Robin makes at the Commission relating to Rate Schedule FTS-2, and its General Terms and Conditions. To the extent that Sea Robin complies with the provisions of its General Terms and Conditions and its Rate Schedule FTS-2, it shall have no liability to any Shipper receiving service under Rate Schedule FTS-2 arising from or related to service thereunder except as provided in such General Terms and Conditions and Rate Schedule FTS-2. Consistent with the provisions of this Tariff, Sea Robin shall have the right to determine the priority and/or scheduling of the transportation service under the FTS-2 Agreement. Consistent with the provisions of this Tariff, Sea Robin shall also have the right to revise its priority and/or scheduling of this transportation service from time to time.

RATE SCHEDULE ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule ITS is available for interruptible transportation service by Sea Robin Pipeline Company, LLC (hereinafter called Sea Robin) for any person (hereinafter called Shipper) to the extent that:
- (a) Capacity is available on Sea Robin's Pipeline System (or part thereof) from time to time;
  - (b) Shipper makes a valid request as defined in Section 2 of the General Terms and Conditions and executes an Interruptible Transportation Service Agreement (ITS Agreement) with Sea Robin applicable to service under this Rate Schedule ITS in the form contained in this Tariff, and nominates requested levels of service in accordance with Section 4 of the General Terms and Conditions; and
  - (c) Such service complies with the terms and conditions of this Rate Schedule ITS.
- 1.2 For purposes of further determining availability of transportation service hereunder, Sea Robin shall not be required to provide any requested transportation service:
- (a) For which capacity is not available on any Day;
  - (b) Which could in Sea Robin's reasonable judgment interfere with physical operation of its Pipeline System or with service to firm transportation customers;
  - (c) Which could require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Sea Robin may agree on a nondiscriminatory basis to construct, modify, expand or acquire facilities to enable it to perform such service;
  - (d) Unless and until Shipper has provided Sea Robin with information, in accordance with Section 2.2 of the General Terms and Conditions, that Shipper in fact has a gas supply, a market, and intervening transportation service to enable Shipper actually to utilize Sea Robin's services and Sea Robin determines such evidence is bona fide and adequately substantiated;
  - (e) If Sea Robin determines that Shipper has failed to provide adequate assurance of Shipper's solvency and ability to perform and Shipper refuses to post security



in an amount equal to three months billing assuming full contract quantities in accordance with Section 15.2 of the General Terms and Conditions;

- (f) Unless and until Shipper provides Sea Robin with acceptable evidence that all applicable regulatory requirements can be met;
- (g) If Shipper is unwilling to pay the maximum rate applicable to such service under this Rate Schedule ITS;
- (h) If such service does not comply with Sea Robin's General Terms and Conditions, this Rate Schedule ITS or the ITS Agreement;
- (i) If the ITS Agreement has expired; or
- (j) Which would cause a reduction in Sea Robin's capacity disproportionate to the service requested (without regard to distance).

## 2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation services provided under this Rate Schedule ITS shall be performed under Subparts B and G of Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations. This Rate Schedule ITS shall apply to all gas transported by Sea Robin for Shipper pursuant to an executed ITS Agreement.
- 2.2 Service hereunder shall be provided on an interruptible basis. Interruption of service includes decreasing, suspending, or discontinuing the receipt or delivery of gas in accordance with the priorities set out in Section 8.3 of the General Terms and Conditions. Service may be interrupted if Shipper fails to comply with any provision of the General Terms and Conditions, this Rate Schedule ITS or the ITS Agreement thereunder specifically including, without limitation, Sections 3 (Operating Conditions) and 12 (Quality) of the General Terms and Conditions. Sea Robin shall furnish Shipper notice of any noncompliance and allow Shipper a reasonable opportunity of at least twenty-four (24) hours to cure it prior to interruption of service. Notwithstanding the foregoing, Sea Robin will not terminate service to Shipper prior to receiving abandonment authorization to the extent required by Section 7(b) of the Natural Gas Act. In addition, Sea Robin may interrupt service if necessary to serve a higher priority customer, to maintain gas quality or to otherwise maintain the integrity of its Pipeline System.
- 2.3 Service hereunder shall consist of the receipt by Sea Robin of Natural Gas tendered by Shipper for transportation at the Points of Receipt specified in the executed ITS Agreement, the transportation thereof through Sea Robin's Pipeline System, and the delivery of Equivalent Volumes (as defined in Section 1 of the General Terms and Conditions) of Natural Gas by Sea Robin to Shipper or for Shipper's account at the Points of Delivery specified in the ITS Agreement. The Points of Receipt specified on the ITS

Agreement must be physically connected to the Points of Delivery specified in the ITS Agreement. Shipper may utilize pooling points that receive gas from Points of Receipt specified in Shipper's ITS Agreement. Shipper shall be entitled to nominate at each Point of Receipt a quantity of gas in excess of its delivery quantity to cover volumes deducted for Fuel Reimbursement.

- 2.4 The Point(s) of Receipt for all gas tendered to Sea Robin for transportation hereunder shall be at the interconnection of Sea Robin's and Shipper's (or any third party as may be applicable) facilities, or at such other point(s) as specified in the ITS Agreement. The Point(s) of Delivery for all gas delivered by Sea Robin to Shipper (or to a third-party on behalf of Shipper) related to service provided under this Rate Schedule ITS shall be at the interconnection of Sea Robin's and Shipper's facilities (or facilities of third-parties as may be applicable), or at such other point(s), as specified in the ITS Agreement.
- 2.5 To the extent that Sea Robin complies with the provisions of its General Terms and Conditions and its Rate Schedule ITS, it shall have no liability to any shipper receiving service under Rate Schedule ITS arising from or related to service thereunder except as provided in such General Terms and Conditions and Rate Schedule ITS.
- (a) Sea Robin makes no representation, assurance or warranty that capacity will be available on Sea Robin's Pipeline System at any time.
- (b) Consistent with the provisions of this Tariff, Sea Robin shall have the right to determine and revise the priority and/or scheduling of the transportation service under the ITS Service Agreement.
- 2.6 Service hereunder shall be subject to and subordinate to firm transportation services.
- 2.7 Term
- (a) The term for interruptible transportation service under this Rate Schedule ITS shall be as set forth in the ITS Agreement between Shipper and Sea Robin. Sea Robin may terminate the ITS Agreement if Shipper fails to cause gas to be delivered during any two (2) consecutive months when capacity is available and such failure is not caused by force majeure as defined in Section 17 of the General Terms and Conditions.
- (b) Sea Robin shall on a nondiscriminatory basis agree to the automatic extension of the primary term for specified intervals until and unless either party desires to cancel the Service Agreement at the end of the primary term or any extension thereof. In addition, Sea Robin and Shipper may mutually agree to terminate the ITS Agreement at any time.
- 2.8 This service shall be subject to all conditions established by Sea Robin in this Rate Schedule ITS and in the General Terms and Conditions, as such conditions may be

revised from time to time. Sea Robin shall make available to Shipper the filings Sea Robin makes at the Commission relating to Rate Schedule ITS, and the General Terms and Conditions.

### 3. RATES

Shipper shall pay Sea Robin each Month under this Rate Schedule ITS a one-part usage charge for each Dth of gas delivered by Sea Robin together with such other charges as are identified in this Section 3 or in Sections 6 and 7 of the General Terms and Conditions.

- 3.1 The maximum monthly transportation usage charge for ITS service shall be the applicable West Area or East Area maximum unit rate(s) set out on the Currently Effective Rates for Rate Schedule ITS of this Tariff multiplied by the quantity of gas expressed in Dth actually delivered by Sea Robin during the billing Month.
- 3.2 If Shipper designates a Point(s) of Receipt identified as a Gathering Point of Receipt on Exhibit A to the ITS Agreement, then, in addition to the usage charge established in Section 3.1, Shipper shall pay a monthly Gathering charge which shall be the applicable West Area or East Area maximum Gathering usage rate set forth on the Currently Effective Rates for Rate Schedule ITS multiplied by the sum of the quantities of gas expressed in Dth actually delivered for Shipper's account to the outlet side of Sea Robin's Gathering facilities during the billing Month.
- 3.3 Surcharges
  - (a) In accordance with Section 154.402 of the Commission's Regulations the applicable Annual Charge Adjustment (ACA) as set out on the Currently Effective Rates for Rate Schedule ITS will be charged.
  - (b) The Section 22 Adjustment as set out on the Currently Effective Rates for Rate Schedule ITS shall be charged or credited, as applicable, in accordance with Section 22 of the General Terms and Conditions.
  - (c) The applicable Hurricane Surcharge as set out on the Currently Effective Rates for Rate Schedule ITS shall be charged in accordance with Section 24 of the General Terms and Conditions; provided, however, the Hurricane Surcharge shall apply only once on each Dth of gas delivered by Sea Robin during the Month.
- 3.4 Fuel Reimbursement
  - (a) Shipper shall reimburse Sea Robin in kind for fuel required in transporting gas hereunder pursuant to Section 27 of the General Terms and Conditions.

(b) The monthly Fuel Reimbursement shall be the product of the actual quantity of gas received, or applicable portion thereof, during the Month and the applicable Fuel Reimbursement percentage for service, as set forth on the Currently Effective Rates for Rate Schedule ITS.

3.5 The rate(s) which are stated on the Currently Effective Rates for Rate Schedule ITS set forth the maximum rate applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. Shipper shall pay the maximum rate for service under this Rate Schedule unless Sea Robin, in its reasonable judgment, offers to discount its rate to Shipper under this Rate Schedule.

The rate for service under this Rate Schedule shall not be discounted below the applicable minimum rate specified on the Currently Effective Rates for Rate Schedule ITS. Any discount agreed to by Sea Robin shall be consistent with the provisions of Section 20 of the General Terms and Conditions.

3.6 Sea Robin shall file with the Commission any and all reports as required by the Commission's Regulations setting forth the applicable charge, the individual Shipper(s) affected, the volume transported, any provisions for discounts, and any other information which may be required.

3.7 Sea Robin shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in (i) the rates and charges applicable under this Rate Schedule ITS, including both the level and design of such rates and charges; (ii) this Rate Schedule ITS or (iii) Sea Robin's General Terms and Conditions. Sea Robin agrees that Shipper may protest or contest such filings.

3.8 Backhauls and exchanges shall be subject to the same charges as other transportation arrangements except that no fuel need be charged.

3.9 Upon presentment to Shipper, Shipper shall reimburse to Sea Robin within ten (10) Business Days after the later of the commencement of service hereunder or the payment by Sea Robin for the fees required by the Commission or any regulatory body related to the specific service provided under this Rate Schedule ITS including, but not limited to, filing, reporting, and application fees, but excluding any fees recovered by Sea Robin as a regulatory expense in a previous Section 4 rate case. Shipper shall also reimburse Sea Robin for the cost of any facilities Sea Robin acquires or constructs to provide service hereunder as described in Section 19 of the General Terms and Conditions.

3.10 All imbalances accrued by Shipper during a Month between the quantities of gas allocated to the Shipper at the Point(s) of Receipt and the quantities of gas allocated to

the Shipper at the Point(s) of Delivery shall be resolved in accordance with the provisions set forth in Section 6 of the General Terms and Conditions.

4. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule ITS, and shall apply to service rendered hereunder, as though stated herein.

RATE SCHEDULE GPS  
GAS PARKING SERVICE

1. AVAILABILITY

This Rate Schedule GPS is available to any party (hereinafter called Shipper) which has requested Gas Parking Service pursuant to Section 2 of the General Terms and Conditions of this Tariff and, after review and acceptance of such request by Sea Robin Pipeline Company, LLC (hereinafter called Sea Robin), has executed a Service Agreement with Sea Robin for service under this Rate Schedule GPS. Such Service Agreement shall be in the form contained in Sea Robin's Tariff, of which this Rate Schedule GPS is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

The interruptible service provided hereunder permits Shipper to nominate gas, made available to Sea Robin by Shipper in connection with a Service Agreement under Rate Schedule FTS, FTS-2 or ITS or a pooling Service Agreement for Parking service under this Rate Schedule GPS, up to the maximum Parked Quantity set forth in the GPS Agreement, subject to the General Terms and Conditions and the further provisions of the GPS Agreement. The service provided hereunder is an interruptible service and shall be provided only after all other services offered by Sea Robin are scheduled and to the extent permitted by Sea Robin's Pipeline System. Parking service shall not impede Sea Robin's ability to meet its firm and interruptible service obligations, including Sea Robin's system requirements. Sea Robin is not obligated to provide any Parking service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

- 2.1 The Parking point may be any point on Sea Robin's Master Parking Point List. The Master Parking Point List shall mean the current list of points available to Shippers for Parking as posted on the Messenger<sup>®</sup> system.
- 2.2 Shipper may nominate delivery of gas to a specific Parking point or receipt of gas from a specific Parking point, subject to the nomination and confirmation procedures in Section 4 of the General Terms and Conditions. Gas that is delivered to a specific Parking Point for parking must be redelivered from the same Parking Point. A negative Parked Quantity received at a specific Parking Point must be redelivered to the same Parking Point. Parking Points shall be maintained separately and may not be combined for nomination or billing purposes. Gas may be parked for a minimum of one Day and a maximum term as established by the mutual agreement of Shipper and Sea Robin.
- 2.3 Negative Parked Quantity shall mean the quantity of gas that Shipper has received from Parking in excess of the sum of the Parked Quantity at any point in time. Nominations to receive such excess quantity of gas shall be confirmed at Sea Robin's sole discretion.

- 2.4 Shipper may be required, upon notification from Sea Robin, to cease or reduce deliveries to or receipts from its Parking service within the Day or to receive from Parking all, or any part, of its Parked Quantity under this Rate Schedule GPS as rapidly as is consistent with Sea Robin's operating capabilities. Any Parked Quantity not removed in accordance with Sea Robin's notice within five (5) Days of Sea Robin giving Shipper such notice shall become the property of Sea Robin at no cost to Sea Robin, free and clear of any adverse claims; provided, however, that Sea Robin shall extend the time available for Shipper to remove its Parked Quantity by one Day for every Day that Shipper has been unable to remove gas due to operational conditions on Sea Robin's Pipeline System.
- 2.5 Shipper may be required, upon notification from Sea Robin to deliver all, or any part, of its Negative Parked Quantity as rapidly as is consistent with Sea Robin's operating capabilities. Any quantity of gas not delivered into Parking in accordance with Sea Robin's notice within three (3) Days of Sea Robin giving Shipper such notice shall be subject to an Operational Flow Order and the Operational Flow Order penalty in accordance with Section 7 of Sea Robin's General Terms and Conditions.
- 2.6 In the event that Shipper has a Negative Parked Quantity at the end of any Month, in addition to all other applicable rates, charges and fees, such Shipper shall purchase from Sea Robin such quantity of gas at 120% of the Index Price as defined in Section 6.4 of Sea Robin's General Terms and Conditions unless otherwise mutually agreed.
- 2.7 Sea Robin shall not be required to receive or deliver quantities of gas on any Day for which there is insufficient available capacity under Shipper's transportation Service Agreements to deliver gas or to receive gas from the Parking point.

### 3. RATES

The rates and charges for interruptible Parking service under this Rate Schedule GPS shall be as follows:

#### 3.1 Daily Parking Charge

The daily Parking charge shall be the absolute value of the product of the Parked Quantity for each Day of the Month and the daily Parking rate per Dth as set forth on the Currently Effective Rates for Rate Schedule GPS.

#### 3.2 Range of Rates

Unless otherwise agreed to in writing between Shipper and Sea Robin, any rate applicable to a Shipper for service hereunder shall be the applicable maximum rate as set forth on the Currently Effective Rates for Rate Schedule GPS, as may be applicable from time to time. If an amount less than the applicable maximum rate and not less than the applicable minimum rate is agreed upon in writing, such amount shall be

applied prospectively in accordance with such agreement. Sea Robin shall be responsible for compliance with any reporting requirements prescribed by the Commission. Sea Robin shall not be required to enter into any Service Agreement for Gas Parking Service at a rate less than the maximum rate.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Sea Robin's Tariff are hereby incorporated by reference in this Rate Schedule GPS.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule GPS, the provisions of this Rate Schedule GPS shall govern.

5. RESERVATIONS

Sea Robin reserves the right from time to time to unilaterally make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule GPS and the other provisions of Sea Robin's Tariff, and the applicability thereof, including the Form of Service Agreement hereunder, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.



**PART VI**  
**General Terms and Conditions**

GTC Section 1.	Definitions
GTC Section 2.	Requests for Service
GTC Section 3.	Conditions of Receipt and Delivery
GTC Section 4.	Nominations, Scheduling and Allocations
GTC Section 5.	Pooling
GTC Section 6.	Transportation Balancing
GTC Section 7.	Operational Flow Orders
GTC Section 8.	Impairment of Deliveries
GTC Section 9.	Capacity Release
GTC Section 10.	Contracting for Unsubscribed Capacity
GTC Section 11.	Contract Extension and Consolidation
GTC Section 12.	Quality
GTC Section 13.	Measurement
GTC Section 14.	Electronic Communication System
GTC Section 15.	Statements and Payments
GTC Section 16.	Responsibility, Warranty and Assignments
GTC Section 17.	Force Majeure
GTC Section 18.	Operating Conditions in Conjunction with Affiliates
GTC Section 19.	Construction of New Receipt or Delivery Facilities
GTC Section 20.	Discount Terms
GTC Section 21.	Annual Charge Adjustment Provision (ACA)
GTC Section 22.	Annual Flowthrough Crediting Mechanism
GTC Section 23.	Miscellaneous
GTC Section 24.	Hurricane Surcharge
GTC Section 25.	Business Practices Standards
GTC Section 26.	Creditworthiness
GTC Section 27.	Fuel Reimbursement Adjustment

## GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS

**Btu** shall mean a British Thermal Unit measured at a pressure of 14.73 pounds per square inch absolute (psia) at 60 degrees Fahrenheit on a dry basis. The standard Btu is the international Btu, which is also called the Btu (IT).

**Business Day** shall mean Monday through Friday, excluding Federal Banking holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.

**Central Clock Time** shall mean the time in the Central Time Zone, as adjusted for Daylight Savings Time and Standard Time. Unless otherwise specified herein, all times stated in this tariff are Central Clock Time.

**Critical Notices** shall mean those notices issued by Sea Robin which contain information about conditions that affect scheduling of service by Sea Robin or adversely affect scheduled gas flow.

**Cubic Foot** shall mean the quantity of Natural Gas necessary to fill a Cubic Foot of space at a temperature of 60 degrees Fahrenheit, dry and at a pressure of 14.73 psia.

**Day** shall mean a period of twenty-four (24) consecutive hours commencing at 9:00 a.m. or such other period as the parties may agree upon.

**Dekatherm (Dth)** shall mean the standard thermal unit for purposes of nominations, scheduling, invoicing and balancing in the United States. One Dth is equivalent to one MMBtu.

**East Area** shall mean that portion of the Pipeline System utilized for the transportation of gas to onshore points near Kaplan or Patterson, Louisiana. The East Area facilities were acquired from Trunkline Gas Company, LLC and consist of two discrete systems known as the Vermilion System and the Terrebonne System.

**Equivalent Volumes** shall mean the sum of the quantities of gas expressed in Dth received by Sea Robin from Shipper at the Point(s) of Receipt during a given billing Month, reduced by the Fuel Reimbursement and Shipper's Pro Rata Share of the variations in gas volumes due to transport of Liquids (to such a degree as is practicable), if any, plus Shipper's Separator Gas.

**Fuel Reimbursement** shall mean the reimbursement in kind to Sea Robin by Shipper for fuel usage, miscellaneous fuel usage and lost or unaccounted for gas.

**Gathering** shall mean the receipt and transportation by Sea Robin of Natural Gas through Sea Robin's facilities upstream of the Vermilion 149 compressor station located on the West Area and upstream of the TriMars platform (Ship Shoal Block 139) located on the East Area.

**Gigacalorie** shall mean the standard quantity for nominations, confirmations and scheduling per gas Day in Mexico. One gigacalorie is equivalent to 1,000,000,000 calories. For commercial purposes, the standard conversion factor between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The reporting basis for gigacalorie is 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry.

**Liquefiables** shall mean those hydrocarbons included in the gas stream measured at the Point of Delivery measurement station which are (i) liquefied by, recovered by, lost and/or consumed by a gas processing plant and which are not redelivered to the Pipeline System downstream of such plant and (ii) produced in conjunction with gas transported through the Pipeline System.

**Liquids** shall mean those hydrocarbon Liquids (commonly called condensate) produced in association with gas transported through the Pipeline System and which are injected into the Pipeline System and finally removed from the Pipeline System at a liquid separation facility; provided however that Liquids shall not include crude oil.

**Liquids Transportation Agreement** shall mean an agreement between Sea Robin and another party providing for the transportation by Sea Robin of Liquids owned by such other party.

**Maximum Daily Quantity (MDQ)** shall mean the Maximum Daily Quantity of gas which Sea Robin is to receive or deliver at each Point of Receipt or Delivery or in the aggregate, in accordance with the terms of the Service Agreement.

**Mcf** shall mean 1,000 cubic feet of Natural Gas.

**Messenger**<sup>®</sup> shall mean the electronic communication system offered by Sea Robin on a nondiscriminatory basis to any person that has compatible equipment for electronic transmission of data; provided that such person has executed a Messenger<sup>®</sup> Agreement, has been assigned a USERID and password and agrees to comply with the procedures for access to and use of the Messenger<sup>®</sup> system.

**MMBtu** shall mean 1,000,000 Btu's. One MMBtu is equivalent to one Dekatherm.

**Month** shall mean a period of one calendar month commencing at 9:00 a.m. on the first Day of such month.

**NAESB** shall mean the North American Energy Standards Board.

**NAESB Standard** shall mean the standards issued by NAESB and adopted by the Federal Energy Regulatory Commission in its regulations governing interstate Natural Gas companies.

**Natural Gas** shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in gaseous state, consisting essentially of methane.

**Negative Parked Quantity** shall mean the quantity of gas, expressed in Dekatherms, that Shipper has received from Parking in excess of the sum of the Parked Quantity at any point in time.

**NGA** shall mean the Natural Gas Act of 1938, as amended.

**Net Retrograde Condensate Measurement (NRCM)** shall mean the Retrograde Condensate calculated pursuant to GT&C Section 12.4(e)( 2).

**Parked Quantity** shall mean the quantity of gas, expressed in Dekatherms, held for the account of Shipper at a specific Parking point at any point in time.

**Parking** shall mean the receipt by Sea Robin of gas from or for the account of Shipper, the holding of such gas for a period of time and the subsequent redelivery to Shipper.

**PDA** shall mean a predetermined allocation. The types of PDA's are as follows:

- (a) Ranked PDA - the predetermined allocation methodology used to allocate gas flow among scheduled line item nominations at a point where the line item nomination with the lowest rank value is allocated before the next sequentially higher-ranked line item nomination.
- (b) Pro Rata PDA - the predetermined allocation methodology used to allocate gas flow among scheduled line item nominations at a point where the total quantity to be allocated is multiplied by the ratio established by taking each scheduled line item and dividing it by the total line items applicable to the quantity to be allocated.
- (c) Percentage PDA - the predetermined allocation methodology used to allocate gas flow among scheduled line item nominations at a point where the allocation is derived by taking the total quantity to be allocated at a location and multiplying it by the percentage provided for each line item.
- (d) Swing PDA - the predetermined allocation methodology used to allocate gas flow among scheduled line item nominations at a point where one of the scheduled line items, or alternatively a separate Agreement, is designated as the "swing." All other scheduled line items are allocated the scheduled quantity. The line item(s) identified as "swing" are allocated the remaining difference between the total quantity to be allocated and quantities allocated to non-swing line items, in accordance with the instructions provided with the PDA. The swing line item(s)/Agreement is not permitted to be allocated a quantity which would result in a negative number, therefore any negative quantity will be allocated to the remaining scheduled line items on a pro-rata basis.
- (e) Operator Provided Value PDA - the predetermined allocation methodology used to allocate gas flow among scheduled line item nominations at a point where the allocation is derived according to values provided by the operator.

**Pipeline System** shall mean the pipeline facilities and appurtenances thereto which are owned or operated in whole or in part by Sea Robin and shall include any facilities added thereto including compressors and appurtenances owned by Sea Robin for the transportation of gas to onshore points near Erath, Kaplan or Patterson, Louisiana.

**Plant Volume Reduction** shall mean the sum expressed in Dth of the measured (or estimated, as applicable) volumes of gases and the vapor equivalent quantities of each of the component elements of carbon dioxide and of C2+ plus Liquefiabiles present in (i) the fuel and flare used in the plant, (ii) losses in the plant and (iii) shrinkage Liquefiabiles removed from the gas stream resulting from plant processing. Such vapor equivalent quantities shall be determined as provided in GPA Publications 2145-92 and 2172-86, as amended from time to time, or by any other mutually agreeable method.

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

**Point of Receipt** shall mean a point at the inlet side of Sea Robin's facilities at a point of interconnection between the facilities of Sea Robin and 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 the Messenger® system. 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.

**Primary Path** shall mean a physical transportation path used to effectuate Shipper's transaction most directly for quantities associated with the Point(s) of Receipt and Point(s) of Delivery specified on Exhibit A to Shipper's Service Agreement.

**Pro Rata Share** shall mean the ratio that each monthly volume of gas delivered to Sea Robin by or for the account of Shipper bears to the total monthly volume of gas delivered to Sea Robin from all sources during such Month.

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

**Replacement Shipper** shall mean any entity that obtains capacity from a Releasing Shipper pursuant to Section 9 herein.

**Retrograde Condensate** shall mean the Natural Gas received at Points of Receipt that condenses to liquids and falls out of the gas stream as the gas is transported by Sea Robin through the Pipeline System.

**SCADA** shall mean the acronym for Supervisory Control and Data Acquisition, the name given electronic measurement and communication equipment on the Pipeline System.

**Separator Gas** shall mean that quantity of gas given off by the Liquids upon separation in the process of separating the Liquids from the gas.

**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 Sea Robin.

**System Allocator** shall mean the person or entity, designated by the producer representative, who is responsible for calculating the allocation of gas and liquids on the Sea Robin system consistent with the allocation method approved by the Bureau of Safety and Environmental Enforcement (BSEE).

**Tariff** shall mean Sea Robin's currently effective FERC NGA Gas Tariff.

**Unaccounted For** shall mean the difference between the sum of all input volumes to the Pipeline System and the sum of all output volumes from the Pipeline System, which output volumes shall include compressor fuel, gas vented, gas used and accounted for in pipeline operations, and Plant Volume Reduction, each of the foregoing being adjusted to such degree as is practicable for variations in gas volume due to transport of Liquids.

**Valid Date** shall mean the date a request for service under this Tariff shall be valid, which shall be the date of the receipt of the request provided that the service requested conforms to the terms of this Tariff, the data provided is complete and adequately substantiated and capacity is available to meet the request.

**West Area** shall mean that portion of the Pipeline System utilized for the transportation of gas to onshore points near Erath, Louisiana.

**Year** shall mean a period of three hundred sixty-five (365) consecutive days commencing and ending at 9:00 a.m. provided that any such Year which contains the date of February 29 shall consist of three hundred sixty-six (366) consecutive days.

## GENERAL TERMS AND CONDITIONS

### 2. REQUESTS FOR SERVICE

- 2.1 Persons desiring transportation service must deliver a written, properly executed request for service to Sea Robin at the following address:

Sea Robin Pipeline Company, LLC  
Attn: Customer Services  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-4272 or  
1-800-275-7375  
Fax: (713) 989-1178

### 2.2 Information Required

The specific information required from a party requesting service (Shipper) for a valid request for transportation service, whether by using unsubscribed capacity, capacity released pursuant to Section 9 herein, or interruptible capacity, shall include in writing the information specified in Sea Robin's current new service request form, as such may be revised from time to time.

### 2.3 Valid Request

- (a) A request for service shall be valid as of the date of receipt of the request (Valid Date), if adequate information with respect to all of the items specified in Section 4 of Rate Schedule FTS-2 and Sections 2.2 and 26 herein have been provided to Sea Robin; provided, however, that a request shall not be valid if Sea Robin informs Shipper that the service requested does not conform to the terms of this Tariff, that the data provided is incomplete or not adequately substantiated or that firm capacity is not available to meet the request in whole or in part. Sea Robin shall date and time stamp all transportation requests as they are received. Sea Robin may waive any requirement of this Section 2 if, in its reasonable judgment and on a non-discriminatory basis, it deems the information unnecessary in a specific case and may request additional information in a specific case if necessary, in Sea Robin's reasonable judgment, to substantiate the data provided.
- (b) To be a valid request, the service requested under Rate Schedule FTS-2 must commence within twelve (12) months of the Valid Date, except where the service requires the construction of facilities to provide the service and/or receipt of regulatory approvals from the FERC or other regulatory agency; provided, however, Sea Robin shall not be required to make available firm capacity to Shipper until the requested commence date.

- (c) Sea Robin shall notify a Shipper whose request for service under Rate Schedule FTS or ITS is rejected because of failure to submit or substantiate all data specified by Sections 2.2 and 26 herein or whose request fails to comply with any other terms of this Tariff within two (2) business days after receipt of Shipper's request and shall state the reasons therefore. Sea Robin shall also promptly notify Shipper if it cannot satisfy an otherwise valid request due to lack of capacity.
- 2.4 Within two (2) Business Days of Sea Robin's decision to accept a request for service under Rate Schedule FTS or ITS, Sea Robin shall notify Shipper that its request for service is accepted and shall tender a Service Agreement to Shipper for execution.
- 2.5 For a request for service under Rate Schedule FTS-2, Sea Robin may take up to thirty (30) days after receipt of all information to be provided by Shipper, including, but not limited to, the production profile and technical data contained in Section 4.1 of Rate Schedule FTS-2, or up to thirty (30) days after conclusion of an open season described in Section 10.5 herein, assuming all the necessary information has been received, to evaluate Shipper's request. Within five (5) Business Days of Sea Robin's decision to accept a request for service, Sea Robin shall notify Shipper that its request for service is accepted and shall tender an FTS-2 Agreement and a Reserve Commitment Agreement to Shipper for execution. No service under Rate Schedule FTS-2 shall be implemented until both the FTS-2 Agreement and Reserve Commitment Agreement have been executed and returned to Sea Robin. Once the FTS-2 Agreement and Reserve Commitment Agreement have been executed, service must commence within thirty (30) days of Shipper's requested commence date or the FTS-2 Agreement will automatically terminate, unless the facilities or drilling activities required to commence service have not been completed in which case the commence date may be extended as provided below upon written request to Sea Robin. If such extension is necessary, Sea Robin shall have the right to make generally available Shipper's capacity during the interim period until the first of the Month after the facilities are complete and gas is ready to flow. Shipper will make every effort to request a timely commence date that coincides with the completion date of any facilities required to render service hereunder and to inform Sea Robin as soon as possible of any changes in Shipper's construction or drilling schedule that might change the commence date before an extension is necessary. In any event, the FTS-2 Agreement will automatically terminate six (6) months after any extension of the commence date unless Shipper agrees to pay the reservation charge set forth above in Section 3.1(b) of Rate Schedule FTS-2 for any months after the six (6) month extension and before the first full Month of service.
- 2.6 For the term of service and MDQs so accepted, such service shall be unaffected by and shall have priority over subsequent service to the extent provided in Section 3 hereof without regard to the date of commencement specified in such request for service. If Shipper fails to execute and tender to Sea Robin the Service Agreement and Reserve Commitment Agreement, if applicable, within thirty (30) days of the date tendered by Sea Robin, Shipper's transportation request shall lose the priority which it otherwise would have been accorded. Sea Robin will nonetheless maintain Shipper's inactive transportation request in



its files. Shipper may reactivate said transportation request which has lost its initial priority by notifying Sea Robin and Sea Robin shall assign said transportation request a new priority in the Transportation Log as of the date and time Sea Robin receives such notification from Shipper.

- 2.7 If Sea Robin cannot satisfy a request due to insufficient capacity, such request shall remain valid until the following May 31 (or May 31 one year thereafter if the request is submitted between April 1 and May 31) after the date Sea Robin notifies Shipper of insufficient capacity. Shipper may renew its request for transportation service for additional one year periods by giving Sea Robin written notice to renew such requests by May 31 and each consecutive May 31 thereafter. If Shipper does not renew its request by May 31 and capacity is not awarded to Shipper by the end of such period, Shipper's request will become null and void.
- 2.8 In the event Sea Robin determines that firm capacity is currently unavailable, Sea Robin will provide Shipper, within 10 days of receipt of a valid request, with a statement that firm capacity is currently unavailable and a listing of all Shippers who currently hold firm capacity on Sea Robin's Pipeline System. Offers to purchase capacity under FTS Agreements on permanent or temporary basis will be posted by Sea Robin on Messenger® in accordance with Section 9.10 of the General Terms and Conditions.
- 2.9 Any Shipper which has entered into a Service Agreement with Sea Robin for a term of less than one year and at Sea Robin's maximum rate shall be permitted to reactivate that Service Agreement following its expiration without complying with the provisions of this Section 2. Such reactivated Service Agreement shall be for a term not less than thirty (30) days or more than the term specified in the original Service Agreement and at the same rates and Point(s) of Receipt and Delivery contained in that Service Agreement. Such reactivation shall be subject to the following conditions: (i) that the Shipper has elected to have Sea Robin hold its prepayment under the original Service Agreement; (ii) that firm capacity is still available at the Point(s) of Receipt and Delivery originally specified in that Service Agreement and; (iii) that the term of the original Service Agreement expired not more than six (6) months prior to Shipper's request for reactivation of said Service Agreement. Subject to the foregoing, Shipper may request the reactivation of the original Service Agreement by notifying Sea Robin in writing of its desire to have the Service Agreement reactivated and stating the term for which service is desired, not to exceed the term specified in the original Service Agreement.
- 2.10 Credit Information
- Prior to execution of a Service Agreement and as a condition for continuation of service, Shipper must satisfy the creditworthiness requirements set forth in Section 26 of these General Terms and Conditions.
- 2.11 Any potential Shipper that has a complaint against Sea Robin with regard to transportation service may file a complaint with Sea Robin. Potential Shippers are all current

transportation customers of Sea Robin, and all persons who have pending requests for transportation service or for information regarding transportation service on Sea Robin. The procedures for filing and resolving complaints will be in accordance with the following:

- (a) All complaints of potential Shippers should be directed in writing to Sea Robin Pipeline Company, LLC, Attention: Customer Services, P.O. Box 4967, Houston, Texas 77210-4967, Telephone: (713) 627-4272 or 1-800-275-7375. Each complaint should clearly identify the specific activity or lack of activity that Sea Robin has undertaken which gave rise to the complaint.
- (b) Sea Robin will maintain a record of all complaints received by Customer Services for a period of three years.
- (c) Customer Services will be responsible for notifying the appropriate departments that will investigate each complaint.
- (d) Sea Robin will respond to each complaint within 30 days of the date of receipt. An initial response will be provided within 48 hours of receipt of the complaint to acknowledge that the complaint was received, estimate a date for final response, and state whether additional information is needed from the complainant.
- (e) Upon the completion of the investigation for each complaint, Sea Robin will provide complainant a written response. If Sea Robin determines that corrective action is appropriate, it will propose such action to complainant to settle the complaint. Otherwise, Sea Robin will set forth those facts that demonstrated that the complaint is unfounded.

## GENERAL TERMS AND CONDITIONS

### 3. CONDITIONS OF RECEIPT AND DELIVERY

#### 3.1 Point(s) of Receipt

- (a) The location of Point(s) of Receipt available for transportation service under this Tariff shall be at the inlet side of Sea Robin's measurement facilities; or such other point as may be mutually agreed upon between Sea Robin and Shipper.

Unless otherwise specified in the Service Agreement, Sea Robin shall own, operate and maintain all pipeline and measurement facilities necessary to receive and measure gas hereunder.

- (b) For each primary Point of Receipt listed on Exhibit A to the FTS or FTS-2 Service Agreement, Sea Robin and Shipper shall specify on said Exhibit A the MDQ to be delivered for transportation at said point. For service performed under the FTS or FTS-2 Rate Schedule, the sum of the MDQs specified on the Exhibit A to the Service Agreement shall not exceed the total MDQ specified in the Service Agreement. Additionally, Shippers with an FTS or FTS-2 Service Agreement shall also have the right to utilize as secondary Point(s) of Receipt all active Point(s) of Receipt at which interruptible capacity is available, as designated in the Service Agreement and posted by Sea Robin on Messenger®. Sea Robin shall maintain a Master Receipt Point List of all Points of Receipt in the East Area and a Master Receipt Point List for all Points of Receipt in the West Area which shall be posted by Sea Robin on the Messenger® system. Shippers with an ITS Service Agreement may designate in the ITS Agreement specific Points of Receipt or all Points of Receipt on Sea Robin's Master Receipt Point List for the East Area or West Area, as applicable. For each secondary Point of Receipt and Point(s) of Receipt to the ITS Agreement, the MDQ at said point shall be considered to be the lesser of (i) the total MDQ specified in the Service Agreement, or scheduled quantity, as applicable or (ii) the maximum quantity of gas Sea Robin is capable of receiving at said point as determined by Sea Robin from time to time.
- (c) For service performed under the FTS or FTS-2 Rate Schedule, Sea Robin and Shipper may add or delete points to Exhibit A to the Service Agreement or change the MDQ for any Point of Receipt on Exhibit A by executing a revised Exhibit A to the Service Agreement provided, however, that any such change to an Exhibit A must include corresponding changes to the existing MDQs such that the sum of the changed MDQs shall not exceed the total MDQ specified in the Service Agreement and provided further that any such change shall be subject to the availability of capacity at the requested point(s).

- (d) Any addition or deletion to the Master Receipt Point List for the East Area or the West Area shall automatically be incorporated into Service Agreements that specify the applicable Master Receipt Point List on Exhibit A.

### 3.2 Delivery of Transportation Gas

- (a) Commencing on the date of first acceptance by Sea Robin of Natural Gas delivered by Shipper or for Shipper's account at the Point(s) of Receipt pursuant to the Service Agreement, and continuing thereafter during the term of the Service Agreement, Sea Robin shall deliver or cause to be delivered Equivalent Volumes to Shipper, or to a mutually agreeable third party for Shipper's account, at the Point(s) of Delivery described in Exhibit A of the Service Agreement.
- (b) Operation and maintenance of measurement and pipeline facilities at the Point(s) of Delivery, and the location of such Point(s) of Delivery are described in Exhibit A of the Service Agreement. Unless otherwise specified on Exhibit A to the Service Agreement, Sea Robin shall own, operate, and maintain all pipeline and measurement facilities necessary to deliver and measure the gas.
- (c) For each primary Point of Delivery, Sea Robin and Shipper shall specify on Exhibit A to the FTS or FTS-2 Service Agreement the MDQ to be delivered to or for the account of Shipper at said point. For service performed under the FTS or FTS-2 Rate Schedule, the sum of the MDQs specified on the Exhibit A to the Service Agreement shall not exceed the total MDQ specified in the Service Agreement. Shippers with an FTS or FTS-2 Service Agreement also have the right to utilize as a secondary Point of Delivery all active Points of Delivery at which interruptible capacity is available, as designated in the Service Agreement and posted by Sea Robin on Messenger®. These secondary Point(s) of Delivery shall have the priority specified in Rate Schedule FTS or FTS-2. Sea Robin shall maintain on Messenger® a Master Delivery Point List of all Points of Delivery in the East Area and a Master Delivery Point List of all Points of delivery in the West Area. Shipper and Sea Robin may agree to designate in the ITS Agreement specific Points of Delivery or all Points of Delivery on Sea Robin's Master Delivery Point List for the East Area or the West Area, as applicable. For each secondary Point of Delivery and Points of Delivery to the ITS Agreement, the MDQ at said point shall be considered to be the lesser of (i) the total MDQ specified in the Service Agreement, or scheduled quantity, as applicable or (ii) the maximum quantity of gas Sea Robin is capable of delivering at said point as determined by Sea Robin from time to time.

For service performed under the FTS or FTS-2 Rate Schedule, Sea Robin and Shipper may add or delete points to Exhibit A to the Service Agreement or change the MDQ for any Point of Delivery on Exhibit A by executing a revised Exhibit A to the Service Agreement, provided, however, that any such change to an Exhibit A must include corresponding changes to the existing MDQs such that the sum of the changed MDQs shall not exceed the total MDQ specified in the Service Agreement and

provided further that any such change shall be subject to the availability of capacity at the requested points.

Any addition or deletion to the Master Delivery Point List for the East Area or the West Area, as applicable, shall automatically be incorporated into the Service Agreements that specify the applicable Master Delivery Point List on Exhibit A.

- (d) It is understood that gas delivered to Shipper, or for Shipper's account, at the Point(s) of Delivery may be delivered in a commingled stream and Sea Robin shall have the right to allocate that portion of the commingled stream to Shipper, or for its account, attributable to the transportation service provided under the Service Agreement. Due to the commingled stream, Shipper shall be responsible for separation, treating, dehydration and/or processing of its Pro Rata Share of volumes prior to delivery by Sea Robin at the Point(s) of Delivery so that volumes transported can meet the quality specifications at downstream Points of Delivery.

- 3.3 The maximum volume deliverable by Shipper to Sea Robin at the Point(s) of Receipt and by Sea Robin to Shipper at the Point(s) of Delivery under the Service Agreement shall never exceed the total daily volume Shipper or its designee is able and willing to receive at the Sea Robin Point(s) of Delivery.
- 3.4 Sea Robin shall not be obligated to cause third parties to transport gas for Shipper's account. Sea Robin shall not be liable to Shipper and Shipper shall indemnify Sea Robin against liability to any other person, if such third party fails to perform such transportation in a satisfactory manner.
- 3.5 Upon request of Sea Robin, Shipper shall from time to time submit estimates of the daily, monthly, and annual quantities of gas to be transported under its Service Agreement, including peak Day requirements, together with the estimated amounts thereof applicable to each Point of Delivery and each Point of Receipt and such other operating data as Sea Robin may require, including Shipper's arrangements for separation, treating, dehydration and/or processing, in order to plan its operations, to meet its system requirements, and to render adequate service to its customers. Shipper shall also keep Sea Robin informed of its nominations of gas to be delivered or redelivered at each Point of Receipt and Delivery and other operating information as provided in Section 4 of the General Terms and Conditions.
- 3.6 It shall be Shipper's responsibility to cause gas as scheduled to be delivered to Sea Robin at the Point(s) of Receipt in accordance with the information supplied to Sea Robin and Shipper shall indemnify and hold Sea Robin harmless from and against any and all claims, losses and causes of action arising out of, resulting from or caused by Shipper's failure to cause gas to be delivered in accordance with the information provided to Sea Robin. Shipper shall inform Sea Robin as soon as possible of any discrepancy between such information and actual deliveries to Sea Robin.

- 3.7 Shipper shall make all necessary arrangements with other parties at or upstream of the Point(s) of Receipt where it tenders gas to Sea Robin for transportation, and such arrangements shall otherwise meet the terms and conditions of the applicable Rate Schedule. Such arrangements shall be coordinated with Sea Robin.
- 3.8 Sea Robin shall not be required to provide balancing services, to place gas into or to withdraw gas from storage in order to provide service.
- 3.9 Sea Robin shall not be required to perform service unless all facilities necessary to render the requested service exist and are in good operating condition.
- 3.10 For each individual Point of Receipt and Delivery, Sea Robin's maximum obligation to accept and deliver gas shall be the MDQ specified in the Service Agreement.
- 3.11 Sea Robin shall not be required to perform service on behalf of any Shipper that fails to comply with any and all of the terms of the applicable Rate Schedule and with the terms and conditions of the Service Agreement.
- 3.12 Shipper shall deliver gas or cause gas to be delivered to Sea Robin at the Point(s) of Receipt at a pressure sufficient to allow the gas to enter Sea Robin's pipeline as such pressure shall vary from time to time, but not in excess of Sea Robin's maximum allowable operating pressure.
- Sea Robin shall not be required to compress into its pipeline gas transported under any of its Rate Schedules, lower its system operating pressure, alter the direction of gas flow, the gas load, or other operation or utilization of its facilities or otherwise change its normal pipeline operations in order to receive, transport or deliver gas hereunder. At each Point of Receipt, Shipper shall provide, or cause to be provided, equipment acceptable to Sea Robin which will prevent overpressuring Sea Robin's pipeline.
- 3.13 Sea Robin shall deliver gas at each Point of Delivery to or for the account of Shipper at the pressure which shall be available from time to time in Sea Robin's pipeline after required measurement, flow control and/or regulation.
- 3.14 Shipper must provide Sea Robin with all information required for Sea Robin to comply with the Commission's reporting regulations.

## GENERAL TERMS AND CONDITIONS

### 4. NOMINATIONS, SCHEDULING AND ALLOCATIONS

#### 4.1 Nomination Procedures and Deadlines

##### (a) Deadlines

For each day on which service is desired under Sea Robin's Rate Schedule FTS or Rate Schedule ITS, Shipper shall nominate within MDQ the daily quantity of gas expressed in Dth that it has available for transportation at each Point of Receipt and the quantity of gas it desires to have delivered at each Point of Delivery pursuant to the provisions of this Section 4.

Sea Robin shall support the following standard nomination cycle (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

##### (1) The Timely Nomination Cycle

On the Day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Shipper;
- 1:15 p.m. Nominations are received by Sea Robin (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Sea Robin sends the quick response to the Shipper;
- 4:30 p.m. Sea Robin receives completed confirmations from confirming parties;
- 5:00 p.m. Shipper and point operator receive scheduled quantities from Sea Robin.

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

##### (2) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the Shipper;
- 6:15 p.m. Nominations are received by Sea Robin (including from TTTSPs);
- 6:30 p.m. Sea Robin sends the quick response to the Shipper;
- 8:30 p.m. Sea Robin receives completed confirmations from confirming parties;
- 9:00 p.m. Sea Robin provides scheduled quantities to the affected Shippers and point operator, including bumped parties (notice to bumped parties).

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

(3) The Intraday 1 Nomination Cycle  
On the current Gas Day:

- 10:00 a.m. Nominations leave control of the Shipper;
- 10:15 a.m. Nominations are received by Sea Robin (including from TTTSPs);
- 10:30 a.m. Sea Robin sends the quick response to the Shipper;
- 12:30 p.m. Sea Robin receives completed confirmations from confirming parties;
- 1:00 p.m. Sea Robin provides scheduled quantities to the affected Shipper and point operator, including bumped parties (notice to bumped parties).

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

(4) The Intraday 2 Nomination Cycle  
On the current Gas Day:

- 2:30 p.m. Nominations leave control of the Shipper;
- 2:45 p.m. Nominations are received by Sea Robin (including from TTTSPs);
- 3:00 p.m. Sea Robin sends the quick response to the Shipper;
- 5:00 p.m. Sea Robin receives completed confirmations from confirming parties;
- 5:30 p.m. Sea Robin provides scheduled quantities to the affected Shipper and point operator, including bumped parties (notice to bumped parties).

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

(5) The Intraday 3 Nomination Cycle  
On the current Gas Day:

- 7:00 p.m. Nominations leave control of the Shipper;
- 7:15 p.m. Nominations are received by Sea Robin (including from TTTSPs);
- 7:30 p.m. Sea Robin sends the quick response to the Shipper;
- 9:30 p.m. Sea Robin receives completed confirmations from confirming parties;



- 10:00 p.m. Sea Robin provides scheduled quantities to the affected Shipper and point operator.

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

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

Nominations shall be submitted through Messenger<sup>®</sup> or via Electronic Data Interchange (EDI) methods pursuant to the applicable NAESB Standards, provided that Shipper has entered into a Messenger<sup>®</sup> Agreement with Sea Robin for such EDI transactions. It is also provided, however, that Sea Robin will accept nominations by fax machine on days when Sea Robin's business offices are open.

With the exception of the above referenced nomination deadlines, for any nomination document received from a party requesting service by the conclusion of a given quarter hour period, defined to begin on the hour and at 15, 30 and 45 minutes past the hour, Sea Robin will send a quick response to the Shipper's designated site by the conclusion of the subsequent quarter hour period. A given quarter hour will contain all transactions which receipt time is less than the beginning of the subsequent quarter hour.

(b) Fuel Reimbursement

The monthly Fuel Reimbursement shall be the product of the actual quantity of gas received, or applicable portion thereof, during the Month and the applicable Fuel Reimbursement percentage for service, as set forth in the Currently Effective Rates for Rate Schedules FTS, FTS-2 and ITS. Any changes in the Fuel Reimbursement will be made effective only at the beginning of a Month. Sea Robin shall not reject a nomination for reasons of rounding differences due to fuel calculations of less than 5 Dth. Shipper shall be required to nominate at each Point of Receipt a quantity of gas in excess of its MDQ sufficient to cover volumes deducted for Fuel Reimbursement. The transportation priority for fuel should be the same as the level of service as the transaction to which it applies.

(c) Late Nominations

Sea Robin may accept, in a nondiscriminatory manner for all similarly situated shippers, late nominations submitted by Shipper which do not comply with the deadlines set forth in this Section 4.1, or the deadline for intraday nominations set forth in Section 4.3, if, in Sea Robin's reasonable judgment, the acceptance of such

nomination will not adversely affect the timely processing by Sea Robin of all other shippers' nominations which do comply hereunder. For any late nominations not accepted by Sea Robin, Sea Robin shall determine the applicable nomination processing cycle based upon the receipt time and beginning effective date of the nomination.

(d) Begin and End Dates

All parties should support a seven-days-a-week, twenty-four-hours-a-day nominations process. It is recognized that the success of seven-days-a-week, twenty-four-hours-a-day nominations process is dependent on the availability of affected parties' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites but should be available by telephone or other electronic means.

All nominations should include Shipper defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, Shippers should have the ability to nominate for several Days, Months, or Years, provided the nomination begin and end dates are within the term of Shipper's contract.

All nominations should be considered original nominations and should be replaced to be changed.

When a nomination for a date range is received, each Day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

4.2 Changes in Nominations

Upon Shipper's insuring that deliveries of the gas purchased by Shipper will be terminated, Shipper may terminate the transportation of gas on any Day of transportation upon four (4) hours' prior notice to Sea Robin. Sea Robin and Shipper may establish uniform nominations of (i) daily quantities of gas to be transported, (ii) daily quantities of gas to be made available for Shipper's account at each Point of Receipt, and (iii) daily quantities of gas to be delivered by Sea Robin for Shipper's account at each Point of Delivery, in which instance Shipper shall not be required to nominate on a daily basis until further notice of a change in such quantities. That notice shall be given in accordance with Section 4.1.

Intraday nominations may be used to nominate new supply or market. All provisions of Sections 4.1 and 4.2 shall apply to intraday nominations; provided, however, intraday nominations shall span one Day only and will not rollover or replace the remainder of a

standing nomination. For services that provide for intraday nominations and scheduling, there is no limitation as to the number of intraday nominations which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

#### 4.3 Uniform Deliveries

Shipper shall deliver or cause to be delivered to Sea Robin such daily quantities as nearly as possible at uniform hourly rates. Departures from daily quantity which Shipper notifies Sea Robin it intends to deliver to Sea Robin under the Service Agreement shall be kept to the minimum permitted by operating conditions.

#### 4.4 Make-up Nominations

When making its nominations, Shipper shall specify by Service Agreement which portion of the quantities to be transported by Sea Robin is attributable to current transportation and which portion of the quantities is attributable to make-up of previous imbalances (either positive or negative). As between quantities of gas received by Sea Robin for current transportation and gas received or delivered by Sea Robin as make-up of prior imbalances, the gas received or delivered as current transportation gas shall be deemed to be received or delivered prior to any make-up gas.

#### 4.5 Scheduled Nominations

After receiving notice of the next-day nominations requested by Shipper in accordance with this Section 4, Sea Robin shall advise Shipper and the point operator of the quantities of gas for current transportation and the quantities of gas for make-up of previous imbalances it has scheduled and will accept at the Point(s) of Receipt and transport to the Point(s) of Delivery by 4:30 p.m. for the 11:30 a.m. nomination cycle and by 10:00 p.m. for the evening nomination cycle. Quantities of gas nominated at a secondary Point of Receipt that is located outside the Primary Path or a secondary Point of Delivery that is located outside the Primary Path on an FTS Agreement or FTS-2 Agreement shall each be scheduled, to the extent capacity is available, on a pro rata basis. In addition to making scheduled quantities information available by the time set forth above, Sea Robin shall also make available to shippers information containing scheduled quantities, including scheduled intraday nominations at the times set forth in Section 4.2 above, and any other scheduling changes. At the end of each gas Day, Sea Robin shall provide to Shippers the final scheduled quantities for the just completed gas Day. With respect to Shippers using EDI, Sea Robin shall send by EDI an end of the Day Scheduled Quantity document. Any Shipper may waive the delivery of such end of the Day Scheduled Quantity document.

Shipper may, at its sole election, use a package ID on its nomination form to differentiate between discrete business transactions. Use of the Package ID is at the discretion of the party requesting service. Sea Robin will accept and process any Package ID used by Shipper. When used, Package ID will be a) supported for nominating and scheduling; b)

mutually agreed between the applicable parties for allocations and imbalance reporting; c) supported for invoicing (sales and purchase); and d) mutually agreed for transport invoicing. Sea Robin shall only be responsible for confirming total nominations and supporting the use of the package ID by Shipper; but Sea Robin shall not be responsible for verifying each discrete package of gas delineated through a package ID.

After receiving notice of the intraday nomination changes requested by Shipper in accordance with this Section 4, Sea Robin shall advise Shipper of the quantity of gas for current transportation and the quantities of gas for make-up that it is able to schedule on an intraday basis prior to the effective time for such change.

#### 4.6 Priority of Service

Firm transportation services of Sea Robin under Rate Schedule FTS and FTS-2 shall have priority over all of Sea Robin's interruptible transportation services in accordance with Section 2.6 of Rate Schedule FTS and Sections 2.2 and 2.3 of Rate Schedule FTS-2. Service may be limited as necessary on any one or more segments of Sea Robin's Pipeline System on a pro rata basis with respect to all priorities of service under Rate Schedules FTS and FTS-2, due to capacity constraints on Sea Robin's Pipeline System.

Quantities of gas nominated at Points of Receipt and Delivery under an ITS Agreement shall be scheduled, to the extent capacity is available, in descending sequence by rate starting with the Maximum Rate; provided however that a shipper cannot increase its existing flowing quantities under an ITS Agreement if such increase would cause the reduction of existing quantities flowing on Sea Robin's Pipeline System. Sea Robin shall notify ITS Shippers of any interruption in service caused by an intraday nomination of an FTS Shipper or FTS-2 Shipper prior to such interruption being effective. If the reason for the interruption is the scheduling of an intraday nomination for an FTS Shipper or FTS-2 Shipper, Sea Robin will use its best efforts based on current system operations to minimize the level of interruptions.

Interruptible Parking service under Rate Schedule GPS shall be scheduled after all other services offered by Sea Robin are scheduled and to the extent permitted by Sea Robin's system. The quantities nominated to a Parking point under a GPS Agreement shall be scheduled in sequence starting with the highest daily Parking rate. In the event of a tie, quantities shall be scheduled on a pro rata basis.

#### 4.7 Confirmation

##### (a) Confirmation Process

Sea Robin shall be entitled to rely conclusively on Shipper's nomination of the quantities to be delivered at the Sea Robin Point(s) of Receipt and Delivery as authorized for purchase from its seller(s) and for transportation by all upstream and downstream transporters. Shipper shall not nominate for transportation in excess of: (i) the volumes to be purchased/sold by Shipper, (ii) the volumes third-party transporter(s) have agreed to accept for transportation for delivery to Sea Robin or (iii) the volumes third-party transporter(s) have agreed to accept for delivery by Sea Robin, whichever is less. Shipper shall be responsible for all dispatching notices to its seller(s) or end-user(s) and third-party transporter(s), for notifying seller(s) and third-party transporter(s) of any changes in nominations, and for insuring that seller(s) or end-user(s) and third-party transporter(s) comply with such changes. Prior to accepting any nominations by Shipper, Sea Robin may require confirmation by a Confirming Party at each Point of Receipt and Point of Delivery by 3:30 p.m. for the 11:30 a.m. nomination cycle and by 9:00 p.m. for the evening nomination cycle (Confirmation Request). A Confirmation Requester is a Service Provider, including a Point Operator, which is seeking to confirm a quantity of gas via the information outlined in NAESB Standard 1.4.3 with another Service Provider (Confirming Party) with respect to a nomination at a location. A Confirming Party is a Service Provider, including a Point Operator, which provides a confirmation for a quantity of gas via the information outlined in NAESB Standard 1.4.4 to a Confirmation Requester with respect to a nomination at a location. Confirming Parties refers to a Confirmation Requester and the Confirming Party. The receiver of a nomination initiates the confirmation process. The party that would receive a Confirmation Request or an unsolicited Confirmation Response may waive the obligation of the sender to send. Confirming Parties may agree that one party deems all requests at a location are confirmed by the other party (Confirmation By Exception) without a response communication from that party. The Confirmation By Exception party can take exception to any Confirmation Request by so informing the Confirmation Requester within a mutually agreed upon time frame. Absent mutual agreement between the Confirming Parties, the explicit confirmation process is the default methodology. The explicit confirmation process requires that the Confirming Party respond to a Confirmation Request or initiate an unsolicited Confirmation Response. Under the explicit confirmation process, if the Confirming Parties do not agree upon a nomination quantity, then the lesser of the confirmation quantities should be the confirmed quantity; provided that for decreases during the intraday nomination/confirmation process, the confirmed quantity shall not be less than the elapsed-prorated-scheduled quantity.

When a Confirmation Requester receives a Confirmation Response document from a Confirming Party by the conclusion of a given quarter hour period, the Confirmation Requester will send to the Confirming Party's designated site a corresponding Confirmation Response Quick Response document by the conclusion of the subsequent quarter hour period. A given quarter hour will contain all transactions which receipt time is less than the beginning of the subsequent quarter hour.

(b) Confirmation Failures

In the event a Confirmation by Exception or other agreement is not in place between Confirming Parties and Sea Robin is unable to obtain a response to a Request for Confirmation or an unsolicited Confirmation Response, then the following confirmation procedures shall apply:

- (i) With respect to the timely nomination/confirmation process, the lesser of the confirmation quantity or the previously scheduled quantity shall be the new confirmed quantity; or
- (ii) With respect to timely requests for increases during the intraday nomination/confirmation process, the previously scheduled quantity shall be the new confirmed quantity; or
- (iii) With respect to timely requests for decreases during the intraday nomination/confirmation process, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity shall be the new confirmed quantity; and
- (iv) Sea Robin shall provide the service requester with an explanation why the nomination failed.

4.8 Predetermined Priorities

On its nomination form, Shipper or the service requester may provide a predetermined priority for all of the Points of Delivery and Points of Receipt and associated volumes nominated under its Service Agreement to be used by Sea Robin to limit the deliveries under the Service Agreement in the event of an interruption or reduction in Shipper's receipts of gas under said Service Agreement. If Shipper or the service requester does not elect to give to Sea Robin such predetermined priority, then Shipper's nominations shall be scheduled in aggregate at the Points of Receipt and Points of Delivery on a pro rata basis.

4.9 Predetermined Allocations at Points of Receipt

(a) PDA Requirement

In the event gas other than the gas transported for Shipper is measured by the meter at each Point of Receipt, Shipper agrees to provide, or cause to be provided, to Sea Robin as set forth herein a PDA from the operator of the facilities immediately upstream of the Point of Receipt and/or third-party transporter(s)/operator(s) for Points of Receipt interconnecting with third-party transporter(s) setting forth any information reasonably deemed necessary by Sea Robin, including but not limited to the information described herein, for the purpose of determining the quantity of gas to be received by Sea Robin for the account of Shipper at each Point of Receipt for the following day(s) of transportation for which Shipper has made its nomination(s).

(b) PDA Methods

The PDA statements provided for each Point of Receipt shall include:

- (1) an allocation by the party operating the facilities immediately upstream of Sea Robin's Point of Receipt which allocates each working interest owner's gas to be delivered at the Point of Receipt on each following Day of transportation service based on one of the following methods:
  - (A) Percentage PDA; or
  - (B) Pro Rata PDA; or
  - (C) Ranked PDA; or
  - (D) Swing PDA; or
  - (E) Operator Provided Value PDA.
  
- (2) a ranking by each working interest owner of the various Service Agreements supplied by said owner's share of gas production at the Point of Receipt for each following Day of transportation service. The working interest owner shall rank the Service Agreements to receive its gas supplies based on one of the following methods:
  - (A) Pro Rata PDA, or
  - (B) Ranked PDA, or
  - (C) Percentage PDA, or
  - (D) Swing PDA, or
  - (E) Operator Provided Value PDA.

Rankings shall include the contract number assigned by Sea Robin to each Service Agreement and the name of the Shipper thereunder. In the event the gas received

by Sea Robin at a Point of Receipt is from more than one production source, the operator of the facilities immediately upstream of the Point of Receipt shall provide an allocation of the gas it will deliver to the Point of Receipt from each production source pursuant to one of the methods under Section 4.9(b) (1) (A-E) above. The operators of each production source and the working interest owners of each production source shall provide the operator of the facilities immediately upstream of the Point of Receipt allocations of their gas pursuant to Section 4.9(b)(1) and Section 4.9(b)(2) above, respectively. The PDA shall be provided by each party under this Section for each line item nomination provided by Sea Robin for confirmation. Sea Robin shall then use the predetermined priority provided by Shipper in its nomination for applying the PDA to the Package ID level within the line item nomination level.

(c) Pipeline Interconnects

The predetermined allocation statement for Point(s) of Receipt interconnecting with third-party transporters shall be provided by the third-party transporter and shall rank the various Service Agreements to be supplied at the Point of Receipt in accordance with one of the methodologies enumerated in Section 4.9(b)(1) above, or as provided below, which are the NAESB-approved allocation methodology types. In the event there is a conflict between the foregoing methodologies and the third-party transporter's provision in its FERC Gas Tariff governing the allocation of deliveries, said third-party transporter and Sea Robin shall mutually agree on the predetermined allocation methodology to be used. In such event, the interconnecting parties shall agree on who submits a predetermined allocation methodology and who allocates at the point before gas flows. The ranking shall include the contract number assigned by Sea Robin to each Service Agreement and the name of the Shipper thereunder.

An Operational Balancing Agreement (OBA) is a contract between two parties which specifies the procedures to manage operating variances at an interconnect. Except as required under Section 284.12(b)(2)(i) of the Commission's regulations, Sea Robin shall have no obligation to negotiate and execute an OBA with any party. In the event Sea Robin and the interconnecting pipeline at a Point of Receipt have executed an OBA in the form set forth in Section 23.5 of these General Terms and Conditions, or such other form as the parties mutually agree, the allocation of any daily variances between scheduled nominations and metered flow at such interconnection point shall be resolved by Sea Robin and interconnecting pipeline operator under the terms of the OBA in lieu of the allocation procedures set forth in Section 4.9(b) above.

(d) PDA Deadlines and Default PDA

Each predetermined allocation statement and revision thereto or change in ranking methodology, must be transmitted to Sea Robin by facsimile machine or through



Messenger® after or during confirmation of that Day's nominations and before start of the gas Day; provided that any revisions to the predetermined allocation statement may be made by the confirming party during the confirmation period on the Day of flow for intraday nomination changes. If there are no additions in nominations by a Shipper at a Point of Receipt or other changes, the current predetermined allocation statement will stay in effect as submitted until it is changed pursuant to the foregoing procedures. A new allocation detail may be needed when a nomination changes.

In the event Shipper tenders a nomination at a Point of Receipt (or from a seller) currently not providing supplies to Shipper, then Shipper must provide, or cause to be provided, as set forth above, a revised predetermined allocation statement at the Point of Receipt which recognizes Shipper's nomination. In the event Sea Robin does not receive a predetermined allocation statement, or revised predetermined allocation statement, for a Point of Receipt in a timely manner or if the operator and Sea Robin cannot agree upon an allocation methodology, Sea Robin shall allocate gas supplies at that Point of Receipt on a pro rata basis based upon confirmed nominations until Sea Robin receives a predetermined allocation statement pursuant to the above procedures which revises the pro rata allocation on a prospective basis.

- (e) Shipper hereby agrees that Sea Robin shall have the right to rely conclusively on the foregoing predetermined allocation statements provided to it for the purposes of determining the daily quantities of gas received by Sea Robin for the account of Shipper at each Point of Receipt. Sea Robin shall not be required to accept any revision to a predetermined allocation statement which is submitted for a Day of transportation service after transportation has commenced that Day or which is submitted between the close of the nomination confirmation period and the commencement of transportation on the following Day.
- (f) If Shipper disputes any of the allocations of gas made to its Service Agreements with Sea Robin under this Section 4.9, Shipper must notify Sea Robin of such dispute, with supporting documentation, no later than six (6) Months following the Month of service being disputed. Sea Robin shall have three (3) Months within which to resolve or rebut the dispute. These time limits do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision.
- (g) The NAESB timelines applicable to standard NAESB predetermined allocation methodologies shall apply to any additional predetermined allocation methodologies offered by Sea Robin pursuant to the provisions of this Section 4.9.

#### 4.10 Predetermined Allocations at Points of Delivery

##### (a) Use of PDAs

On a daily basis at each Point of Delivery, Sea Robin shall allocate any variances between scheduled nominations and the quantities of gas metered at the point among the quantities of gas scheduled at the point for the account of its Shippers based on the Pro Rata PDA method unless another PDA method is provided by the party that owns or operates the downstream facilities interconnecting with Sea Robin's facilities at each Point of Delivery (downstream operator). The alternate PDA methodologies from which the downstream operator may choose include the Swing PDA, a Ranked PDA, a Percentage PDA, or Operator Provided Value PDA. A new allocation detail may be needed when a nomination changes. Shipper agrees that Sea Robin shall have the right to rely conclusively on the PDA provided pursuant to this Section 4.10 for the purpose of determining the daily quantities of gas delivered by Sea Robin for the account of Shipper at each Point of Delivery.

##### (b) PDA Deadlines

Each PDA must be submitted to Sea Robin by facsimile machine or through Messenger® during the confirmation of that Day's nominations or after confirmation but prior to start of gas Day; provided that any revisions to the PDA may be made by the downstream operator during the confirmation period on the Day of flow for intraday nomination changes. If there are no additions in nominations by a Shipper at a Point of Delivery or other changes, the current PDA will stay in effect as submitted until it is changed pursuant to the foregoing procedures. In the event Shipper adds a nomination at a Point of Delivery, then Shipper must provide, or cause to be provided, as set forth above, a PDA at the Point of Delivery which recognizes the Shipper's nomination.

4.11 In the event Sea Robin and the downstream operator at any of the Points of Delivery have executed an Operational Balancing Agreement (OBA) in the form set forth in Section 23.5 of these General Terms and Conditions or such other form as the parties mutually agree, the allocation of any daily variance between scheduled nominations and metered flow at such Point of Delivery shall be resolved by Sea Robin and the downstream operator under the terms of the OBA in lieu of the allocation procedures set forth in Section 4.10(a) above.

4.12 If Shipper disputes any of the allocations of gas made to its Service Agreements with Sea Robin under Section 4.10(a) or 4.11, Shipper must notify Sea Robin of such dispute with supporting documentation no later than six (6) Months following the Month of service being disputed. Sea Robin shall have three (3) Months within which to resolve or rebut the dispute. These time limits do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. In the event of a conflict between the

methodologies set forth in Section 4.10(a) above and the downstream operator's provisions in its FERC Gas Tariff governing the allocations of gas, said downstream operator and Sea Robin shall mutually agree on the PDA methodology to be used.

#### 4.13 Dispatching Notices

- (a) All notices concerning the daily nomination and confirmation of gas supplies, including predetermined allocation statements, for transportation shall be given by facsimile machine to the number specified in the Service Agreement.
- (b) All notices concerning the limitation or interruption of the transportation of gas supplies or other similar matters concerning the dispatching of gas shall be given by telephone to the number specified in the Service Agreement.
- (c) Sea Robin and Shipper may agree in writing to an alternative method of giving notice to those specified in Sections 4.13(a) and 4.13(b). Any such agreed upon alternative method of giving notice shall remain effective until rescinded by either party giving prior written notice to the other party. Sea Robin and Shipper may change any telephone number or facsimile machine number to which dispatching notices are to be given at any time by giving prior written notice to the other party.
- (d) On a daily basis, Sea Robin shall make available to all Shippers on Messenger® and at each Shipper's electronic mail box, a list of any scheduled quantities that are being bumped due to capacity allocations.

## GENERAL TERMS & CONDITIONS

### 5. POOLING

#### 5.1 General

A paper pooling point (pool) will be designated on Sea Robin's Pipeline System for every effective Pooling Service Agreement executed pursuant to this Section 5. This point is not a physical point on the Pipeline System, but is to be used solely for nomination and scheduling purposes in order to allow Shipper to aggregate gas supplies in the East Area or the West Area. Subject to the terms of this Section, any number of FTS, FTS-2 or ITS Service Agreements may be utilized to deliver gas to a pool. Shippers will be able to nominate gas volumes from one or more Points of Receipt for delivery to a pool in order to aggregate supplies as long as such gas volumes are nominated for simultaneous receipt and delivery to the Points of Delivery by Sea Robin under a Pooling Service Agreement. Pooling Service on Sea Robin's Pipeline System under a Pooling Service Agreement will be available on such date designated by Sea Robin on Messenger®.

#### 5.2 Request for Pooling Service Agreement

Any service provider may establish a pool by requesting and executing a Pooling Service Agreement in the form set forth in the Tariff. A party that executes a Pooling Service Agreement with Sea Robin shall be referred to as a "Pooler." A Pooler may request such Pooling Service Agreement in accordance with Section 2 herein. For the request for service to be valid, the pooling service must commence within ninety (90) days of the date of the request. Upon receipt of all of the required information and a determination of creditworthiness, Sea Robin shall prepare and tender to the requesting party a Pooling Service Agreement in the pro forma format set forth in the Tariff. The Pooling Service Agreement must be executed, complete and unrevised, before a pool is established for a Shipper to nominate gas into or out of. The Pooling Service Agreement shall terminate automatically if no nominations are made using the pool within thirty (30) days after the Pooler executes the Service Agreement.

In the request for a Pooling Service Agreement, Pooler shall designate whether Pooler shall use the pool to either:

- (a) aggregate supplies from Points of Receipt under transportation Service Agreements to other Pooling Service Agreements or Points of Delivery on the Pipeline System (Tier I Pool); or
- (b) aggregate supplies from Points of Receipt under transportation Service Agreements and other Pooling Service Agreements for delivery into Points of Delivery on the Pipeline System (Tier II Pool).

### 5.3 Inclusion in Agreements

Service Agreements under Rate Schedules FTS and FTS-2 and Rate Schedule ITS Service Agreements with the Master Delivery Point List automatically will have the pool as an available Point of Delivery. Each Pooling Service Agreement will have the ability to nominate deliveries to any Point of Delivery in the East Area or the West Area, as applicable, subject to the availability of capacity based on the priorities of service under the underlying transportation Service Agreements pursuant to Section 5.7 below. At its option, an FTS or FTS-2 Shipper may designate a primary Point of Delivery from its FTS or FTS-2 Agreement to a Pooling Service Agreement in which event the pool shall have the priority to such point on a primary firm basis, up to the point MDQ in Exhibit A of the FTS or FTS-2 Agreement, while such designation is in effect. In the event FTS or FTS-2 Shippers have not designated to the pool but have elected to retain their primary Point of Delivery rights under their own FTS or FTS-2 Service Agreement, the priority of the pool to deliver volumes to the Point of Delivery will be on a secondary firm basis up to the point MDQ designated on Exhibit A of the FTS or FTS-2 Agreement.

### 5.4 Use of Points

Nominations to and from the pool will be subject to the same nomination and confirmation procedures as all other receipts and deliveries on Sea Robin's Pipeline System, as more particularly described in Section 4. All volumes nominated for transportation to a pool on any Day must be matched with equivalent nominations of volumes for transportation from the pool on the same Day. Shipper may nominate the same package of gas supplies into only one pool established on Sea Robin's Pipeline System.

### 5.5 Charges

There will be no transportation rates or Fuel Reimbursement percentages applied to the transportation of gas from a pool. The applicable transportation charges and Fuel Reimbursement percentage will be charged under the applicable FTS, FTS-2 or ITS Service Agreement used to transport the gas to the pool. Sea Robin reserves the right to file pursuant to Section 4 of the Natural Gas Act to implement charges to recover any and all costs of providing the pooling service described hereunder.

### 5.6 Equivalent Receipts and Deliveries

For purposes of allocating volumes to the Pooling Service Agreement, all volumes nominated to the pool will be considered received by the pool. In the event nominations from the pool to the Point(s) of Delivery do not equal actual deliveries on any Day, an imbalance will be allocated to the Pooling Service Agreement and any imbalance accrued under a Pooler's Pooling Service Agreement will be resolved pursuant to the terms of Section 6 herein.

#### 5.7 Priority of Service

In the event capacity at any of the Points of Delivery is constrained or supplies from any of the transportation agreements nominating into the pool are reduced, gas nominated under a Pooling Service Agreement shall be scheduled on a pro rata basis with other scheduled services according to the priority of service for the underlying Service Agreements. For this purpose, the Pooler operating the pool shall provide Sea Robin with a ranking of Points of Delivery and volumes so that Sea Robin may schedule deliveries out of the pool based on such rankings.

## GENERAL TERMS & CONDITIONS

### 6. TRANSPORTATION BALANCING

6.1 All imbalances accrued by Shipper under its Service Agreement(s) with Sea Robin shall be resolved on a monthly basis pursuant to the provisions herein. After each Month of transportation on Sea Robin's Pipeline System, Sea Robin will calculate the imbalance which exists between the quantities of gas allocated to Shipper for its account at the Point(s) of Receipt during that Month and the quantities of gas allocated to Shipper for its account at the Point(s) of Delivery during that Month. All such imbalances (overdeliveries and underdeliveries to Sea Robin) accrued by Shipper under each of its Service Agreement(s) within the same operational impact area, the West Area or the East Area, as applicable, with Sea Robin will be combined, or may be treated individually if requested by Shipper, to derive a net monthly imbalance for purpose of the following calculations. Shipper's net monthly imbalance then will be divided by the sum of the actual Dth's of gas delivered under all applicable Service Agreement(s) during the Month to produce Shipper's actual net imbalance percentage for the Month. In the event the imbalance(s) calculated above under Shipper's Service Agreement(s) vary from the estimated imbalance(s) posted by Sea Robin for such Service Agreement(s) during the Month, Sea Robin shall also calculate an estimated imbalance percentage for that Month as follows for purposes of determining the Net Imbalance Percentage at which Shipper's net monthly imbalance separately calculated for the West Area or the East Area, as applicable, shall be resolved as set forth below. The estimated imbalance percentage shall be equal to the sum of the estimated imbalances (overdeliveries and underdeliveries) in effect for each of Shipper's applicable Service Agreement(s) at the end of the Month, as posted on Messenger<sup>®</sup>, divided by the sum of the quantities of gas deemed to be delivered under all applicable Service Agreement(s) during the Month.

It is provided, however, that the denominator used in the calculation of Shipper's Net Imbalance Percentage and its Estimated Monthly Imbalance Percentage shall exclude, if applicable, (i) any volumes allocated from Shipper's Tier I Pooling Service Agreements to the same Shipper's Tier II Pooling Service Agreements, and (ii) any volumes allocated from Shipper's Tier I or Tier II Pooling Service Agreements, to the same Shipper's transportation Service Agreements.

6.2 Subject to the provisions of Section 6.5 below, if Shipper has accrued a net monthly imbalance such that the total quantities of gas received by Sea Robin for Shipper's account during the Month are less than the total quantities of gas delivered by Sea Robin for Shipper's account during the Month separately calculated for the West Area or East Area, as applicable, Shipper shall pay Sea Robin for Shipper's net monthly imbalance (in Dth) at the following prices based on the lesser of Shipper's actual net imbalance percentage or Shipper's estimated imbalance percentage for the Month (Net Imbalance Percentage).

Net Imbalance Percentage		Percentage of Index Price
0	5%	100%
>5	10%	115%
>10	15%	125%
>15	20%	140%
>20%		150%

6.3 Subject to the provisions of Section 6.5 below, if Shipper has accrued a net monthly imbalance such that the total quantities of gas received by Sea Robin for Shipper's account during the Month are greater than the total quantities of gas delivered by Sea Robin for Shipper's account during the Month separately calculated for the West Area or East Area, as applicable, Sea Robin shall pay Shipper for its net monthly imbalance (in Dth) at the following prices based on the lesser of Shipper's actual net imbalance percentage or Shipper's estimated imbalance percentage for the Month (Net Imbalance Percentage).

Net Imbalance Percentage		Percentage of Index Price
0	5%	100%
>5	10%	85%
>10	15%	75%
>15	20%	60%
>20%		50%

It is agreed, however, that in the event Shipper owes Sea Robin any payments under Section 6.2 above from a previous Month which are past due, Sea Robin shall have the right hereunder to offset payments it owes to Shipper under this Section 6.3 by such past due amounts (inclusive of interest).

6.4 The Index Price shall be equal to the sum of the spot prices published by the following publications for delivery to the Pipeline System indicated during the Month in which Shipper's net monthly imbalance was incurred divided by the number of such prices utilized by Sea Robin as determined below less the sum of Sea Robin's maximum rate under its ITS Rate Schedule separately stated for the West Area or East Area, as applicable, as shown on the Currently Effective Rates for Rate Schedule ITS of its Tariff, and all applicable volumetric surcharges:

- (a) Natural Gas Intelligence Weekly Gas Price Index "South Louisiana," "Southern Natural," "Average"
- (b) Natural Gas Intelligence Weekly Gas Price Index "South Louisiana," "Columbia Gulf Onshore," "Average"



- (c) Inside FERC's Gas Market Report, "Columbia Gulf Transmission Co.," "Louisiana," "Index"
- (d) Natural Gas Week's Gas Price Report "Louisiana," "Gulf Coast," "Offshore," "Spot Delivered to Pipeline"

With respect to Inside FERC's Gas Market Report, Sea Robin will use the posting published for the first of the Month only. With respect to Natural Gas Intelligence Weekly Gas Price Index, Sea Robin will use the weekly posting published during the Month within the following parameters. The first weekly posting to be used will be the first issue of Natural Gas Intelligence Weekly Gas Price Index published during the Month. For the first week of the Month, Sea Robin will use the current Month data to the extent it is posted in the first issue. If the current Month data is not available, Sea Robin will use the bid week postings. The last weekly posting to be used will be the last issue of said publication published during the Month.

In the event any of these publications or specific postings contained therein is discontinued, Sea Robin will revise its Tariff to substitute another price index generally accepted in the Natural Gas industry. Until Sea Robin receives approval from the Commission to use such substitute index, Sea Robin will continue to calculate the Index Price each Month based on the remaining indexes.

- 6.5 Imbalances accrued by Shipper under a transportation Service Agreement for volumes resulting from an election under Section 12.4 herein during a Month shall be resolved by Shipper and Sea Robin separately pursuant to the provisions of this Section 6; provided, however, that the price to be paid by Sea Robin or Shipper for Shipper's net monthly imbalance accrued during each Month under the above transportation Service Agreement shall be 100% of the Index Price in effect for that Month regardless of Shipper's Net Imbalance Percentage under that Service Agreement.
- 6.6 To the extent all or a portion of Shipper's net monthly imbalance is caused by Sea Robin's system operations, such as events of force majeure, operational disruptions or capacity constraints on Sea Robin's Pipeline System, for which Shipper did not have prior notice and/or an opportunity to adjust nominations and/or scheduled deliveries at a Point of Receipt or Delivery, Sea Robin will adjust Shipper's net monthly imbalance by reducing that portion of such net monthly imbalance attributable to Sea Robin's operations which is subject to cash-out at a percentage of Index Price which constitutes a penalty and increasing that portion subject to cash-out at 100% of Index Price by an equivalent amount. No imbalance penalty will be imposed when a prior period adjustment applied to the current period causes or increases a current Month penalty. In the event there is a prior period adjustment to the quantities of gas booked under Shipper's Service Agreements due to metering errors or other errors attributable to Sea Robin's responsibilities under its Tariff, the quantity of such adjustment shall be cashed out at 100% of the Index Price for the Month in which the error occurred.

## 6.7 Contract Imbalance Trading

- (a) Shipper may authorize contract imbalances to be posted for trading after contract imbalance netting pursuant to Section 6.1 above.
- (b) An Authorization to Post Imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) that is received by Sea Robin by 11:45 a.m. should be effective by 8:00 a.m. the next Business Day. An imbalance that is previously authorized for posting should be posted on or before the ninth Business Day of the Month.
- (c) Sea Robin shall provide the ability to post and trade imbalances until at least the close of the seventeenth (17th) Business Day of the Month.
- (d) When trading imbalances, a Quantity must be specified. Imbalances must be traded with imbalances in the opposite direction and such trade must move Shipper's imbalance closer to zero.
- (e) An imbalance trade can only be withdrawn by the Initiating trader and only prior to the confirming trader's confirmation of the trade. An imbalance trade is considered final when confirmed by the confirming Shipper and effectuated by Sea Robin.
- (f) For purposes of contract imbalance netting in Section 6.1 herein and contract imbalance trading in this Section 6.7, Sea Robin's Pipeline System shall consist of two separate and distinct operational impact areas, the West Area and the East Area.
- (g) Each Shipper to the trade agrees to indemnify and hold Sea Robin harmless from and against any claims that either Shipper may have against the other arising out of or as a result of the trade.
- (h) Sea Robin shall not calculate Shipper's Net Imbalance Percentage under Section 6.1 above for a Month until all trades for such Month are completed pursuant to this Section 6.7.

## GENERAL TERMS & CONDITIONS

### 7. OPERATIONAL FLOW ORDERS

7.1 If Sea Robin is experiencing capacity constraints or operational conditions defined below at certain Points of Receipt or Delivery because of the variance between Shippers' nominations and actual receipts and/or deliveries for Shippers' accounts, Sea Robin will give Shippers twenty-four (24) hours' notice prior to any Day in which it will issue an Operational Flow Order which will result in the assessment of scheduling penalties set forth in Section 7.1 (a),(b),(c), or (d) at the specified Point of Receipt and/or Delivery. The notice shall provide the time and date of commencement and list all Points of Receipt and/or Delivery where the scheduling penalties will be assessed, the time the Operational Flow Order is expected to remain in effect, the operating variables providing the basis for the Operational Flow Order, and any other information which may be required in the circumstances. Within a reasonable period of time following the end of the Operational Flow Order, Sea Robin will post on Messenger® a report detailing the conditions that required the issuance and termination of the Operational Flow Order. For purposes of this Section 7, an Operational Flow Order shall be defined as an order issued to alleviate condition or conditions, inter alia, on Sea Robin's Pipeline System which threaten or could threaten the safe operations or system integrity of the Pipeline System or to maintain operations required to provide efficient and reliable firm service.

- (a) If during any Month of transportation the total nominated quantities for all of Sea Robin's Point(s) of Receipt vary by more than ten (10) percent of such nominations from the total monthly quantities received by Sea Robin at all such Points of Receipt, a scheduling penalty shall be assessed each Shipper whose total nominated quantities for any Point of Receipt vary by more than ten (10) percent of such nominations from the total monthly quantities received by Sea Robin at each such Point of Receipt during such Month on behalf of such Shipper; provided, however, that said scheduling penalty shall not be assessed if said variance occurs solely because of Sea Robin's inability to accept gas delivered to Sea Robin for Shipper's account or because of an event of force majeure. Shipper shall pay \$25.00 per Dth for each Dth of gas received by Sea Robin for the account of Shipper at each Point of Receipt in excess of the allowed variance.
- (b) If during any Day of the Month the quantities of gas received at any Point of Receipt by Sea Robin for Shipper's account vary by more than ten (10) percent from daily quantities nominated by Shipper for such Point of Receipt, a scheduling penalty shall be assessed; provided, however, that said scheduling penalty shall not be assessed if said variance occurs solely because of Sea Robin's inability to accept gas delivered to Sea Robin for Shipper's account or because of an event of force majeure. Shipper shall pay \$25.00 per Dth for each Dth of gas received by Sea Robin for the account of Shipper at each Point of Receipt in excess of the allowed variance.

- (c) If during any Month of transportation Shipper's total nominated quantities for any Point of Delivery vary by more than ten (10) percent of such nominations from the total monthly quantities delivered by Sea Robin for Shipper's account at that Point of Delivery during such Month, a scheduling penalty shall be assessed; provided, however, that said scheduling penalty shall not be assessed if said variance occurs solely because of Sea Robin's inability to deliver gas for Shipper's account or because of an event of force majeure. Shipper shall pay \$25.00 per Dth for each Dth of gas delivered by Sea Robin for the account of Shipper at each Point of Delivery in excess of the allowed variance.
- (d) If during any Day of the Month the quantities of gas delivered at any Point of Delivery by Sea Robin for Shipper's account vary by more than ten (10) percent from daily quantities nominated by Shipper for the Point of Delivery, a scheduling penalty shall be assessed; provided, however, that said scheduling penalty shall not be assessed if said variance occurs solely because of Sea Robin's inability to deliver gas for Shipper's account or because of an event of force majeure. Shipper shall pay \$25.00 per Dth for each Dth of gas delivered by Sea Robin for the account of Shipper at each Point of Delivery in excess of the allowed variance.

7.2 Notwithstanding the foregoing, in any Month during which Sea Robin gives notice of an Operational Flow Order, Sea Robin will bill, and Shipper shall be obligated to pay, only the greater of the total penalty charges calculated under Section 7.1(a) or Section 7.1(b), in the case of Point of Receipt variances, and the greater of the total penalty charges calculated under Section 7.1(c) or Section 7.1(d), in the case of Point of Delivery variances. In addition, any such penalty charged under this section shall be waived for a Shipper transporting gas under Rate Schedule ITS whose scheduled volumes are bumped by a firm intraday nomination but such waiver shall only be waived for the day that such bumping occurs.

## GENERAL TERMS AND CONDITIONS

### 8. IMPAIRMENT OF DELIVERIES

- 8.1 Service under Rate Schedules FTS and FTS-2 may be interrupted or limited for reasons of force majeure or due to any other repair and maintenance deemed necessary by Sea Robin, and Sea Robin shall give Shipper notice where practical of such interruption or limitation. Without limitation of the foregoing, Shipper shall have the right to equitably reduce receipts or deliveries of Natural Gas on any Day below the MDQ to permit maintenance, repair, overhaul, replacement, or construction of pipelines, compressors, metering, regulating, or other production, Gathering, and transmission facilities and equipment or due to facility maintenance or freeze offs.
- 8.2 In the event on any Day Sea Robin is unable to receive for transportation or deliver the total MDQ of any Shipper receiving service under Rate Schedules FTS and FTS-2, then the Pipeline System capacity which is available for firm transportation shall be in accordance with the priorities set out in Section 4.6 hereof.
- 8.3 In the event that Sea Robin on any service day(s) is unable to provide all or any part of Rate Schedule ITS service scheduled pursuant to Section 4 of the General Terms and Conditions on any one or more segment(s) of its Pipeline System, Sea Robin shall interrupt such affected segment(s) to the extent necessary in ascending sequence by rate up to the Maximum Rate. Nothing herein shall require Sea Robin to interrupt or limit any service of any priority, including service hereunder, if such interruption or limitation would either not alleviate or would exacerbate interruption or limitation of an equivalent or higher priority service.

### 3GENERAL TERMS AND CONDITIONS

#### 9. CAPACITY RELEASE

##### 9.1 Capacity Eligible for Release

- (a) Shippers under Rate Schedules FTS and FTS-2 shall be permitted to release all or part of their capacity on a temporary or permanent basis, in accordance with this Section 9 provided that the Releasing Shipper does not have any past due amount owing to Sea Robin under the Service Agreement for which it wishes to release capacity, and provided, further, that a Shipper under Rate Schedule FTS-2 may release capacity on a temporary basis hereunder only during months in which Shipper is being billed a Reservation Charge under Option B on the Currently Effective Rates for Rate Schedule FTS-2 contained herein. Capacity which may be assigned to the Replacement Shipper hereunder shall be limited to the firm capacity reserved by the Releasing Shipper, as defined by the primary Points of Receipt and the primary Points of Delivery contained in the released capacity. Releases may be made on an interruptible (i.e., subject to recall) or firm basis and may be billed by Sea Robin based on usage.
- (b) Sea Robin shall continue to sell its unsubscribed firm capacity by providing notice of the availability of such capacity on the Messenger® system 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 Sea Robin electronically on the Messenger® system 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 on the Messenger® system upon receipt by Sea Robin 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 Points of Receipt and Points of Delivery at which Releasing Shipper will release capacity and the quantity of capacity to be released at each point;
  - (5) The period of time or term of the release;

- (6) 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;
- (7) Whether contingent bids will be accepted and when the contingency must be removed;
- (8) The identity of a Pre-arranged Replacement Shipper (PRS), if applicable;
- (9) The minimum rate expressed in dollars and cents, percentage of maximum rate or the index-based formula as detailed in the capacity release offer, term, and quantity of capacity Releasing Shipper shall accept, if any, and whether bids using a volumetric rate for the collection of reservation 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 rates. The one hundred percent (100%) load factor equivalent for such rates equals the overrun rate for the applicable service being released as set forth on the Currently Effective Rates for the applicable Rate Schedule. Sea Robin shall support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Commission. The maximum reservation rate that may be bid shall not exceed the maximum rate for the applicable service being released as set forth on the Currently Effective Rates for the applicable Rate Schedule. 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 Sea Robin is notified of the release;
- (10) The duration of the posting which may not be less than the minimum bid period specified in Section 9.4(b) herein;
- (11) The best bid criterion, 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 Sea Robin to rank the bids received by utilizing the weight assigned by Releasing Shipper to each element of the Shipper Notice;
- (12) 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;

- (13) Restrictions, if any, on the PRS or Replacement Shipper's ability to request changes in primary Points of Receipt or primary Points of Delivery;
  - (14) Whether the Shipper Notice may be rejected in part in the event Sea Robin rejects such Shipper Notice pursuant to Section 9.7; and
  - (15) 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 shall post the Shipper Notice on the Messenger<sup>®</sup> system. 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, Sea Robin 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 Sea Robin, 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(i) herein.
- (c) Timing of Capacity Releases Exempt from Bidding

For non-biddable releases:

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

- Timely Cycle 12:00 Noon
- Evening Cycle 5:00 p.m.
- Intraday 1 Cycle 9:00 a.m.
- Intraday 2 Cycle 1:30 p.m.
- Intraday 3 Cycle 6:00 p.m.

The capacity release addendum is issued within one hour of the award posting (with a new capacity release addendum number, when applicable).

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 Sea Robin 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 Sea Robin to the contrary, no longer meets the credit qualifications in Section 26 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 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 Sea Robin 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, Sea Robin 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 Sea Robin).

- (1) For biddable releases (1 Year or less)
- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
  - Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
  - Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
  - If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
  - Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.
  - The capacity release addendum is issued within one hour of the award posting (with a new capacity release addendum number, when applicable).
  - Nomination is possible beginning at the next available nomination cycle for the effective date of the capacity release addendum.
- (2) For biddable releases (more than 1 Year)
- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.

- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.
- The capacity release addendum is issued within one hour of the award posting (with a new capacity release addendum number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the capacity release addendum.

(3) Timeline for Releases with Special Conditions

For index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology. If the Releasing Shipper specifies a bid evaluation methodology other than highest rate, net revenue or present value, or a permanent release or any other special conditions, the above timelines shall apply; provided, however, one additional Business Day will be added to the evaluation period. Such extended evaluation period shall cause gas flow to be at least one Day later than gas could flow under the timeline set forth in Section 9.4(b)(1) or Section 9.4(b)(2).

- (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, include the required bid information and must be received and posted electronically through the Messenger<sup>®</sup> system. Bids shall be posted on the Messenger<sup>®</sup> 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 through the Messenger<sup>®</sup> system 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, Sea Robin will notify the PRS by 2:00 p.m. 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. Sea Robin shall issue an Addendum to the PRS unless a better bid, as defined in Section 9.2(a)(11) herein, is received within the time period specified in the posting. In the event the PRS does not match the better bid, Sea Robin 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 Sea Robin is not notified through the Messenger<sup>®</sup> system that such contingency has been removed within the time period specified in the Shipper Notice, such contingent bid will be rejected by Sea Robin.
- (h) The Releasing Shipper may define in the Shipper Notice the criteria for determining the best bid. If the Releasing Shipper does not specify the criteria, Sea Robin shall evaluate the eligible bids by multiplying the price times the volume bid. Bids for a term of more than one (1) Month that vary in price or term shall be discounted to present value based on currently effective Commission interest rates or such other published, objective financial measure as posted by Sea Robin in advance of the offer/bid cycle. The bid producing the most revenue shall be determined to be the best bid. If there is a tie for the best bid and the Releasing Shipper does not specify a tie breaker, then the bids will be ranked first by the bid submitted first in time as established by Sea Robin's electronic date and time stamp, then by the bid generating the greatest present value of revenues over the shortest term. If there are multiple bids meeting the minimum conditions, Sea Robin shall rank the bids and Sea Robin shall award the bids, best bid first, until all offered capacity is awarded. Sea Robin will notify, through the Messenger<sup>®</sup> system by 2:00 p.m. following the end of the posting period, or by 3:00 p.m. if a matching period is applicable, the PRS or Replacement Shipper that capacity has been awarded.
- (i) Sea Robin will post the winning bids and Replacement Shippers' identity on the Messenger<sup>®</sup> system for at least five 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 charges attributable to the released capacity unless otherwise agreed to in writing and in advance by Sea Robin. In the event of a permanent release, Sea Robin may, and will not unreasonably refuse to, waive liability of Releasing Shipper for the reservation charges. Such permanent release shall provide the same economic

value as the original underlying agreement, or such difference shall be funded by the Releasing Shipper, unless Sea Robin agrees otherwise.

- (b) When capacity is awarded to Replacement Shipper, Releasing Shipper must adjust or reconfirm its nominations to reflect the capacity released. Sea Robin 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) If Releasing Shipper releases its MDQ for a geographic portion of the capacity reserved under its Service Agreement, Releasing Shipper may use its full MDQ for its unreleased geographic portion of capacity.
- (d) When Releasing Shipper partially releases its capacity under a Service Agreement by releasing capacity between specific Points of Receipt and Points of Delivery or by releasing only a portion of its MDQ, 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.
- (e) Releasing Shipper shall retain all Rights of First Refusal with respect to the released capacity, unless such release is a permanent release.
- (f) Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. For the recall notification provided to Sea Robin, Sea Robin's Tariff should specify whether the quantity should be expressed in terms of a) total released capacity entitlements or b) adjusted total released capacity entitlements based upon the elapsed prorata capacity. The capacity entitlements resulting from the use of either a) or b) should be the same. The recall notification to Sea Robin 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 Sea Robin 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, Sea Robin 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 also will be issued within one hour of the award posting.
- (b) Replacement Shipper may submit nominations pursuant to Section 4 herein beginning at the next available nomination cycle for the effective date of the capacity release addendum; however, in no event will gas flow 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 applicable 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.
- (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) A Replacement Shipper shall have the right to reserve primary point capacity up to its MDQ, subject to available capacity.
- (f) 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 Sea Robin

Sea Robin shall determine, in its sole discretion, the best bid based upon the best bid criteria established pursuant to Section 9.2(a)(11) or Section 9.4(h) herein. Sea Robin 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 Federal Energy Regulatory Commission, 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)(14), permits a partial rejection. Sea Robin shall provide simultaneous notification to Shipper, through the Messenger<sup>®</sup> system, of the reason(s) for rejecting a release notice with the notice of rejection. Sea Robin shall not have any liability to any Shipper, Releasing Shipper, Replacement Shipper, bidder or any other party as a result of Sea Robin's performance of its obligations under its capacity release program, and such Shippers, Releasing Shippers, Replacement Shippers, and bidders shall indemnify Sea Robin from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of Sea Robin's performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of Sea Robin'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 one Day.

- (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

- (a) On the Releasing Shipper's bill for a Month in which it released capacity hereunder on a temporary basis, Sea Robin shall credit all reservation charge revenues billed by Sea Robin to the Replacement Shipper for the released capacity; provided, however, that in the event the Replacement Shipper fails to pay Sea Robin for any part of the amount credited to the Releasing Shipper's bill, Sea Robin reserves the right to reverse the credit on the Releasing Shipper's bill in a later Month up to the unpaid amount.
- (b) For temporary releases, the Releasing Shipper shall have the right to recall its capacity pursuant to Section 9.2(a)(6), if the Replacement Shipper fails to pay its reservation charges pursuant to the provisions of Section 15 of these General Terms and Conditions. The recall notice may be made by Releasing Shipper on Messenger®; provided, however, it will be Releasing Shipper's obligation, and not Sea Robin's responsibility, to ensure that the Replacement Shipper has received such notice in a timely manner.
- (c) Sea Robin shall not be required to credit all reservation charges billed to the Replacement Shipper to the extent a Releasing Shipper's FTS Agreement under which it pays a discounted rate provides otherwise with respect to credits in excess of the Releasing Shipper's discounted rate.
- (d) In the event the Replacement Shipper fails to make payment during a Month and Sea Robin does not have credit support in effect against which it can draw to obtain payment, unless a good faith dispute exists, the Releasing Shipper may elect to take assignment of Sea Robin's right to collect the account receivable from the Replacement Shipper and Sea Robin shall prepare and execute all documents necessary to make such assignment.
- (e) For a capacity release with a term of more than 1 Year, if any of the transportation rates billed to and paid by the Replacement Shipper are found by the Commission to exceed the rate which the Commission determines to be just and reasonable and Sea Robin is ordered to make refunds to Shippers which

would have included the Releasing Shipper, the Replacement Shipper shall be eligible to receive its share of refunds to the extent of any amounts it paid in excess of the rates the Commission subsequently determined to be just and reasonable under the Service Agreement. Notwithstanding the above, if the Replacement Shipper has paid its obligation in full, Sea Robin's obligation to make any refunds to the Releasing Shipper shall not include any amounts associated with the released capacity for which Sea Robin has distributed refunds to the Replacement Shipper.

For a capacity release with a term of one Year or less, the rate paid by a Replacement Shipper, which is not subject to the maximum rate cap, shall be deemed a final rate which is not subject to refund. The Releasing Shipper of a capacity release with a term of one Year or less shall be eligible to receive its share of refunds to the extent amounts it paid are in excess of the rates the Commission subsequently determined to be just and reasonable under the Service Agreement.

- (f) If the Releasing Shipper and Sea Robin so agree, Sea Robin shall receive a mutually agreeable fee for taking action to market Releasing Shipper's firm capacity so long as such actions constitute more than merely posting the Releasing Shipper's offer. Such marketing fee will be debited to Releasing Shipper's invoice.

#### 9.10 Requests to Purchase Releasable Capacity

Any party may initiate a request to purchase releasable firm capacity by following the instructions posted on Sea Robin's Informational Postings website located at <http://sermessenger.energytransfer.com> under "Notices, Request to Purchase Releasable Capacity." The form shall specify the terms and conditions of the request and the location of the posting on Sea Robin's Informational Postings website. Such offer to purchase released capacity shall be posted on Sea Robin's website for 30 Days.



## GENERAL TERMS AND CONDITIONS

### 10. CONTRACTING FOR UNSUBSCRIBED CAPACITY

Firm capacity that is or becomes available on Sea Robin's Pipeline System from time to time shall be allocated pursuant to the following procedures:

- 10.1 Subject to all requirements for submitting a valid request for firm service herein, firm capacity will be allocated to the request(s) which on an aggregate basis generate the highest net present value to Sea Robin. Requests for service under Rate Schedule FTS and Rate Schedule FTS-2 shall be considered together under the same criteria. Net present value will be determined based on the discounted cash flow of revenues to Sea Robin produced, lost, or affected by the request(s) for service. In determining the highest net present value, Sea Robin will consider objective criteria only. Such criteria may include, without limitation, the maximum contract quantity requested for each delivery period, the term of the service requested, the date on which the requested service would commence, the applicable rate and such other factors available based on the requests for service received by Sea Robin. The net present value discount factor used by Sea Robin will be applied consistently to all requests for capacity being evaluated at a particular point in time. For purposes of determining the net present value only revenue generated by the reservation charge component will be considered. For purposes of evaluating requests under Rate Schedule FTS-2, Sea Robin shall use the MDQs for the life of the reserves based on the production profile submitted by Shipper and accepted by Sea Robin in its request for service. Sea Robin shall calculate NPV for FTS-2 shippers by using the 80% throughput requirement to determine revenues generated for service under Rate Schedule FTS-2.
- 10.2 Reserved for future use
- 10.3 In the event that Sea Robin receives two (2) or more requests for service which produce a comparable net present value, whether during an open season or otherwise, any available capacity will be allocated between or among such requests on a pro rata basis; provided, however, if one or more party(s) is offered capacity on a pro rata basis pursuant to this Section and any party declines to execute the requisite agreements for such capacity, such party's request shall be null and void as provided in Section 2.6 and the available capacity will be reallocated among the other comparable requests.
- 10.4 In the event capacity is not available to satisfy a request, such request for service will be maintained, if such Shipper or potential Shipper desires, in a firm service queue subject to the notice requirements in Section 2.7. If and when capacity subsequently becomes available, such capacity will be allocated to pending requests in the firm service queue, on the date such capacity becomes available based on the highest net present value of the pending requests as provided above unless Sea Robin elects to conduct an open season as provided in 10.5 below. Notwithstanding the above, any available capacity will be awarded first to pending requests of existing shippers requesting increases in MDQs pursuant to

Section 4.2 of Rate Schedule FTS-2; and if available capacity for any Delivery Period cannot complete all such pending requests, the available capacity will be allocated to all such requests on a pro rata basis. If an open season is conducted, Shipper(s) or potential Shipper(s) with pending requests in the firm service queue shall be individually notified and given an opportunity to participate in such open season. If such Shipper or potential Shipper elects not to participate in any such open season, then, at the end of the open season, its pending request shall be deemed null and void.

- 10.5 In addition to the procedures set forth in Section 10.4 above, Sea Robin shall have the right, but shall not be obligated, from time to time to hold open seasons for potential expansion projects or for capacity which has become available. Notwithstanding the above, to the extent Sea Robin plans a scheduled maintenance event which is reasonably expected by Sea Robin to cause Sea Robin to limit interruptible transportation service on mainline capacity for more than ten (10) days, Sea Robin will hold an open season by posting a notice on Messenger<sup>®</sup> for a minimum period of 48 hours during which Shippers may submit requests for firm transportation pursuant to Section 2 of the General Terms and Conditions for a term not less than a Month during which the maintenance event occurs. The open season will be held for at least 24 hours during a Business Day. Such scheduled maintenance event shall not include force majeure events, unscheduled maintenance events and any maintenance not affecting mainline capacity at individual Points of Receipt or Points of Delivery or small laterals. During any such open season, Sea Robin shall allocate the capacity subject to such open season on the basis of the highest net present value to Sea Robin, as determined pursuant to the method described in Section 10.1 above. To the extent Sea Robin has available unsubscribed capacity, Sea Robin reserves the right, but shall not be obligated, to reserve such capacity for future open seasons that are to be held within the next twenty-four (24) months. All requests received during an open season remain binding on the requesting Shipper through the end of the open season unless withdrawn by the requesting Shipper; provided, however, a requesting Shipper may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting Shipper nor an affiliate thereof may submit a request with a lower net present value during the open season. At the end of the open season, all requests either withdrawn or not accepted shall be deemed null and void. If the Shipper awarded capacity does not execute the Service Agreement and Reserve Commitment Agreement within the time period described in Section 2.7, Sea Robin may elect to offer the capacity to other Shipper(s) on the basis of the next highest NPV.
- 10.6 Notwithstanding the Net Present Value determination, Sea Robin reserves the right to decline requests for service: (i) for less than the maximum rate; (ii) which may detrimentally impact the operational integrity of Sea Robin's Pipeline System; (iii) which do not satisfy all the terms of a specific open season; and/or (iv) which contain terms and conditions other than those set forth in the Tariff.

## GENERAL TERMS AND CONDITIONS

### 11. CONTRACT EXTENSION AND CONSOLIDATION

#### 11.1 Right of First Refusal

The following provisions shall apply to any FTS Agreement which provides for twelve (12) months or more of consecutive service at the maximum rate applicable to the service or, if the service is not available for twelve (12) consecutive months, the Service Agreement provides for service for more than one year at the maximum rate applicable to the service. If Shipper's Service Agreement does not qualify for the right of first refusal under this Section 11.1, then Sea Robin in a not unduly discriminatory manner may agree with any Shipper to include a contractual right of first refusal. No later than forty-five (45) days prior to the effective termination date of Shipper's FTS Agreement Sea Robin shall post on Messenger® the capacity which will be available upon the termination of Shipper's FTS Agreement.

- (A) Each bidder for Shipper's firm capacity, or any part thereof, must submit its bid to Sea Robin in writing or through Messenger® with the appropriate service request form and any required prepayment under Sea Robin's Tariff applicable to the service unless already on file with Sea Robin, within the time specified by Sea Robin on Messenger®. Each bid shall contain the term for which the capacity is sought and the percentage of the maximum rate in effect during said term which the bidder is willing to pay for the capacity, not to exceed 100% of the maximum rate. If Sea Robin receives more than one bid for Shipper's capacity, and it does not reject all bids as provided below, it will choose the bid, or combination of bids, which generates the most revenue on a net present value basis, (best bid); provided, however, that Sea Robin reserves the right to reject any bid which is for less than 100% of the maximum rate applicable to Shipper's firm service. Net present value will be determined by multiplying the rate bid by the volume bid discounted to present value based on the currently effective interest rates issued by the Commission.
- (B) Sea Robin will notify Shipper of the best bid received in an arm's length transaction, which Sea Robin is willing to accept and Shipper shall have a specified time, but no less than fifteen (15) days, within which it must match the price percentage and contract term, not to exceed five (5) years, offered in the best bid in order to retain its firm capacity. If Shipper matches the best bid, Sea Robin and Shipper will enter into a new FTS Agreement reflecting the terms of Shipper's matching bid. If Shipper fails to match the best bid within the time allowed by Sea Robin, Shipper's existing FTS Agreement will be subject to pregranted abandonment upon the effective termination date of Shipper's FTS Agreement and Sea Robin will enter into a new FTS Agreement of even date with the party or parties offering the best bid.

- (C) In the event Sea Robin does not receive any bids for Shipper's capacity or any bids which are acceptable to Sea Robin, Shipper shall have the right to retain its firm capacity at the maximum rate applicable thereto, or any discount agreed to by Sea Robin, for an additional term as requested by Shipper. If Shipper refuses to renew its FTS Agreement at the maximum rate, absent an agreement by Sea Robin to discount, said Service Agreement shall be subject to pregranted abandonment on the effective date of termination.
  - (D) Upon completion of the foregoing process, Sea Robin shall notify all bidders through Messenger® of the outcome of such process.
- 11.2 If Shipper gives notice to terminate its FTS Agreement pursuant to the provisions contained therein, said Service Agreement shall be subject to pregranted abandonment on the effective date of Shipper's termination notice.
- 11.3 Prior to the expiration of the term of any existing Maximum Rate, discounted rate or Negotiated Rate firm Service Agreement(s) and prior to posting the availability of the capacity under Section 11.1 above, if applicable, Sea Robin and the existing Shipper may mutually agree to renegotiate the terms of such firm Service Agreement(s) in exchange for Shipper's agreement to extend the term of at least a portion of its obligations (the exact terms, including the length and rate (maximum, discounted or negotiated), of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner).
- 11.4 Contract Consolidation
- Shipper and Sea Robin may mutually agree to consolidate multiple existing firm Service Agreements with service in the same area (either East Area or West Area) into one or more new firm Service Agreement(s) and to terminate the Service Agreements necessary to effectuate the consolidation. The amended or new Service Agreement shall reflect the consolidated rights of the combined Service Agreements. The exact Terms of the consolidated Service Agreement, including the length and rate (discounted, negotiated or recourse), are to be negotiated on a case-by-case basis in a not unduly discriminatory manner).
- (A) The consolidated Service Agreement shall have a single termination date and shall be eligible for the right of first refusal pursuant to Section 11.3 herein, if applicable.
  - (B) The consolidated Service Agreement shall contain the aggregate quantity of the combined Service Agreement.
  - (C) Termination of Service Agreements, if required as part of the consolidation process, shall not initiate right of first refusal procedures or posting of available capacity.
  - (D) Capacity Release Service Agreements are not eligible for consolidation.

## GENERAL TERMS AND CONDITIONS

### 12. QUALITY

#### 12.1 Quality of Gas and Liquefiabiles

The gas and Liquefiabiles delivered by Shipper to Sea Robin and the gas redelivered by Sea Robin to Shipper shall be merchantable Natural Gas and meet the quality specifications below:

- (a) WATER - The gas and Liquefiabiles shall in no event have a water content in excess of seven (7) pounds of water per million (1,000,000) cubic feet of gas measured at a pressure base of 14.73 pounds per square inch and at a temperature of sixty degrees (60) Fahrenheit, as determined by a method generally acceptable for use in the gas industry.
- (b) HYDROGEN SULPHIDE - The gas and Liquefiabiles shall not contain more than one (1) grain of hydrogen sulphide per hundred (100) cubic feet as determined by quantitative test after the presence of hydrogen sulphide has been indicated by qualitative test.
- (c) TOTAL SULPHUR - The gas and Liquefiabiles shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet of gas.
- (d) TEMPERATURE - The gas and Liquefiabiles shall not have a temperature of less than forty degrees (40°) Fahrenheit, nor more than one hundred twenty degrees (120°) Fahrenheit.
- (e) CARBON DIOXIDE - The gas and Liquefiabiles shall not contain in excess of two percent (2%) by volume of carbon dioxide.
- (f) OXYGEN - The gas and Liquefiabiles shall not contain in excess of one percent (1%) by volume of oxygen.
- (g) NITROGEN - The gas and Liquefiabiles shall not contain in excess of three percent (3%) by volume of nitrogen.
- (h) NATURAL GASOLINE - The gas shall not have in excess of two-tenths (0.2) gallon per thousand (1,000) cubic feet of those certain liquefiable hydrocarbons commonly referred to as natural gasoline. The liquefiable hydrocarbon content shall be determined by chromatographic analysis as prescribed by ASTM test designated D 1945-81 or GPA Standard 2261-89 and shall consist of the i-C4+ fractions, of the sample as revealed by the analysis or by such other mutually agreed upon method. If Shipper has Sea Robin transport Liquids and Liquefiabiles, this specification shall

be applicable only to such gas as returned to Sea Robin at the outlet of the processing plant.

- (i) PYCHLORINATED BIPHENYLS (PCBs) - The gas and Liquefiabiles shall not contain any detectable levels of PCBs.
- (j) OTHER TRACE COMPONENTS - The gas and Liquefiabiles shall not contain any other trace components such as arsenic, mercury, lead and oxides of nitrogen in excess of the exposure limits specified in the Code of Federal Regulations, Title 29 Part 1910, Occupational Safety and Health Standards.
- (k) OBJECTIONABLE LIQUIDS AND SOLIDS AND DILUTION - The gas and Liquefiabiles shall (i) be in their natural state as produced from wells, (ii) be free of water, and any other objectionable liquids and solids, (iii) be commercially free from dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of transportation through pipelines, and (iv) not be subjected to any treatment or process which will change the chemical composition of any of the component parts of such gas (except to the extent that liquefiable hydrocarbons are removed by processing), permit or cause the admission of oxygen or hydrogen which will dilute such gas or otherwise fail to meet the quality specifications.
- (l) HEATING VALUE - The gas shall not have a heating value in excess of 1,200 total Btus per cubic foot or less than 950 total Btus per cubic foot.

12.2 Quality of Liquids - The composition and characteristics of Liquids transported through the Pipeline System shall be such that they will not:

- (a) Cause the formation of hydrates in Sea Robin's pipeline; or
- (b) Cause damage to Sea Robin's pipeline by internal corrosion; or
- (c) Cause the gas in Sea Robin's pipeline to fail to meet the quality specifications of the gas as described in Section 12.1 above after the removal of such Liquids from Sea Robin's pipeline; or
- (d) Contain, either in the gas or in any Liquids which may be delivered with the gas, any active bacteria or bacterial agent capable of contributing to or causing operational problems. Bacteria or bacterial agents include, but are not limited to, sulphate reducing bacteria and acid producing bacteria. Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or other appurtenant piping using American Petroleum Institute (API) test method API-RP38 or any other test method acceptable to Sea Robin which is currently available or may become available; or

- (e) Contain more than one percent (1%) of basic sediment and water (BS&W).
- 12.3 If at any time, gas or Liquids tendered for delivery at the Point(s) of Receipt under the Service Agreement shall fail to conform to any of the quality specifications set forth above, Sea Robin may, at its option, refuse to accept delivery pending correction of the deficiency. Upon Shipper's failure to remedy within a reasonable time any deficiency in quality as specified in Sections 12.1 and 12.2 of these General Terms and Conditions, Sea Robin may accept delivery of such gas and/or Liquids and, upon notice to Shipper, make such changes as are necessary to bring such gas or Liquids into conformity with such specifications, in which case Shipper shall be required to reimburse Sea Robin for any reasonable expense incurred by it in effecting such changes.
- 12.4 Liquids Transportation, Processing Election, Replacement of Processed Volumes and Replacement of Retrograde Condensate
- (a) Liquids Transportation. Any Shipper or person desiring to have Liquids transported through Sea Robin's Pipeline System to a Liquids removal facility shall enter into a Liquids Transportation Agreement with Sea Robin.
  - (b) Shipper's Right to Process. With the exception of an emergency or the failure of gas and Liquefiabiles to meet quality specifications, Shipper or Shipper's designee shall have the right to process gas for the removal of Liquefiabiles by electing to exercise such right in writing at the time the transportation Service Agreement is executed and thereafter four (4) calendar days prior to the first of the Month in which the election commences for transportation in the West Area or prior to each January 1 for the next calendar year for transportation in the East Area. For any period for which the processing election is exercised, Shipper or Shipper's designee shall be obligated to process all quantities of gas transported under the transportation Service Agreement during such period from designated Points of Receipt. The quantity of gas delivered hereunder at the Point of Delivery shall be Equivalent Volumes, as defined in Section 1 herein. Shipper may satisfy the foregoing requirements by having the gas which it ships dehydrated onshore so that it conforms to the quality specifications. As used throughout this Section 12, the term "processing" shall be interpreted to include "dehydration."
  - (c) Shipper's Failure to Process. If Shipper or Shipper's designee elects to process gas in accordance with Section 12.4(b) and does not process such gas, Sea Robin, at any time and from time to time, shall have the right to arrange for any necessary processing of Shipper's gas. Sea Robin shall invoice applicable Shipper in accordance with Section 15 herein and such Shipper shall pay Sea Robin for all costs incurred by Sea Robin relating to the processing of Shipper's gas as necessary to ensure that Sea Robin fully recovers such costs and applicable carrying charges. Sea Robin shall have the right to sell or otherwise dispose of any or all of the processing products without accounting to Shipper or owner of the processed gas.

Shipper will be kept whole on a thermally equivalent basis if Sea Robin processes Shipper's gas.

- (d) Replacement of Processed Volumes. For any period for which the processing election is exercised, Shipper or Shipper's designee shall be responsible for full replacement of the thermally equivalent quantity of the gas reduction due to processing during such period. Shipper or Shipper's designee also shall be responsible for arranging for transportation of such replacement gas quantities. As used in GT&C Sections 12.4(b), (c) and (d), the term "Shipper's designee" means a person other than a Shipper that holds the right to Liquefiabiles recoverable at processing facilities.
- (e) Replacement of Retrograde Condensate.
  - (1) Shipper or Shipper's designee shall have the right to receive the Retrograde Condensate associated with its applicable transportation Service Agreement that is calculated each Month by the System Allocator and shall be responsible for replacement of the thermally equivalent quantity of gas due to the Retrograde Condensate delivered to Shipper or Shipper's designee. As used in this Section 12.4(e), the term "Shipper's designee" means a person other than a Shipper that holds the right to Liquids recoverable at separation facilities.
  - (2) In addition to the Retrograde Condensate calculated each Month by the System Allocator as described in Section 12.4(e)(1), using the System Allocator report titled Condensate Allocation (System Allocator Report), additional quantities of Retrograde Condensate shall be calculated as follows: the aggregate of Liquids and Retrograde Condensate measured at the onshore separator (total allocated sales) minus the measured Liquids injected at Points of Receipt minus the Retrograde Condensate calculated by the System Allocator results in the Net Retrograde Condensate Measurement (NRCM). The NRCM shall be separately calculated for the East Area and the West Area of the Sea Robin pipeline system. The NRCM shall be allocated to each party identified in the Company column on the System Allocator Report for Condensate Allocation for the applicable production month (NRCM Party), based on each NRCM Party's Allocated Sales less Current Production. NRCM Party shall be responsible for replacement of the thermally equivalent quantity of gas due to the NRCM delivered to NRCM Party. To the extent the NRCM Party's NRCM is negative in any given Month, such shortfall shall be carried forward to the next Month and credited against the NRCM Party's next positive monthly NRCM. To the extent the NRCM is positive in any Month, after crediting for any prior shortfall, NRCM Party shall make-up or cash out the thermally equivalent quantity of gas.



- (3) Replacement of thermally equivalent quantities of gas may be made up in kind or by cash out. When replacement in kind is elected, the responsible party shall arrange for transportation of such replacement gas quantities and for separation services. Sea Robin or its designee shall provide separation services on a reasonable basis. Nothing contained herein, or in any other provision of this Tariff, shall establish an obligation to increase the capacity of a separation facility, access to which shall not be unreasonably denied. In the event cash out of the equivalent quantity is elected, such cash out shall be calculated at the Index Price set forth in Section 6.4 of the General Terms and Conditions for the Month in which NRCM is positive, after crediting for any prior shortfall carried forward.

## GENERAL TERMS AND CONDITIONS

### 13. MEASUREMENT

#### 13.1 Unit of Volume

The unit of volume for measurement of gas for all purposes shall be one (1) cubic foot of gas at a base temperature of 60 degrees (60°) Fahrenheit and at a pressure of 14.73 psia, which shall be deemed the pressure at all Sea Robin Points of Receipt. Measurement data may be recorded using charts or electronic recorders or instantaneous flow computations in electronic flow computers. Where measurement is by orifice meter, all fundamental constants, observations, records, and procedures involved in the determination and/or verification of the quantity and other characteristics of gas delivered hereunder shall, unless otherwise specified herein, be in accordance with the standards prescribed in the Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, American Gas Association Report No. 3, as revised September 1985, and as such report may hereafter be further revised. Exact measurements of inside diameters of meter tubes shall be obtained by means of a micrometer to the nearest one-thousandth inch. Unless specified otherwise, measurement by turbine meter shall be in accordance with formulae, tables and methods set forth in Gas Measurement Committee Report No. 7 of the American Gas Association as published in 1981, and as such report may be further revised. All volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of Sections 13.4 and 13.5 below. Measurement data may at Sea Robin's election be recorded and/or accumulated by using chart recorders, digital recorders or flow computers. Where measurement is by other than orifice or turbine meter, standards commonly acceptable in the industry shall be used in the determination of all factors involved in the computation of gas volumes.

#### 13.2 Basis

The measurement hereunder shall be corrected for deviation from Boyle's Law at the pressures and temperatures under which gas is measured hereunder in accordance with the method referenced in AGA Report No. 3 or such other method as may be mutually agreed upon by Sea Robin and Shipper; provided, however, that where gas is delivered through positive displacement meters at a pressure not in excess of 20 pounds per square inch gauge, the gas may be assumed to obey Boyle's Law.

#### 13.3 Determination of Heating Value

At Sea Robin's option, the heating value of the gas shall be determined by calorimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the gross heating value recorder) of such record shall be the gross heating value of the gas being

measured, or (2) entered as an input to electronic flow computers in which case the gross heating value being measured will be used in the computation of the BTU content of the gas. If a gross heating value measuring device is not installed or available at an appropriate location, then the gross heating value shall be determined by a mutually agreeable method.

#### 13.4 Determination of Flowing Temperature

The flowing temperature of the gas shall be determined for the purpose of measured volume correction. Volume shall be corrected for each degree of variation in the flowing temperature from 60 degrees (60°) Fahrenheit. The flowing temperature will be measured by RTD's, thermocouples, thermometers, etc. and shall be either (1) recorded using charts, digital recorders, etc., in which case the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time during which gas was flowing, or (2) used for on-site flow computations in electronic flow computers in which case the instantaneous measurement of temperature will be used in such computations. Where no temperature measuring device is installed, the temperature of the gas shall be assumed to be 60 degrees (60°) Fahrenheit.

#### 13.5 Determination of Specific Gravity

The specific gravity of the gas flowing through the meter or meters shall be determined at an appropriate location by the use of a recording gravitometer furnished and installed by the measuring party so that it will properly record the specific gravity of the gas flowing through the meter or meters, or by the use of a chromatograph, or other device of standard manufacture. The specific gravity shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the specific gravity recorder) of such record shall be the specific gravity of the gas being measured, or (2) used for flow computations in electronic flow computers in which case the value of the specific gravity being measured will be used as appropriate in such computations. If a specific gravity measuring device is not installed or available at an appropriate location, then specific gravity shall be determined by a mutually agreeable method.

#### 13.6 Adjustment for Supercompressibility

Adjustment for the effect of supercompressibility of gas shall be made according to the provisions of AGA Report No. 3 using Par Research Project NX19 or AGA-8 procedures, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration and including the proportionate values of carbon dioxide and nitrogen in the gas delivered in the computation of the applicable supercompressibility factors. Each party agrees to exercise due diligence in obtaining initial carbon dioxide and nitrogen fraction values and to obtain subsequent values of these components as may be required from time to time but not less than semi-annually.

### 13.7 Operation

The measuring stations shall be equipped with, as specified by Sea Robin, primary and secondary measuring devices of standard make and design, commonly accepted in the industry, so as to accomplish the accurate measurement of gas delivered hereunder.

### 13.8 Calibration and Tests of Meters

Chromatographs, if used, shall be calibrated by the measuring party at least monthly against mutually agreed upon standard gas sample. At least once each Month all secondary measurement equipment shall be verified or calibrated and adjusted as necessary by the measuring party unless a less frequent verification/calibration frequency is mutually acceptable to both parties. The other party may, at its option, be present for such calibration and adjustment. The measuring party shall give the other party notice of the time of all tests sufficiently in advance of conducting same so that both parties may conveniently have their representatives present. Following any test, any measuring equipment found to be inaccurate to any degree shall be adjusted immediately to measure accurately.

### 13.9 Access to Meters, Charts and Records

The other party shall have access at all reasonable times to the measuring equipment and all other instruments used by the measuring party in determining the measurement and quality of the gas delivered under the Service Agreement, but the reading, calibrating, and adjusting thereof shall be done only by employees, agents or representatives of the measuring party. The charts and records shall be kept on file by the measuring party for a period of three (3) years for mutual use of the parties hereto.

### 13.10 Correction of Metering Errors

If measurement equipment or any other equipment is found to be inoperative or inaccurate, such equipment shall be adjusted to register correctly, and the amount of error shall be determined by the most accurate method feasible. If the inaccuracy shall have resulted in an error of more than 1% in the measurement of gas, then the calculated deliveries of gas shall be adjusted to compensate for such error. Such adjustment shall be made for such period of inaccuracy as may be definitely known. If the period of inaccuracy shall not be definitely known, then such adjustment shall be made for the last half of the period (but not exceeding 15 days) between the time the metering equipment was adjusted to register correctly and the date of the last previous meter test. If for any reason the measuring equipment is out of service or out of repair so that the amount of gas delivered cannot be ascertained or computed from the readings thereof, the amount of gas delivered during such period shall be estimated and agreed upon by the use of the first of the following methods which is feasible: (a) by using the registration of any check measuring equipment if installed and accurately registering; (b) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or

(c) by estimating the quantity of gas delivered by reference to actual deliveries during preceding periods under similar conditions when the equipment in question was registering accurately.

#### 13.11 New Measurement Methods

Any new methods of measurement, electronic or otherwise, that conform to industry standards for orifice, turbine, or other metering methods may be used by Sea Robin as it deems necessary, upon notification to Shipper.

#### 13.12 Check Measuring Equipment

Either party may install, maintain and operate at its own expense, at or near each Sea Robin Point of Receipt and/or each Sea Robin Point of Delivery such check measuring equipment as desired, provided that such equipment is installed so as not to interfere with the operation of any other measuring equipment.

Whenever any Point of Receipt or Delivery provided for is on the premises of the delivering party, the receiving party shall have the right of free use and ingress and egress at all reasonable times for the purpose of installation, operation, repair or removal of such check measuring equipment.

In the event check measuring equipment is installed by either party, the other party shall have access to the same at all reasonable times, but the reading, calibration and adjusting thereof and the changing of charts shall be done only by the party installing the checking equipment.

#### 13.13 Installation of Flow Control Equipment

Sea Robin may elect to construct, install, and operate flow control equipment at any location on its Pipeline System whenever it determines in its reasonable judgment that such equipment will contribute to the safe, reliable, efficient and orderly operation of the Pipeline System.

#### 13.14 Prior Period Adjustments

The deadline for closing measurement data shall be no later than five (5) Business Days after the Month of flow. Any measurement data or corrections received by Sea Robin (including corrections to allocations) after it has closed the previous Month of flow shall be handled as a prior period adjustment. Sea Robin shall process late measurement data or corrections of measurement errors under Section 13.10 as soon as practicable but no later than six (6) Months after the applicable Month of flow in question. The correction shall be made to the Month of flow for allocation and billing purposes. If Shipper disputes the measurement adjustment, it will have three (3) Months after the prior period adjustment is made to provide information that rebuts the adjustment. Excluding government required

rate changes and as otherwise provided herein, no prior period adjustments of any kind shall be made after six (6) Months following the invoiced Month for transportation. These deadlines do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. Any prior period adjustments not taken into account at the time of billing shall not affect the calculation of the 80% throughput test under Rate Schedule FTS-2.

## GENERAL TERMS AND CONDITIONS

### 14. ELECTRONIC COMMUNICATION SYSTEM

- 14.1 Sea Robin shall maintain an electronic communication system, the Messenger<sup>®</sup> system (Messenger<sup>®</sup>), for the purpose of providing its Shippers and third parties equal and timely access to Sea Robin's Capacity Allocation Log, affiliate information, Standards of Conduct and information relevant to the availability of capacity on Sea Robin's Pipeline System, whether the capacity is available from Sea Robin or a Releasing Shipper under the provisions of Section 9 hereof. Sea Robin shall also provide each Shipper access through Messenger<sup>®</sup> to information related to activity under its Service Agreements with Sea Robin, such as nominations and estimated imbalances. Furthermore, Sea Robin shall administer each Shipper's release of firm capacity, as more particularly described in Section 9 hereof, exclusively through Messenger<sup>®</sup> and shall provide to Shipper other interactive capabilities such as the ability to submit nominations, confirmations and PDA's, view agent appointments and execute Service Agreements and amendments. It is understood and agreed that Sea Robin, through Messenger<sup>®</sup>, shall make available to Shippers or working interest owners sufficient details to support the quantities of gas allocated to that party under the PDA method at each point.
- 14.2 Messenger<sup>®</sup> will display current information first, have on-line help, a menu of available information for ease of reference, and search functions. Any party with access to Messenger<sup>®</sup> will be able to download information provided on Messenger<sup>®</sup>. Sea Robin shall maintain and retain daily back-up records of the information displayed on Messenger<sup>®</sup> for a period of three (3) years and permit users to review those records. Completed transactions and posted information will remain on Messenger<sup>®</sup> for at least ninety (90) days and then will be archived. Archived information may be retrieved from archives and made available in written or electronic format. Notwithstanding this Section 14.2, Sea Robin shall retain its affiliate waiver log for five years from the date of the waiver posting.
- 14.3 Information on imbalances shall be available to Shippers through Messenger<sup>®</sup>. Such information shall include Shipper's scheduled quantities in accordance with Section 4.5 herein, Shipper's month-to-date contract imbalance updated on a daily basis, real-time flow data to meter operators on a two hour lag, and capacity constraints that could result in an Operational Flow Order pursuant to Section 7 herein.
- 14.4 To receive access to Messenger<sup>®</sup>, Shipper or any party must execute and comply with the terms of the Messenger<sup>®</sup> Agreement which is posted on Sea Robin's Internet web site located at <http://sermessenger.energytransfer.com/ipost/SER>. The Messenger<sup>®</sup> Subscriber shall be responsible for providing all computer equipment necessary to interface with Messenger<sup>®</sup>.

- 14.5 Shipper may use Messenger® to execute any Service Agreement or amendment thereto, provided that Shipper has designated a representative to perform the contracting function under the Messenger® Agreement which is authorized to execute such Service Agreements on Messenger®. Except as specifically provided in Section 4.13 herein, any routine notices, requests, and other communications required to be in writing may be satisfied by Shipper through submission of such communications over Messenger®. All forms set forth or referenced in the Tariff will also be maintained on Messenger® for Shipper's use. Any specific notices throughout this Tariff requiring communications to be in writing shall be by written communication sent by physical or electronic means unless agreed to otherwise by the parties. Submission of information, notices, communications, and execution of documents by Shipper through Messenger® shall be legally binding on Shipper.



## GENERAL TERMS AND CONDITIONS

### 15. STATEMENTS AND PAYMENTS

#### 15.1 Statement

Following the initiation of deliveries under the Service Agreement, Sea Robin shall render to Shipper an invoice for the transportation services provided in the previous Month on or before the ninth (9th) Business Day after the end of the production Month. The imbalance statement shall be rendered prior to or with the invoice. Prior to invoicing Shipper, Sea Robin shall offset the bill by all amounts owed by Sea Robin to Shipper for that Month; provided, however, this offset shall not affect disputed amounts.

#### 15.2 Payment

Sea Robin's services are contingent upon Shipper's obligation to pay for the services contemplated under the Service Agreement in a timely fashion. Shipper shall pay to Sea Robin by wire transfer or other acceptable means of electronic bank transfer in accordance with such instructions as Sea Robin may from time to time provide the amount due Sea Robin for transportation services provided pursuant to the Service Agreement during the appropriate Month as reflected in the billing described above, within ten (10) calendar days after Sea Robin has tendered such billing to Shipper. All payments made by Shipper shall include Sea Robin's invoice number(s) for purposes of matching the payment to the invoice. Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of the bill shall accrue at the maximum allowable interest permitted under the Federal Energy Regulatory Commission's (Commission) Regulations. Sea Robin shall waive interest charges on a late payment if such charge is not in excess of \$5.00 or if Shipper, through no fault of its own, fails to receive its monthly invoice by the payment due date and notifies Sea Robin of such failure. If such failure to pay continues for twenty (20) days after payment is due, upon prior notice to Shipper, Sea Robin may suspend performance of future service pending such assurance of payments, may demand reasonable security for payment, or may require advance payment in cash or on a more frequent basis than a monthly billing cycle, or may take such other action as Sea Robin deems reasonable under the circumstances to protect Sea Robin's interests. Notwithstanding the foregoing, however, Sea Robin will not suspend performance of service if Shipper elects to provide collateral in an amount equal to three (3) months of service in accordance with Section 26.6 of these General Terms and Conditions. Should Shipper fail to provide the collateral as requested, Sea Robin shall give Shipper and the Commission thirty (30) days notice prior to termination of Shipper's Service Agreement.

### 15.3 Adjustment of 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 therefore shall have been made in writing. 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. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

### 15.4 Invoice Disputes

If Shipper, in good faith, disputes the amount of any such invoice, but nevertheless pays Sea Robin the undisputed amount of such invoice(s) and, at any time thereafter within thirty (30) days of a demand made by Sea Robin, furnishes a good and sufficient surety bond in an amount and with sureties satisfactory to Sea Robin conditioned upon the payment of any amounts ultimately found due upon such invoices after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Sea Robin shall not be entitled to suspend further receipt and/or delivery of gas unless and until default is made in the conditions on such bond.

If Shipper disputes, in good faith, the amount of any invoice from Sea Robin, it shall provide a description and supporting documentation of its position and timely submit payment of the amount it states is due to Sea Robin along with remittance detail. Sea Robin shall apply such payment in accordance with Shipper's documentation. Shipper agrees that Sea Robin's acceptance of a partial payment does not waive Sea Robin's right to full payment after resolution of the disputed invoice in the future. Further, Shipper shall identify and reimburse Sea Robin for all costs incurred by Sea Robin in the collection of amounts ultimately determined by judgment of the courts to be due from Shipper including, but not limited to, attorney's fees and court costs.

### 15.5 Order of Discounting

In the event Sea Robin provides a discount to Shipper pursuant to Section 3 of Rate Schedule FTS, FTS-2, ITS or GPS, Sea Robin shall discount the components of the total rate in the following order:

- (1) Base Rate Reservation Rate or Base Rate Usage Rate, as applicable;
- (2) Hurricane Surcharge;
- (3) ACA Surcharge.

## GENERAL TERMS AND CONDITIONS

### 16. RESPONSIBILITY, WARRANTY AND ASSIGNMENTS

- 16.1 Shipper warrants for itself, its successors and assigns, that it will at the time of delivery to Sea Robin for transportation have good title to all gas so delivered free and clear of all liens, encumbrances and claims whatsoever.
- 16.2 As between Shipper and Sea Robin, Shipper shall be deemed to be in control and possession of the gas and responsible for and shall hold Sea Robin harmless of and from any damage or injury caused thereby until it shall have been delivered to Sea Robin at the Sea Robin Point(s) of Receipt, and while such gas is in facilities other than facilities owned or controlled by Sea Robin after which Sea Robin shall be deemed to be in control and possession of such gas only while such gas is in facilities owned or controlled by Sea Robin, and until its delivery to Shipper, or for Shipper's account, at Sea Robin's Point(s) of Delivery. While in such possession Sea Robin shall be responsible for and hold Shipper harmless of and from any damage or injury caused thereby, except for gas tendered by Shipper which fails to meet the provisions of Section 12 hereof, which gas shall be deemed, for purposes hereof, to remain in the possession and control of Shipper. Sea Robin shall have no responsibility with respect to any gas to be transported until it is received by Sea Robin, or on account of anything which may be done, happen or arise with respect to said gas before such receipt. Except as provided in the second preceding sentence and except for Shipper arrangements for separation, treating, dehydration, and/or processing, Shipper shall have no responsibility with respect to said gas after its receipt by Sea Robin, or on account of anything which may be done, happen or arise with respect to said gas after such receipt until its delivery to Shipper, or for Shipper's account, at Sea Robin's Point(s) of Delivery. The foregoing provisions of this paragraph shall not relieve either party from responsibility for acts of gross negligence of such party, its agents or employees.
- 16.3 Shipper will indemnify and save Sea Robin harmless from and against any and all suits, actions, causes of action, claims and demands arising from or out of any adverse claims by third parties claiming ownership of or an interest in the gas tendered for transportation under the Service Agreement. Sea Robin will indemnify and save Shipper harmless from and against any and all suits, actions, causes of action, claims and demands arising from or out of any adverse claims by third parties claiming ownership of or an interest in the gas delivered to Shipper, or for Shipper's account, under the Service Agreement.
- 16.4 Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or Sea Robin shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement; provided, however, neither Sea Robin 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. Shipper or Sea Robin may pledge or assign their respective right, title and interest in and to and under the Service Agreement

to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of such trustee or trustees becoming in any respect obligated to perform the obligations of the assignor under the Service Agreement and, if any such trustee be a corporation, without its being required to qualify to do business in any State in which performance of the Service Agreement may occur.

## GENERAL TERMS AND CONDITIONS

### 17. FORCE MAJEURE

#### 17.1 Effect of Force Majeure

In the event of either Sea Robin or Shipper being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of the Service Agreement, it is agreed that the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

#### 17.2 Definition of Force Majeure

The term "force majeure" as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, and the necessity of maintenance of or making repairs to machinery, facilities or lines of pipe but not including planned or scheduled maintenance, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. It is expressly agreed that in the event Sea Robin has arranged for third party transportation in connection with the Service Agreement, and such third party transporter asserts force majeure, such event of force majeure on the system of such third party shall constitute force majeure for all purposes of the Service Agreement.

Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. Such causes or contingencies affecting the performance by either party, however, shall not relieve it of liability in the event of its negligence or in the event of its failure to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of liability otherwise unless such party shall give notice and full particulars of the same in writing or by telephone or, in the case of Sea Robin, on Messenger® to the other party as soon as possible after the occurrence relied on.

## GENERAL TERMS AND CONDITIONS

18. OPERATING CONDITIONS IN CONJUNCTION WITH AFFILIATES
  - 18.1 All terms and conditions contained herein shall be applied in a uniform and nondiscriminatory manner consistent with Part 358 of the Commission's Regulations.
  - 18.2 Except as permitted in Part 358 of the Commission's Regulations or otherwise permitted by Commission order, Sea Robin's transmission function employees will function independently of its marketing function employees.
  - 18.3 Sea Robin will post on the web site the information required in Part 358 of the Commission's Regulations.

## GENERAL TERMS & CONDITIONS

### 19. CONSTRUCTION OF NEW RECEIPT OR DELIVERY FACILITIES

- 19.1 Additional facilities to serve a Shipper may be constructed by Sea Robin only with that Shipper's consent. In the event any such facilities are installed by Sea Robin, Shipper shall, at Sea Robin's option, exercised in a nondiscriminatory manner, reimburse Sea Robin for the actual cost of any and all facilities installed by Sea Robin pursuant to this Section 19 including, but not limited to, the cost of all labor, materials, overhead expense and rights-of-way costs; provided that Shipper shall repay Sea Robin, as invoiced by Sea Robin or in kind at Sea Robin's option for any gas lost from Sea Robin's pipeline as a result of the installation of such facilities. If Sea Robin elects to invoice Shipper for such gas lost, the charges will be equal to the volume of gas lost expressed in Dth multiplied by the Index Price, as defined in Section 6.4 of these General Terms and Conditions, for the Month in which the gas loss occurred.
- 19.2 Sea Robin, at its option, may submit progress billings to Shipper for the partial payment of the accumulated construction costs incurred by Sea Robin or for the advance payment of construction costs estimated to be incurred by Sea Robin. Shipper shall make payments within ten (10) calendar days after Sea Robin has tendered such billings to Shipper pursuant to this Section. Late payments shall be subject to Section 15 of these General Terms and Conditions.
- 19.3 In the event Sea Robin agrees to permit Shipper, at Shipper's expense, to install measurement and pipeline facilities at a Sea Robin Point of Receipt or Delivery, Sea Robin shall have the right to review and approve, prior to installation, design and material specifications for such facilities. Sea Robin shall also have the right to inspect such facilities during construction and halt construction if (a) the construction is performed in a manner inconsistent with approved practices or could damage Sea Robin's facilities or (b) the construction or materials deviate from the previously approved design or material specifications.
- 19.4 To the extent Shipper is required to build facilities to interconnect with Sea Robin's Pipeline System, such facilities shall be in conformance with applicable U.S. Department of Interior Materials Management Service regulations and shall be subject to inspection and prior approval by Sea Robin.

## GENERAL TERMS AND CONDITIONS

### 20. DISCOUNT TERMS

20.1 In the event Sea Robin agrees to discount its rate to Shipper below Sea Robin's maximum rate, not to be less than Sea Robin's minimum rate, the following discount terms may apply without the discount constituting a material deviation from Sea Robin's proforma Service Agreement(s). Such discounted rate may apply:

- (a) Only to specified quantities under Shipper's Service Agreement(s);
- (b) Only if specified quantities are achieved (with maximum rates applicable to volumes above specified quantities or to all quantities if specified quantities are never achieved);
- (c) Only in a specified relationship to quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to the quantities actually transported);
- (d) Only during specified periods of the year or over specifically-defined periods of time;
- (e) Only to specified Points of Receipt or Points of Delivery; and/or
- (f) Only to production reserves dedicated by the Shipper.



## GENERAL TERMS AND CONDITIONS

### 21. ANNUAL CHARGE ADJUSTMENT PROVISION (ACA)

- 21.1 In order to recover the annual charges assessed by the Federal Energy Regulatory Commission (Commission) under Section 382.202 of the Commission's Regulations, this Section 21 of these General Terms and Conditions is established to be applicable to all Service Agreements under which Sea Robin transports gas. Because Sea Robin is electing to recover the annual charges assessed by the Commission through the operation of this Annual Charge Adjustment Provision, Sea Robin does not intend to recover any annual charges recorded in Account No. 928 in any Natural Gas Act Section 4 rate case.
- 21.2 The ACA unit charge calculated by the Commission is in addition to any amounts otherwise payable to Sea Robin under Rate Schedules FTS, FTS-2 and ITS. 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 Sea Robin'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.

## GENERAL TERMS AND CONDITIONS

### 22. ANNUAL FLOWTHROUGH CREDITING MECHANISM

22.1 For each twelve-month period November 1 through October 31, Sea Robin shall accumulate amounts that should be flowed back to Shippers including (1) penalties received under GT&C Section 7.1(a), (b), (c) and (d) of this Tariff; (2) cash-out amounts associated with monthly Shipper imbalances and (3) any cash-out related charges or credits associated with an Operational Balancing Agreement. Cash-out amounts include (a) the difference, if any, between the amounts received by Sea Robin under Section 6.2 above to this Tariff and the amounts paid by Sea Robin under Section 6.3 above to this Tariff; (b) the difference, if any, between the amounts received and the amounts paid by Sea Robin pursuant to Section 6.5 above to this Tariff; (c) the difference, if any, between the amounts received and the amounts paid by Sea Robin pursuant to an Operational Balancing Agreement executed by Sea Robin and any of the interconnecting pipelines; and (d) the offset to any difference, if any, between the amounts debited and the amounts credited by Sea Robin for imbalance entries on Sea Robin's books of account under an Operational Balancing Agreement which uses a make-up "in-kind" methodology.

22.2 By each December 31, Sea Robin will file a report (Annual Flowthrough Crediting Report) with the Commission, for the twelve-month period ending the preceding October 31, detailing the items stated in in Section 22.1 above. The Annual Flowthrough Crediting Report will also separately account for the balance from the prior annual report as well as any amounts refunded or collected due to the application of the Section 22 Adjustment, as set forth in Section 22.3 below, during the twelve-month period ending the preceding October 31. The total balance on the Annual Flowthrough Crediting Report shall be referred to as the Cumulative Flowthrough Balance.

#### 22.3 Section 22 Adjustment

##### (a) Calculation of Section 22 Adjustment

Sea Robin shall calculate the Section 22 Adjustment by dividing the Cumulative Flowthrough Balance described in Section 22.2 above by the gas volumes stated in Dth transported for Shippers under Sea Robin's Rate Schedules FTS, FTS-2 and ITS for the same twelve-month period. When the Cumulative Flowthrough Balance reflects a net revenue balance, such balance shall be refunded to Shippers through a negative Section 22 Adjustment. When the Cumulative Flowthrough Balance reflects a net cost balance, the Section 22 Adjustment will be positive.

If the Cumulative Flowthrough Balance is less than \$100,000 or if the calculation of Section 22 Adjustment results in a rate that cannot be rounded to at least 0.01¢, then the Cumulative Flowthrough Balance will be carried over to the next year's calculation and no Section 22 Adjustment, either positive or negative, will be

applied effective February 1 following the most recent Annual Flowthrough Crediting Report.

(b) Annual Billing Period

For purposes of this Section 22, an Annual Billing Period shall be the 12-month period commencing each February 1 and ending the following January 31. During the Annual Billing Period, Sea Robin shall apply the Section 22 Adjustment to the then current transported quantities being billed to Shippers under Rate Schedules FTS, FTS-2 and ITS.

(c) Tariff Filing

Sea Robin shall make a tariff filing with the Commission at least 30 days in advance of February 1 to update the Section 22 Adjustment on the Currently Effective Rates tariff records for Rate Schedules FTS, FTS-2 and ITS to become effective February 1.

## GENERAL TERMS AND CONDITIONS

### 23. MISCELLANEOUS

23.1 It is understood that performance hereunder shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control of the matter related hereto. Should either of the parties, by force of any such law, order, rule or regulation, at any time during the term of the Service Agreement be ordered or required to do any act inconsistent with the provisions thereof, then for that period only during which the requirements of such law, order, rule or regulation are applicable the Service Agreement shall be deemed modified to conform with the requirement of such law, order, rule or regulation; provided, however, nothing herein shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate the Service Agreement under the terms and conditions thereof.

23.2 The laws of the State of Texas shall govern the validity, construction, interpretation and effect of any Service Agreement hereunder except for the conflict of laws provisions thereof which would require the application of the laws of another jurisdiction.

#### 23.3 Off-system Capacity

Sea Robin may, from time to time, enter into agreements with other interstate or intrastate pipeline companies for capacity (off-system capacity). In the event that Sea Robin acquires off-system capacity, Sea Robin will provide service to Shippers with the off-system capacity pursuant to Sea Robin's open access tariff and subject to Sea Robin'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 23.3, the "shipper must have title" requirement is waived.

#### 23.4 Emergency Contact and Constructive Notice

Sea Robin and Shipper shall specify in the Service Agreement the name, telephone number, and, if available, facsimile machine number, of up to three persons authorized to receive dispatching and emergency notices on a twenty-four-hours-a-day basis. Notices outside of normal business hours shall be given to this authorized representative. If either party is unsuccessful in contacting the other party's authorized representative at the telephone number provided in the Service Agreement, that party may establish constructive notice to the other party and that notice will be deemed duly given when either:

- (a) notice is sent by facsimile machine, in which case the notice shall be deemed given at the time the sending facsimile machine confirms that the message was sent, or
- (b) notice is attempted to be sent by facsimile machine, but the sending facsimile machine does not confirm that the message was sent, in which case Sea Robin shall

make at least two additional attempts to send the message and the notice shall be deemed given at the time the third attempt is made or at the time the sending facsimile machine confirms that the transmission could not be sent, or

- (c) notice is attempted by making at least three telephone calls not less often than fifteen minutes apart, in which case the notice shall be deemed given at the time the third call is made.

- 23.5 Sea Robin hereby incorporates into this Tariff by reference the model Operational Balancing Agreement approved by NAESB as Standard 6.5.2.
- 23.6 Sea Robin agrees to use and incorporates herein by reference, the Model Trading Partner Agreement adopted by NAESB for the transaction of business with parties electing to use the electronic delivery mechanism standards set forth in Section 4 of the NAESB Standards.
- 23.7 Sea Robin agrees to accept and provide standardized data elements for EDI pursuant to the NAESB Standards which are incorporated herein by reference. A copy of Transporter's Implementation Guide for EDI transactions is available upon request.

## GENERAL TERMS AND CONDITIONS

### 24. HURRICANE SURCHARGE

#### 24.1 Purpose

The purpose of this Section 24 is to establish a mechanism to recover through a volumetric surcharge the costs incurred by Sea Robin resulting from any hurricane or tropical storm named by the U.S. National Oceanic and Atmospheric Administration or the U. S. National Weather Service, or successor agency (Hurricane).

#### 24.2 Applicability

The Hurricane Surcharge shall be collected through a volumetric surcharge applicable to all transportation services provided pursuant to Rate Schedules FTS, FTS-2 and ITS (and any other transportation service provided by Sea Robin). The Hurricane Surcharge shall be maintained and applied separately for the West Area and the East Area. West Area Shippers shall pay a Hurricane Surcharge based on eligible costs incurred in the West Area. East Area Shippers shall pay a Hurricane Surcharge based on eligible costs incurred in the East Area. If Sea Robin files to recover new Eligible Costs (costs not included in a previous Hurricane Surcharge filing), whether from a future or past hurricane, the surcharge to recover those costs will be calculated based on a 4-year amortization period from the effective date of such filing.

#### 24.3 Definition of Eligible Costs

The eligible costs for reimbursement through the Hurricane Surcharge (Eligible Costs) are the capital and operations and maintenance expenses including the cost of material, rental equipment, governmental charges, and any fees associated with the repair and remediation of such damage related to Hurricane damage, remediation for Sea Robin's facilities, including, without limitation: cost incurred to repair or replace Sea Robin's facilities and equipment; costs to maintain system reliability including service from third parties; retrieval and removal of Sea Robin's facilities and equipment including dewatering and disposal cost; raising or lowering the height or improving the durability of Sea Robin's facilities; pipeline burials or retrenching; cost incurred to provide temporary housing for Sea Robin's personnel; diving vessels and equipment, radiographic equipment, pipeline pigging and operations or other inspection measures to assess potential damage to Sea Robin's facilities; installation of fencings, mattings and embankments; and miscellaneous expense associated with having personnel available to repair, operate or maintain Sea Robin's system other than measures taken in the ordinary course of business.

#### 24.4 Effective Date and Filing of Hurricane Surcharge

- (a) The effective date of each Hurricane Surcharge shall be April 1 and October 1 of each year. The effective West Area and East Area Hurricane Surcharge shall be shown on Sea Robin's Currently Effective Rates for the applicable Rate Schedule.
- (b) Sea Robin shall file with the Commission at least thirty (30) days prior to the effective date of the new Hurricane Surcharge and post, as defined by Section 154.2(d) of the Commission's Regulations, the Hurricane Surcharge with supporting documentation. With each such filing, Sea Robin shall include a detailed written description of all qualifying Hurricane expenditures (except for any expenditure carried forward from a prior filing), with an explanation of how each such expenditure qualifies for inclusion in the Hurricane Surcharge for the West Area or the East Area, as applicable, in accordance with Sections 24.2 and 24.3 above. Subject to approval by the Commission, Sea Robin may seek confidential treatment of any portion of the filing.

#### 24.5 Hurricane Surcharge Account

Sea Robin shall establish and maintain a Hurricane Surcharge Account for the West Area and the East Area separately. Each Hurricane Surcharge Account shall consist of the sum of three separate subaccounts: the Hurricane Damage Repair Capital Cost Subaccount, the Hurricane Damage Repair O&M Cost Subaccount, and the Hurricane Surcharge Recovery Subaccount, plus carrying charges. These Subaccounts will be updated on a monthly basis.

- (a) The Hurricane Damage Repair Capital Cost Subaccount shall include the cumulative Eligible Costs, which are classified in capital accounts under FERC's Uniform System of Accounts (USOA), less any proceeds received from Sea Robin's insurance carriers or third parties attributable to Eligible Costs included in the Hurricane Damage Repair Capital Cost Subaccount.
- (b) The Hurricane Damage Repair O&M Cost Subaccount shall include the cumulative Eligible Costs, which are classified as operations or maintenance expenses under the FERC's USOA. The Hurricane Damage Repair O&M Cost Subaccount shall be credited for amounts received from Sea Robin's insurance carriers or third parties which are attributable to Eligible Costs included in the Hurricane Damage Repair O&M Cost Subaccount.
- (c) The Hurricane Surcharge Recovery Subaccount shall be credited by the revenue received from the Hurricane Surcharge each Month.
- (d) The balance in the Hurricane Surcharge Account shall be debited or credited, as appropriate, by carrying charges calculated at the FERC prescribed interest rate on the monthly balance of the Hurricane Surcharge Account. Carrying charges

shall be calculated in accordance with Section 154.501(d) of the Commission's Regulations. Carrying charges on Eligible Costs shall begin to accrue on the date the Eligible Cost was incurred.

#### 24.6 Calculation of the Hurricane Surcharge

- (a) The surcharge shall be the balance of the Hurricane Surcharge Account (including carrying charges) for the West Area and the East Area, respectively, at December 31, and June 30 (to be effective April 1 and October 1, respectively) for each recovery period divided by the projected billing determinants.
- (b) Any costs in the Capital Subaccount shall be recovered as expenses without any associated return other than carrying charges as provided for in Section 24.5(d) above.
- (c) If the amount in the West Area or East Area Hurricane Surcharge Account is less than \$100,000 (either negative or positive) Sea Robin may upon at least thirty (30) Days prior notice to the Commission, reduce the Hurricane Surcharge to \$0.00/Dth and refund to or bill West Area or East Area Shippers, as applicable, the amount in the Hurricane Surcharge Account on the invoice for the Month following the date on which the Hurricane Surcharge is reduced to \$0.00/Dth. The balance in the Hurricane Surcharge Account shall be allocated to Shippers based on the ratio of the actual quantities delivered by Sea Robin for each Shipper during such billing Month to the quantities delivered by Sea Robin for all Shippers in the West Area or East Area, as applicable, during such billing Month.
- (d) If the amounts in the Hurricane Surcharge account are not fully recovered over the 4-year amortization period established in each filing, the surcharge for such amount will be extended on a month to month basis until fully recovered, or until remaining amounts are direct billed pursuant to Section 24.6(d) above.

#### 24.7 Miscellaneous

Any capital-related Eligible Costs (or portion thereof) for which Sea Robin is reimbursed through collection of the Hurricane Surcharge shall not be debited to Sea Robin's gross plant (Property, Plant and Equipment) accounts.



GENERAL TERMS AND CONDITIONS

25. BUSINESS PRACTICES STANDARDS

Compliance with 18 CFR, Section 284.12

Sea Robin has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR Section 284.12 (a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

**Standards not Incorporated by Reference and their Location in the Tariff:**

Pursuant to NAESB’s Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver as adopted by the NAESB Board of Directors on April 4, 2013, Sea Robin may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Sea Robin includes appropriate citations in the submission.

Sea Robin has elected to reproduce only the following Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, that are protected by NAESB’s copyright. With respect to each reproduced standard, Sea Robin incorporates the following: © 1996 – 2020 NAESB, all rights reserved.

<b>NAESB Standard</b>	<b>Tariff Record</b>	<b>Tariff Provision</b>
0.3.17	GT&C Section 1., Definitions	1
1.2.5	GT&C Section 4., Nominations, Scheduling and Allocations	4.5
1.2.6	GT&C Section 7., Operational Flow Orders	7.1
1.2.9	GT&C Section 4., Nominations, Scheduling and Allocations	4.7(a)
1.2.10	GT&C Section 4., Nominations, Scheduling and Allocations	4.7(a)
1.2.11	GT&C Section 4., Nominations, Scheduling and Allocations	4.7(a)
1.3.2(i-vi)	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(a)
1.3.4	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(d)
1.3.5	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(d)
1.3.7	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(d)
1.3.20	GT&C Section 4., Nominations, Scheduling and Allocations	4.7(a)
1.3.24	GT&C Section 4., Nominations, Scheduling and Allocations	4.5
1.3.25	GT&C Section 4., Nominations, Scheduling and Allocations	4.5
1.3.28	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(b)
1.3.29	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(b)

1.3.31	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(b)
1.3.32	GT&C Section 4., Nominations, Scheduling and Allocations	4.2
1.3.33	GT&C Section 4., Nominations, Scheduling and Allocations	4.2
1.3.37	GT&C Section 4., Nominations, Scheduling and Allocations	4.1(a)
1.3.40	GT&C Section 4., Nominations, Scheduling and Allocations	4.7(a)
1.3.45	GT&C Section 4., Nominations, Scheduling and Allocations	4.7(a)
2.2.1	GT&C Section 4., Nominations, Scheduling and Allocations	4.9(c)
2.3.16	GT&C Section 1., Definitions	1
2.3.20	GT&C Section 4., Nominations, Scheduling and Allocations	4.9(d)
2.3.40	GT&C Section 6., Transportation Balancing	6.7(b)
2.3.41	GT&C Section 6., Transportation Balancing	6.7(c)
2.3.45	GT&C Section 6., Transportation Balancing	6.7(d)
2.3.47	GT&C Section 6., Transportation Balancing	6.7(e)
5.2.1	GT&C Section 1., Definitions	1
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)
5.3.4	GT&C Section 9., Capacity Release	9.4(h)
5.3.5	GT&C Section 9., Capacity Release	9.2(a)(9)
5.3.16	GT&C Section 9., Capacity Release	9.2(b)

**Standards Incorporated by Reference:**

**Additional Standards:**

**General:**

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16

**Creditworthiness:**

Standards:

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

**Gas/Electric Operational Communications:**

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

**Operating Capacity and Unsubscribed:**

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:

0.4.2, 0.4.3

**Location Data Download:**

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4

**Storage Information:**

Dataset:

0.4.1

**Nominations Related Standards:**

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.8, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.1, 1.3.3, 1.3.6, 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, 1.3.19,  
1.3.21, 1.3.22, 1.3.23, 1.3.26, 1.3.27, 1.3.30, 1.3.34, 1.3.35, 1.3.36, 1.3.38, 1.3.39, 1.3.41,  
1.3.42, 1.3.43, 1.3.44, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64,  
1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76,  
1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82

Datasets:

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

**Flowing Gas Related Standards:**

Definitions:

2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13,  
2.3.14, 2.3.15, 2.3.17, 2.3.18, 2.3.19, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28,  
2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.42, 2.3.43, 2.3.44, 2.3.46, 2.3.48, 2.3.50, 2.3.51, 2.3.52,  
2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64,  
2.3.65, 2.3.66

Datasets:

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

**Invoicing Related Standards:**

Definition:

3.2.1

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15,  
3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Datasets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

**Quadrant Electronic Delivery Mechanism Related Standards:**

Definitions:

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

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26,  
4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41,  
4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54,  
4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78,  
4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92,  
4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103,  
4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

**Capacity Release Standards:**

Definitions:

5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.3, 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, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34,

5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.44, 5.3.45, 5.3.46, 5.3.47,  
5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59,  
5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71,  
5.3.72, 5.3.73

Datasets:

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

**Internet Electronic Transport Related Standards:**

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11,  
10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21,  
10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31,  
10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

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

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

<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
None	None

## GENERAL TERMS AND CONDITIONS

### 26. CREDITWORTHINESS

26.1 Prior to execution of a Service Agreement or as a condition for continuation of service, a Shipper or prospective shipper shall be required to establish and maintain creditworthiness on an on-going basis with Sea Robin. Sea Robin shall not be required to: (1) execute a Service Agreement providing for service on behalf of any Shipper who fails to meet Sea Robin's standards for creditworthiness; or (2) initiate service for a Shipper who fails to meet Sea Robin's standards for creditworthiness; or (3) continue service on behalf of any Shipper who is or has become insolvent or who, at Sea Robin's request, fails to demonstrate creditworthiness pursuant to Sea Robin's standards in this Section 26.

26.2 A Shipper shall be deemed creditworthy when Shipper meets the creditworthiness criteria in this Section 26.2.

(a) If Shipper is rated by Standard & Poor's Financial Services LLC (S&P), a subsidiary of McGraw Hill Financial, Inc. and/or by Moody's Investors Service, Inc. (Moody's), Sea Robin may establish creditworthiness if:

(1) (i) In the event Shipper is rated by both S&P and Moody's, Shipper's long-term senior unsecured debt securities are rated at least BBB- by S&P and at least Baa3 by Moody's, provided, however, that if the Shipper's rating is at BBB- and/or Baa3, respectively, the long-term outlook shall be Stable or Positive; or (ii) in the event Shipper is rated by only S&P, Shipper's long-term senior unsecured debt securities are rated at least BBB-, provided, however, that if the Shipper's rating is at BBB-, the long-term outlook shall be Stable or Positive; or (iii) in the event Shipper is rated by only Moody's, Shipper's long-term senior unsecured debt securities are rated at least Baa3, provided, however, that if the Shipper's rating is at Baa3, the long-term outlook shall be Stable or Positive; and

(2) The net present value of the sum of reservation charges, usage charges and any other associated fees and charges for the contract term is less than 15% of Shipper's tangible net worth.

In the event Shipper is rated by both S&P and Moody's at levels which are not equivalent, the lower rating shall apply. For the purposes of this Section 26.2, the term "tangible net worth" shall mean for a corporation the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs, and other intangible assets. Only actual tangible assets are included in Sea Robin's assessment of creditworthiness. If a Shipper has multiple Service Agreements with Sea Robin, then the total contract commitment and

imbalance exposure or potential exposure of all such Service Agreements shall be considered in determining creditworthiness.

- (b) If Shipper cannot demonstrate creditworthiness pursuant to Section 26.2(a) above, Sea Robin may establish creditworthiness based upon:
- (1) (i) In the event Shipper's parent is rated by both S&P and Moody's, the Shipper's parent having a senior unsecured debt rating of at least BBB- by S&P and Baa3 by Moody's, provided, however, that if the Shipper's parent's rating is at BBB- and/or Baa3, respectively, the long-term outlook shall be Stable or Positive; or (ii) in the event Shipper's parent is rated by only S&P, the Shipper's parent having a senior unsecured debt rating of at least BBB-, provided, however, that if the Shipper's parent's rating is at BBB-, the long-term outlook shall be Stable or Positive; or (iii) in the event Shipper's parent is rated by only Moody's, the Shipper's parent having a senior unsecured debt rating of at least Baa3, provided, however, that if the Shipper's parent's rating is at Baa3, the long-term outlook shall be Stable or Positive; and
  - (2) The net present value of the sum of reservation charges, usage charges and any other associated fees and charges for the contract term is less than 15% of Shipper's parent's tangible net worth; and
  - (3) Shipper's parent issues a guaranty acceptable to Sea Robin.

In the event Shipper's parent is rated by both S&P and Moody's at levels which are not equivalent, the lower rating shall apply. If a Shipper's parent has multiple Service Agreements with Sea Robin or multiple subsidiaries with Service Agreements with Sea Robin in addition to Shipper's Service Agreements, then the total contract commitment and imbalance exposure or potential exposure of all of those Service Agreements shall be considered in determining creditworthiness.

26.3 To permit Sea Robin to conduct an initial or ongoing creditworthiness review, Sea Robin may request and a Shipper shall provide within five (5) Business Days any or all of the following:

- (a) (i) Audited financial statements for the most current two (2) fiscal years prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America or, for non-U.S. based Shippers, prepared in accordance with equivalent standards, or (ii) if Shipper's fiscal year-end financial statements are unaudited, an attestation by its Chief Financial Officer that such statements constitute a true, correct, and fair representation of financial condition prepared in accordance with GAAP or equivalent or (iii) for non-public entities, any existing sworn filing, which provides the most recent available interim financial statements

and annual financial reports filed with any applicable regulatory authority, showing the Shipper's current financial condition;

- (b) List of corporate affiliates, parent companies, and subsidiaries, if applicable;
- (c) Publically available information from credit reports of credit and bond rating agencies;
- (d) A bank reference and at least three (3) trade references, a check of which show along with any credit reports submitted herein that Shipper's undisputed obligations are being paid in a timely manner;
- (e) Statement of legal composition;
- (f) Statement of the length of time the business has been in operation;
- (g) For state-regulated utility local distribution companies, documentation from their respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism;
- (h) Confirmation by Shipper that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditor, or any informal creditors' committee agreement; and/or
- (i) Such other information as may be mutually agreed to by Shipper and Sea Robin.

26.4 If Shipper or Shipper's parent does not meet the criteria described in Section 26.2 above, then credit appraisal shall be based upon Sea Robin's evaluation of any or all of the following information and credit criteria:

- (a) Any information received pursuant to Section 26.3 above;
- (b) Consistent and nondiscriminatory financial statement analysis to determine the acceptability of Shipper's or Shipper's parent's current and future financial strength. Financial statements shall be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability;
- (c) S&P, Moody's, Dun & Bradstreet and other credit reporting agency ratings, opinions, watch alerts, and rating actions shall be considered in determining creditworthiness;



- (d) Results of credit reports and of bank and trade reference checks must demonstrate that a Shipper is paying its obligations in a timely manner;
- (e) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy; an exception may be made for a Shipper who is a debtor-in-possession operating under Chapter XI of the Federal Bankruptcy Act whereby adequate assurance is provided under purview of by the bankruptcy court having jurisdiction over such debtor-in - possession that the service billings will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment;
- (f) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent;
- (g) Shipper's ongoing business relationship, if any, with Sea Robin with consideration being given to whether Shipper has or has had any delinquent balances outstanding for services provided by Sea Robin, gas imbalances, and gas loans due Sea Robin and whether Shipper is paying and has paid its account balances promptly according to the terms established in its Service Agreements (excluding amounts as to which there is a good faith dispute);
- (h) Shipper's ability to recover the costs of Sea Robin's services through filings with regulatory agencies or otherwise to pass on such costs to its customers, as applicable; and/or
- (i) Any other information, including any information provided by Shipper, that is reasonably relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the Service Agreement(s).

26.5 If a Shipper fails to establish or maintain creditworthiness or if Shipper's credit limit as determined by Sea Robin is insufficient to cover Shipper's total contractual obligations, Shipper may still obtain or continue service hereunder if Shipper, except to the extent otherwise agreed, provides collateral in an amount sufficient to cover three months service as determined in accordance with Section 26.5 (b)(1) plus the value of imbalance gas and loaned gas as determined in Section 26.5(b) (2) under one of the following options.

- (a) Forms of Security. Shipper may select from the following forms of security and Sea Robin shall not unreasonably discriminate in the forms of security it determines to accept from Shippers.
  - (1) Guaranty. A Shipper may provide a guaranty of financial performance in a form satisfactory to Sea Robin from a corporate parent, corporate affiliate or a third party that meets the creditworthiness standards above.

- (2) Deposit. A shipper may provide a cash deposit. If Sea Robin is required to draw down these funds, Sea Robin will notify Shipper and Shipper must replenish such funds within three (3) Business Days after receipt of such notice.
  - (3) Standby Irrevocable Letter of Credit drawn on a bank which is a U.S. bank or a U.S. branch of a foreign bank with an S&P rating of at least A or Moody's rating of at least A2 on its long-term unsecured debt securities.
  - (4) Security Interest in collateral found to be satisfactory to Sea Robin.
  - (5) Other security acceptable to Sea Robin.
- (b) Collateral Requirements. Collateral required for non-creditworthy shippers shall be an amount sufficient to cover service for three months and a value for imbalance and loaned gas as specified below.
- (1) Three months service. The amount of collateral for firm transportation Service Agreements must be sufficient to cover the highest three (3) months of reservation charges. The amount of collateral for interruptible services shall be based upon the highest three (3) months of usage during the previous twelve (12) month period for all rates and charges. If the Shipper has not contracted for or utilized interruptible transportation during the previous 12 month period, Sea Robin will establish the collateral requirement based upon Shipper's estimated usage for a three (3) month period as determined by Shipper and Sea Robin's marketing representative.
  - (2) Imbalance and Loaned Gas. In addition to the collateral requirements set forth in Section 26.5(b)(1) above, Sea Robin shall have the right to seek collateral to cover the value of any imbalance and/or loaned gas owed to Sea Robin by a non-creditworthy Shipper. Sea Robin may require collateral from a non-creditworthy Shipper for the value of imbalance Gas owed to Sea Robin under Rate Schedules FTS, FTS-2 and/or ITS. Such collateral amount shall equal the non-creditworthy Shipper's largest monthly imbalance quantity owed to Sea Robin over the most recent 12 month period valued at the Index Price determined in accordance with Section 6.4 of these General Terms and Conditions. For a non-creditworthy Shipper with a new Service Agreement or a Service Agreement in effect for less than 12 months, the imbalance quantity shall be the greater of (i) 10% of Shipper's estimated monthly usage as determined by Shipper and Sea Robin's marketing representative or (ii) Shipper's largest monthly imbalance owed to Sea Robin. The imbalance quantity shall be valued at the Index Price determined in accordance with

Section 6.4 of these General Terms and Conditions. The collateral requirement for loaned Gas associated with Rate Schedule GPS shall equal the maximum loaned quantity specified in Shipper's Service Agreement valued at the Index Price determined in accordance with Section 6.4 herein.

26.6 Security for New Lateral Facilities

In the event Sea Robin constructs new lateral facilities to accommodate a Shipper under Section 19.1 of these General Terms and Conditions, Sea Robin may (unless otherwise agreed or unless Shipper reimburses Sea Robin for the cost of the facilities) require from the Shipper security in an amount up to the cost of the facilities. Such security may be in any of the forms available under Section 26.5(a) of these General Terms and Conditions, at Shipper's choice. As Sea Robin recovers the cost of these facilities through its rates, the security required shall be reduced accordingly. Specifically, security provided by Shipper related to new facilities shall be returned to that Shipper in equal Monthly amounts over the term of its contract for service related to the new facilities or as otherwise mutually agreed by Sea Robin and Shipper. Where facilities are constructed to serve multiple Shippers, an individual Shipper's obligation hereunder shall be for no more than its proportionate share of the cost of the facilities. This requirement is in addition to and shall not supersede or replace any other rights that Sea Robin may have regarding the construction and reimbursement of facilities.

- 26.7 Sea Robin shall have the right to update Shipper's credit file at any time after commencement of service. Such update may be conducted by Sea Robin periodically and Shipper shall provide assistance and cooperation. If Sea Robin concludes that a Shipper is non-creditworthy or if Shipper fails to maintain adequate assurance of future performance under Section 26.5 of these General Terms and Conditions, Sea Robin shall provide Shipper an initial notice in writing that it has lost its creditworthiness status along with the reasons for such determination and that Shipper has five (5) Business Days after receipt of such initial notice, to provide Sea Robin with security consistent with Section 26.5 of these General Terms and Conditions which is adequate to cover all charges for one Month's advance service. A Shipper may challenge Sea Robin's determination by providing a written rebuttal to Sea Robin's explanation within ten (10) days after the initial notification and explanation is provided by Sea Robin. Sea Robin shall respond to such a rebuttal in writing within ten (10) days. Any reevaluation of creditworthiness by Sea Robin in response to such a rebuttal by the Shipper shall be based on the creditworthiness criteria set out in Section 26.4 and shall be performed as provided in Section 26.4 of these General Terms and Conditions. If Sea Robin determines after such reevaluation that Shipper is creditworthy, the security to cover all charges for one Month's advance service shall be released to Shipper within five (5) Business Days after such determination. In the event Sea Robin concludes after reevaluation that Shipper remains non-creditworthy, Shipper shall comply with the requirement in the initial notice to provide, within thirty (30) days after the initial notice, the means for adequate assurance of future performance, covering the full level of security provided for under Section 26.5 of these General Terms and

Conditions. If the Shipper has not satisfied either requirement in the initial notice to provide specified security within five (5) Business Days or to provide the additional specified security within thirty (30) days after the initial notice, but not less than five (5) Business Days after notice that Shipper remains non-creditworthy, Sea Robin may without further notice immediately suspend service to Shipper.

- 26.8 Any suspension of service hereunder shall continue until Sea Robin is reasonably satisfied that Shipper is creditworthy under Section 26.2 or 26.4 of these General Terms and Conditions or until Shipper has provided adequate security under Section 26.5 of these General Terms and Conditions. A Shipper shall not be obligated to pay any reservation charges for suspended service attributable to the period when that service is suspended. During the period of suspension, such Shipper may not release or recall capacity.
- 26.9 In addition to suspension, Sea Robin may terminate service if the Shipper fails to provide security consistent with Section 26.5 of these General Terms and Conditions no earlier than sixty (60) days after Sea Robin has provided its initial notice to Shipper pursuant to Section 26.7 herein. Any such termination requires thirty (30) days' prior notice to Shipper, Releasing Shipper, if any, and the Commission. To avoid termination, the Shipper must satisfy Section 26.5 of these General Terms and Conditions within this notice period. If the Service Agreement is terminated, Sea Robin shall net and/or set off, as allowed by law, all positions calculated in accordance with the provisions of the applicable Rate Schedule (i.e., invoiced transportation amounts, invoiced imbalance amounts, park and loans, rate refunds, etc.) against outstanding account balances due the Shipper. Sea Robin shall have the right to assert any liens or other interests, consistent with applicable law, against any gas remaining on its System. Sea Robin may not take any action under this Section 26 which conflicts with any order of the U. S. Bankruptcy Court.
- 26.10 At any time after a Shipper is determined to be non-creditworthy by Sea Robin, the Shipper may request a creditworthiness reevaluation by Sea Robin pursuant to NAESB WGQ Standard Nos. 0.3.8 and 0.3.9 as incorporated in Section 25 of these General Terms and Conditions. If Sea Robin determines after such reevaluation that Shipper is creditworthy without security, any security requirements under Section 26.5 of these General Terms and Conditions shall be terminated and any deposit amounts shall be released to Shipper within five (5) Business Days after such determination.

## GENERAL TERMS AND CONDITIONS

### 27. FUEL REIMBURSEMENT ADJUSTMENT

The Fuel Reimbursement percentages under Rate Schedules FTS, FTS-2 and ITS, as stated in the Currently Effective Rates, shall be adjusted downward to reflect reductions and shall be adjusted upward to reflect increases in fuel usage, including miscellaneous fuel usage, and lost or unaccounted for gas in accordance with this Section 27. For purposes of this Section 27, the term "miscellaneous fuel usage" shall pertain to fuel use volumes other than FERC Account No. 854, Gas for Compressor Station Fuel, which are accounted for in FERC Account Nos. 853 and 856.

#### 27.1 Filing of Fuel Reimbursement Adjustment

(A) Effective Date of Adjustment

The effective date of each Fuel Reimbursement Adjustment shall be July 1.

(B) Filing Procedure

At least thirty (30) days prior to the Effective Date of Adjustment, Sea Robin shall file with the Commission and post, as defined by Section 154.2(d) of the Commission's Regulations, a schedule of effective Fuel Reimbursement percentages 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) Fuel Reimbursement Adjustment Period

The Fuel Reimbursement Adjustment Period shall be the billing periods beginning with each Effective Date of Adjustment.

#### 27.2 Computation of Effective Fuel Reimbursement Percentages

The effective Fuel Reimbursement percentage shall be the sum of the current Fuel Reimbursement percentage and the Annual Fuel Reimbursement Surcharge, as calculated for the East Area and the West Area. If the sum of the current Fuel Reimbursement percentage and the Annual Fuel Reimbursement Surcharge, as calculated for the East Area and the West Area, results in an overall negative Fuel Reimbursement percentage, then the effective Fuel Reimbursement percentage will be 0.00%.

### 27.3 Computation of Current Fuel Reimbursement Percentages

The Current Fuel Reimbursement percentages shall be determined on the basis of (1) the projected quantity of gas received for the account of Shippers under Rate Schedules FTS, FTS-2 and ITS and (2) the projected quantity of gas that shall be required for fuel usage, including miscellaneous fuel usage and the lost or unaccounted for gas, for each Fuel Reimbursement Adjustment Period. The fuel usage, including miscellaneous fuel usage, and the lost or unaccounted for gas components of the current fuel reimbursement percentage shall be calculated separately.

### 27.4 Computation of the Annual Fuel Reimbursement Surcharges

- (A) The Annual Fuel Reimbursement Surcharges shall be computed by dividing the balance, four Months prior to July 1, of the Deferred Fuel Reimbursement Account by Sea Robin's projected quantity of gas for Transportation under Rate Schedules FTS, FTS-2 and ITS for the Recovery Period.
- (B) The Recovery Period for the Annual Fuel Reimbursement Surcharges shall be the twelve (12) billing Months beginning July 1.
- (C) Sea Robin shall maintain a Deferred Fuel Reimbursement Account with appropriate subaccounts, beginning with the effective date of this Section 27. For each billing Month, the applicable subaccounts shall be increased or decreased for a positive or negative change in Fuel Reimbursement for the billing Month.
- (D) A change in Fuel Reimbursement for each billing Month shall be the difference between (1) the applicable currently effective Fuel Reimbursement percentage for the billing Month multiplied by the quantity of gas received during the billing Month and (2) the actual quantity of gas expended for fuel usage, including miscellaneous fuel usage, and lost or unaccounted for gas during the billing Month.

### 27.5 Notice of Responsibility of Deferred Amounts

In the event this Section 27 shall be modified by the Commission in any manner that adversely affects Sea Robin's recovery of the full amount of fuel amounts reflected in its deferred fuel accounts, each Shipper that received transportation service during the period affected by such fuel adjustment deferred account shall be responsible to Sea Robin for its proportionate share of the amount of Sea Robin's unrecovered deferred fuel amounts for the transportation services which they were provided attributable to the modification.

**Part VII**  
**Form of Service Agreements**

1. Rate Schedule FTS	Form of Service Agreement
2. Rate Schedule FTS-2	Form of Service Agreement
3. Rate Schedule ITS	Form of Service Agreement
4. Rate Schedule GPS	Form of Service Agreement
5. Capacity Release	Form of Service Agreement
6. Pooling Service	Form of Service Agreement
7. Reserve Commitment	Form of Agreement
8. Reserved	Form of Agreement

RATE SCHEDULE FTS  
FIRM TRANSPORTATION SERVICE  
FORM OF SERVICE AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT, made and entered into as of this \_\_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_ (Service Agreement), by and between (Shipper's Name), hereinafter referred to as "Shipper", and SEA ROBIN PIPELINE COMPANY, LLC, a limited liability company organized under the laws of Delaware, hereinafter referred to as "Sea Robin".

WITNESSETH:

WHEREAS, Sea Robin is an interstate pipeline, as defined in Section 2(15) of the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested firm transportation of various supplies of gas for redelivery for Shipper's account on a firm basis and has submitted a valid request as defined in General Terms and Conditions Section 2 (describe transaction more fully if necessary); and

WHEREAS, Sea Robin has agreed to assist Shipper in the transportation of such gas supplies in accordance with the terms and conditions of this Service Agreement, pursuant to Part 284 of the Regulations of the Federal Energy Regulatory Commission (Commission).

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I  
SERVICE

1.1 Subject to the other provisions of this Agreement and of Sea Robin's Rate Schedule FTS and the General Terms and Conditions thereto, Shipper may deliver or cause to be delivered to Sea Robin at the Sea Robin Point(s) of Receipt described in Exhibit A to this Service Agreement, and Sea Robin agrees to accept at such point(s) for transportation under this Service Agreement, aggregate daily quantities of Natural Gas up to the total Maximum Daily Quantity (MDQ) set forth on Exhibit A hereto. An MDQ is also specified in Exhibit A as to each Sea Robin Point of Receipt. The sum of the MDQs of the Point(s) of Receipt designated on Exhibit A shall not exceed the total MDQ set forth on Exhibit A. These quantities are subject to interruption or limitation pursuant to Rate Schedule FTS and the General Terms and Conditions.

1.2 Sea Robin shall redeliver on a firm basis Equivalent Volumes, as defined in Section 1 of the General Terms and Conditions, to Shipper at the Sea Robin Point(s) of Delivery described in Exhibit A. The MDQ for each Sea Robin Point of Delivery shall be as specified in Exhibit A. The sum of the MDQs of the Point(s) of Delivery designated on Exhibit A shall not exceed the total MDQ set forth in Exhibit A.



1.3 Shipper may also deliver or cause to be delivered to Sea Robin gas for transportation hereunder at secondary Point(s) of Receipt and Sea Robin agrees on any Day to accept gas at such points on a secondary firm basis up to (i) the MDQs of gas at each Point of Receipt, not to exceed in the aggregate the total MDQ set forth in Exhibit A, less (ii) the aggregate quantities of gas delivered on such Day at the primary Point(s) of Receipt.

1.4 Shipper may also request redelivery of Equivalent Volumes hereunder at secondary Point(s) of Delivery and Sea Robin agrees on any Day to redeliver such volumes to Shipper at the secondary Point(s) of Delivery on a secondary firm basis up to (i) the MDQs at each Point of Delivery not to exceed in the aggregate the total MDQ set forth in Exhibit A, less (ii) the aggregate quantities of gas delivered on such Day at the primary Point(s) of Delivery.

## ARTICLE II CONDITIONS OF SERVICE

2.1 It is recognized that service hereunder is provided pursuant to Rate Schedule FTS which is hereby incorporated by reference, including the General Terms and Conditions. In the event of any conflict between the body of this Service Agreement and Sea Robin's Rate Schedule FTS, Rate Schedule FTS shall govern as to the point of conflict. In accordance with the provisions of Sea Robin's Tariff, Sea Robin shall have the right to determine the priority and/or scheduling of the transportation service under this Service Agreement. In accordance with the provisions of Sea Robin's Tariff, Sea Robin shall also have the right to revise its priority and/or scheduling of this transportation service from time to time.

2.2 This Service Agreement shall be subject to all operating conditions established by Sea Robin in Rate Schedule FTS and the General Terms and Conditions as such conditions may be revised from time to time.

2.3 Sea Robin shall have the right to interrupt service under this Service Agreement if, at any time after reasonable notice given the circumstances, Shipper fails materially to comply with any provision of this Service Agreement, Sea Robin's Rate Schedule FTS, or its General Terms and Conditions.

2.4 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, punitive or consequential damages (including, without limitation, loss of profits or business interruptions) arising out of or in any manner related to this Service Agreement.

## ARTICLE III NOTICES

3.1 Any formal notice, request or demand which either party hereto may desire to give to the other respecting this Service Agreement shall be by written communication sent to the following address or to such other physical or electronic address as either party shall designate by written or electronic communication.

Sea Robin:

Notices and General  
Correspondence:

Sea Robin Pipeline Company, LLC  
Attention: Customer Services  
P. O. Box 4967  
Houston, Texas 77210-4967  
Telephone: (713) 627-4272 or  
1-800-275-7375  
Facsimile: (713) 989-1178

Dispatching Notices:

Sea Robin Pipeline Company, LLC  
Attn: Marketing Operations  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 962-9862  
Fax: (713) 286-5402

EMERGENCIES (Not to be used  
for any other purpose):

Sea Robin Pipeline Company, LLC  
Attn: Gas Control  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-5621  
Toll Free: 1-800-225-3913

Shipper:

Billing:

Nomination and  
Scheduling: (1)

Emergency:

All Other:

(1) Please provide street address in addition to mailing address.

Unless otherwise specified, operating communications by telephone or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation, unless written confirmation by physical or electronic means is requested by either party hereto.

ARTICLE IV  
TERM

4.1 Sea Robin shall provide firm transportation service pursuant to this Service Agreement for the term stated on Exhibit A.

4.2 Termination of this Service Agreement shall not affect the obligations incurred by either party prior to the effective date of such termination nor shall such termination cancel balances of gas then owing by either party to the other.

ARTICLE V  
CONDITIONS PRECEDENT

5.1 Other provisions of this Service Agreement notwithstanding, Sea Robin shall be under no obligation to commence service hereunder unless and until all facilities, of whatever nature, as are required to permit the receipt, measurement, transportation, treating, processing and delivery of Natural Gas hereunder have been installed and are in operating condition. Further, the terms of Rate Schedule FTS and the General Terms and Conditions shall apply to the acquisition or construction of any facilities necessary to effectuate the Service Agreement.

ARTICLE VI  
RATES AND CHARGES

6.1 Shipper shall be obligated to pay Sea Robin monthly, for the service under this Service Agreement, the charges specified in Rate Schedule FTS and the General Terms and Conditions. Sea Robin may agree from time to time to discount the rate charged Shipper for services provided hereunder in accordance with Section 20 of the General Terms and Conditions. Said discounted charge shall be documented in writing.

6.2 If at any time, and from time to time, including as to the first Month's deliveries hereunder, the Commission or any other governmental authority having jurisdiction in the premises allows or permits Sea Robin to collect, or to negotiate to collect, a higher rate (including but not limited to any incentive charge) for the transportation service, the rate shall be increased to the highest such rate.

6.3 Sea Robin shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in (i) the rates and charges applicable to service provided under this Service Agreement, including both the level and design of such rates and charges; (ii) the terms and conditions applicable to Rate Schedule FTS; and (iii) the General Terms and Conditions. Sea Robin agrees that Shipper may protest or contest the aforementioned filings.

ARTICLE VII  
MISCELLANEOUS

7.1 This Service Agreement constitutes the entire agreement between the parties and no representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such representation or agreement is reduced to writing and executed by authorized representatives of the parties.

7.2 Exhibit A is hereby incorporated by reference into and made a part of this Service Agreement.

7.3 After the execution of this Service Agreement, each party shall make and diligently prosecute all necessary filings with Federal or other governmental bodies, or both, as may be required for the initiation and continuation of the transportation service which is the subject of this Service Agreement. Upon either party's request, the other party shall timely provide or cause to be provided to the requesting party such information and material not within the requesting party's control and/or possession that may be required for such filings. Each party shall promptly inform the other party of any changes in the representations made by such party herein and/or in the information provided pursuant to this paragraph. Each party shall promptly provide the other party with a copy of all filings, notices, approvals, and authorizations in the course of the prosecution of its filings.

7.4 (If applicable) This Service Agreement supersedes and cancels the Service Agreement (# \_\_\_\_\_) dated \_\_\_\_\_ between the parties hereto.

Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this Service Agreement to be executed in two (2) original counterparts, by their officers thereunto duly authorized, as of the first Day and Year set forth hereinabove.

SHIPPER: \_\_\_\_\_

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)

SEA ROBIN PIPELINE COMPANY, LLC

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A

Transportation Agreement  
For  
Firm Service  
Under Rate Schedule FTS  
Between  
SEA ROBIN PIPELINE COMPANY, LLC

and \_\_\_\_\_

Contract No. \_\_\_\_\_

Effective Date: \_\_\_\_\_

Supersedes Exhibit A dated: \_\_\_\_\_

Service Area \_\_\_\_\_

Maximum Daily Quantity for each specified period of the Agreement:

Effective from \_\_\_\_\_ through \_\_\_\_\_ : \_\_\_\_\_ Dt.

SHIPPER: \_\_\_\_\_

SEA ROBIN PIPELINE COMPANY, LLC

BY: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

\_\_\_\_\_  
(Please type or print name)

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

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

Executed: \_\_\_\_\_

Executed: \_\_\_\_\_

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A (Continued)

SEA ROBIN POINT(S) OF RECEIPT

Contract No. \_\_\_\_\_

Primary Point(s) of Receipt

<u>Point No.</u>	<u>Receipt Point</u>	<u>Maximum Daily Quantity in Dth</u>	<u>Service Type</u>	<u>Start Date</u>	<u>End Date</u>
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Secondary Point(s) of Receipt

All active Points of Receipt on Sea Robin's Master Receipt Point List for the East Area or the West Area consistent with the Service Area designated in this Exhibit A, a current listing of which shall be maintained by Sea Robin on Messenger®, are available as secondary Points of Receipt.

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A (Continued)

SEA ROBIN POINT(S) OF DELIVERY

Contract No. \_\_\_\_\_

Primary Point(s) of Delivery

<u>Point No.</u>	<u>Delivery Point</u>	<u>Maximum Daily Quantity in Dth</u>	<u>Service Type</u>	<u>Start Date</u>	<u>End Date</u>
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Total MDQ: \_\_\_\_\_

Secondary Point(s) of Delivery

All active Points of Delivery on Sea Robin's Master Delivery Point List for the East Area or the West Area consistent with the Service Area designated in this Exhibit A, a current list of which shall be maintained by Sea Robin on Messenger®, are available as secondary Points of Delivery.



RATE SCHEDULE FTS-2  
FIRM TRANSPORTATION SERVICE  
FORM OF SERVICE AGREEMENT

Contract No. \_\_\_\_\_  
Authorization: \_\_\_\_\_

THIS AGREEMENT, made and entered into as of this \_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_ (Service Agreement) by and between Sea Robin Pipeline Company, LLC, a limited liability company organized under the laws of Delaware, hereinafter referred to as "Sea Robin," and \_\_\_\_\_, hereinafter referred to as "Shipper,"

WITNESSETH

WHEREAS, Sea Robin is an interstate pipeline, as defined in the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper is (describe nature of Shipper (e.g., producer, intrastate pipeline, distributor, end-user, etc.)); and

WHEREAS, Shipper has requested firm transportation pursuant to Rate Schedule FTS-2 of various supplies of gas for redelivery for Shipper's account and has submitted to Sea Robin a request for such transportation service in compliance with Section 2 of the General Terms and Conditions and as defined in Rate Schedule FTS-2; and

WHEREAS, Shipper has agreed in the form of Reserve Commitment Agreement with Sea Robin to dedicate gas owned or controlled by Shipper from certain Committed Leases to Sea Robin's Pipeline System; and

WHEREAS, Sea Robin has agreed to provide Shipper with transportation service of such gas supplies in accordance with the terms and conditions of this Service Agreement and pursuant to Part 284 of the Regulations of the Federal Energy Regulatory Commission (Commission).

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I  
TRANSPORTATION QUANTITY

1.1 Subject to the terms and provisions of this Service Agreement, Rate Schedule FTS-2 and the General Terms and Conditions of Sea Robin's Tariff (Tariff), Shipper agrees to deliver or cause to be delivered to Sea Robin at the primary or secondary Point(s) of Receipt described in Exhibit A to this Service Agreement, and Sea Robin agrees to accept at such point(s) for transportation under this Service Agreement, an aggregate quantity specified in Exhibit A to this Service Agreement of Natural Gas per

Day, hereinafter the "Maximum Daily Quantity" or "MDQ", for the applicable delivery periods. A delivery period shall not be less than three (3) Months, hereinafter "Delivery Period(s)." The MDQ for each Delivery Period shall not be less than 1,000 Dth/d and shall be supported by a life of reserves production profile for the Committed Lease(s), as more thoroughly described in Sea Robin's Rate Schedule FTS-2. Shipper's proposed commencement and termination dates of service shall be supported by the production profile submitted pursuant to Section 4 of Rate Schedule FTS-2. As provided in Rate Schedule FTS-2, Shipper shall annually update its production profile to support its projected MDQs and term of service. Shipper shall reduce its MDQs, as applicable, based on the updated production profile. Shipper may increase its MDQ, if supported by an updated production profile, to the extent firm capacity is available as determined by Sea Robin.

Shipper shall have the right for any reason, at any time and from time to time, to permanently change, in whole or in part, the MDQs for any given Delivery Period(s) set forth in Exhibit A to this Service Agreement on six (6) Months prior written notice to Sea Robin; provided, however, any increases in MDQ shall be subject to the availability of firm capacity on the system as determined by Sea Robin.

Sea Robin's obligation to accept gas on a firm basis at any Point of Receipt is limited to the primary Point(s) of Receipt set out on Exhibit A and to the Maximum Daily Receipt Quantity (MDRQ) stated for each such Point of Receipt. The sum of the MDRQs for the primary Point(s) of Receipt on Exhibit A shall not exceed the total MDQ for the Delivery Period set forth on Exhibit A hereto.

1.2 Subject to the terms and provisions of this Service Agreement, Rate Schedule FTS-2 and the General Terms and Conditions thereto, Sea Robin shall deliver Equivalent Volumes to Shipper at the Point(s) of Delivery described in Exhibit A hereto. Sea Robin's obligation to redeliver gas at any Point of Delivery on a firm basis is limited to the primary Point(s) of Delivery specified on Exhibit A and to the Maximum Daily Delivery Quantity (MDDQ) stated for each such Point of Delivery. The sum of the MDDQs for the primary Point(s) of Delivery on Exhibit A shall equal the total MDQ for the Delivery Period set forth on Exhibit A hereto.

1.3 Shipper may also deliver or cause to be delivered to Sea Robin gas for transportation hereunder at secondary Point(s) of Receipt described in Exhibit A to this Service Agreement and Sea Robin agrees on any Day to accept gas at such points on a secondary firm basis up to (i) the MDQs of gas specified on Exhibit A, not to exceed in the aggregate the total MDQ set forth on Exhibit A for the applicable Delivery Period, less (ii) the aggregate quantities of gas delivered on such Day at the primary Point(s) of Receipt.

1.4 Shipper may also request redelivery of Equivalent Volumes hereunder at secondary Point(s) of Delivery described in Exhibit A hereto and Sea Robin agrees on any Day to redeliver such volumes to Shipper at the Exhibit A secondary Point(s) of Delivery on a secondary firm basis up to (i) the MDQs specified on Exhibit A, not to exceed in the aggregate the total MDQ set forth on Exhibit A for the applicable Delivery Period, less (ii) the aggregate quantities of gas delivered on such Day at the primary Point(s) of Delivery.

1.5 Sea Robin shall have no obligation to commence service hereunder until Shipper has executed a Reserve Commitment Agreement with Sea Robin in the form contained in the Tariff

dedicating the gas reserves to Sea Robin under the Committed Leases. Sea Robin shall have no obligation to accept any gas for transportation under this Service Agreement other than the gas dedicated to Sea Robin's Pipeline System under a Reserve Commitment Agreement and produced from working interests of Shipper or its affiliates in the Committed Lease(s) or which Shipper has the right to market under a joint operating or similar agreement. Committed Lease(s) shall mean those lease(s) set forth on Exhibit B to this Service Agreement, which were committed to Sea Robin's Pipeline System by Reserve Commitment Agreement dated \_\_\_\_\_. The total proven recoverable reserves from the Committed Leases shown on Exhibit B shall be more than 40 Bcf, unless the Committed Leases were connected to Sea Robin's Pipeline System on or before August 1, 1997.

## ARTICLE II CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of Sea Robin's Rate Schedule FTS-2, and the General Terms and Conditions thereto, which are contained in Sea Robin's Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Service Agreement and Rate Schedule FTS-2, the terms of Rate Schedule FTS-2 shall govern as to the point of conflict. Any limitation or scheduling of transportation service hereunder shall be in accordance with the priorities set out in Rate Schedule FTS-2 and the General Terms and Conditions thereto.

2.2 This Service Agreement shall be subject to all operating conditions established by Sea Robin in Rate Schedule FTS-2 and the General Terms and Conditions as such conditions may be revised from time to time.

2.3 Sea Robin shall have the right to interrupt or discontinue service under this Service Agreement if, at any time after reasonable notice given the circumstances, Shipper fails materially to comply with any provision of this Service Agreement, Sea Robin's Rate Schedule FTS-2 and/or the General Terms and Conditions of the Tariff.

2.4 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, punitive or consequential damages (including, without limitation, loss of profits or business interruptions) arising out of or in any manner related to this Service Agreement.

2.5 This Service Agreement is subject to the provisions of Part 284 of the Commission's Regulations under the NGPA and the Natural Gas Act. Upon termination of this Service Agreement, Sea Robin and Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the Day of termination, to comply with the provisions of Section 6 of the General Terms and Conditions to resolve any imbalances accrued prior to termination of this Service Agreement, to render reports for applicable service periods, and to make payment for all obligations accruing prior to the date of termination.

2.6 Shipper shall be responsible for insuring that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service and that it has advised the upstream and downstream transporters of the Point(s) of Receipt and Point(s) of Delivery under this Service Agreement and any quantity limitations for each point as specified

on Exhibit A attached hereto. Sea Robin shall have no obligation to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Service Agreement.

ARTICLE III  
NOTICES

3.1 Any formal notice, request or demand which either party hereto may desire to give to the other respecting this Service Agreement shall be by written communication sent to the following address or to such other physical or electronic address as either party shall designate by written or electronic communication:

Sea Robin:

Notices and General  
Correspondence

Sea Robin Pipeline Company, LLC  
Attention: Customer Services  
P. O. Box 4967  
Houston, Texas 77210-4967  
Telephone: (713) 627-4272 or  
1-800-275-7375  
Facsimile: (713) 989-1178

Dispatching Notices –  
Nominations/Confirmations

Sea Robin Pipeline Company, LLC  
Attn: Marketing Operations  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 962-9862  
Fax: (713) 286-5402

EMERGENCIES (Not to be  
used for any other purpose)

Sea Robin Pipeline Company, LLC  
Attn: Gas Control  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-5621  
Toll Free: 1-800-225-3913

Shipper:

Billing:

Nomination and  
Scheduling: (1)

Emergency:

All Other:

(1) Please provide street address in addition to mailing address.

Unless otherwise specified, operating communications by telephone or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation, unless written confirmation by physical or electronic means is requested by either party hereto.

#### ARTICLE IV TERM

4.1 Subject to the provisions hereof, this Service Agreement shall become effective as of the date first hereinabove written and shall be in full force and effect for the economic life of the Committed Lease(s) as demonstrated by Shipper pursuant to Rate Schedule FTS-2 unless and until such Committed Lease(s) are released from dedication pursuant to the provisions of the Reserve Commitment Agreement. Nothing herein is intended to relieve Shipper of its obligation to support the level of its MDQs and provide production profile updates as required in Section 1.1 above.

#### ARTICLE V CONDITIONS PRECEDENT

5.1 The terms of Rate Schedule FTS-2, and the General Terms and Conditions thereto, shall apply to the acquisition or construction of any facilities necessary to effectuate this Service Agreement. Other provisions of this Service Agreement notwithstanding, Sea Robin shall be under no obligation to commence service hereunder unless and until (1) all facilities, of whatever nature, as are required to permit the receipt, measurement, transportation, treating, processing, and delivery of Natural Gas hereunder have been authorized, installed, and are in operating condition, and (2) Sea Robin, in its reasonable discretion, has determined that such service would constitute transportation of Natural Gas authorized under all applicable regulatory authorizations and the Commission's Regulations.

5.2 Sea Robin's services hereunder are contingent upon Shipper's obligation to pay for the services contemplated under the FTS-2 Service Agreement in a timely fashion in accordance with Section 15 of the General Terms and Conditions.

#### ARTICLE VI TRANSPORTATION CHARGES

6.1 Shipper shall pay Sea Robin monthly, for the transportation service rendered hereunder, the charges specified in Rate Schedule FTS-2, including any penalty, imbalance cash-out and other authorized charges assessed under Rate Schedule FTS-2 and the General Terms and Conditions. Sea Robin may agree from time to time at its reasonable discretion on a not unduly discriminatory basis to discount the rates charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule FTS-2. Any discounted rates agreed to by Sea Robin shall be documented in writing.

6.2 The rates and charges provided for under Rate Schedule FTS-2 shall be subject to increase or decrease pursuant to any order issued by the Commission in any proceeding applicable to the services performed hereunder. Shipper agrees that Sea Robin shall, without any further agreement by Shipper, have the right to change from time to time, all or any part of this Service Agreement, as well as all or any part of Rate Schedule FTS-2, or the General Terms and Conditions thereto, including without limitation, the right to change the rates and charges in effect hereunder and/or the design thereof, pursuant to Section 4(d) of the Natural Gas Act. Nothing contained herein shall prejudice the rights of Shipper to contest or protest at any time any changes made pursuant to this Section 6.2, including the right to contest the transportation rates or charges for the services provided under this Service Agreement in any subsequent rate proceedings by Sea Robin under Section 4 of the Natural Gas Act or to file a complaint under Section 5 of the Natural Gas Act with respect to such transportation rates or charges.

#### ARTICLE VII MISCELLANEOUS

7.1 No waiver by Sea Robin or Shipper of any default of either party under this Service Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

7.2 The laws of the State of Texas (excluding choice of law provisions) shall govern the validity, construction, interpretation, and effect of this Service Agreement.

7.3 This Service Agreement constitutes the entire Service Agreement between the parties. No modification of or supplement to the terms and provisions hereof, including any exhibits hereto, shall be or become effective except by execution of a supplementary written agreement between the parties. Subject to the availability of capacity and in accordance with the provisions of Rate Schedule FTS- 2, and the General Terms and Conditions thereto, primary Point(s) of Receipt may be added to or deleted from Exhibit A and the Maximum Daily Receipt Quantity (MDRQ) for any primary Point of Receipt on Exhibit A may be changed upon execution by Sea Robin and Shipper of a Revised Exhibit A to reflect said change(s), and primary Point(s) of Delivery may be added to or deleted from Exhibit A and the Maximum Daily Delivery Quantity (MDDQ) for any primary Point of Delivery may be changed upon execution by Sea Robin and Shipper of a Revised Exhibit A to reflect said change(s); provided, however, that any such change to Exhibit A must include corresponding changes to the existing MDRQs or MDDQs, respectively, such that the sum of the changed MDRQs shall not exceed the MDQ and the sum of the MDDQs equals the MDQ.

7.4 Subject to the Reserve Commitment Agreement dated \_\_\_\_\_, any entity which shall succeed by purchase, merger, or consolidation to the properties substantially as an entirety, of either Sea Robin or Shipper, 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 Service Agreement.

Notwithstanding the provisions of Section 9 of the General Terms and Conditions:

- (i) Shipper may, without the consent of Sea Robin, assign any of its rights hereunder to an entity with which it is affiliated, as defined in Section 1.2 of the Reserve Commitment Agreement, but Shipper shall not be relieved of its obligations under this Service Agreement and Sea Robin shall not recognize the assignment as effective unless and until Shipper provides to Sea Robin in writing the assignee's assumption of obligation under this Service Agreement. In the event of such assignment, the Shipper shall provide written notice of such assignment to Sea Robin as soon as practicable.
- (ii) In addition to the rights provided in Section 7.4(i) above, if Shipper assigns any of its rights hereunder to an entity with which it is affiliated, as defined in Section 1.2 of the Reserve Commitment Agreement, and, prior to such assignment, obtains the written consent thereto of Sea Robin, such consent not to be unreasonably withheld, then Shipper shall be relieved of its obligations hereunder to the extent so assigned prospectively from the effective date of the assignment (except for the obligations to pay monies related to periods for transportation service prior to the assignment which may become due before or after such date).
- (iii) Shipper may, without the consent of Sea Robin, assign any of its rights hereunder to any entity to which Shipper sells, transfers or assigns all or any portion of its interests in the Committed Lease(s). In the event of such assignment, the Shipper shall provide written notice of such assignment to Sea Robin as soon as practicable, and Shipper shall be relieved of its obligations hereunder, to the extent so assumed by the assignee, prospectively from the effective date of the assignment (except for the obligations to pay monies related to periods for transportation service prior to the assignment which may become due before or after such date).

Subject to the provisions of Section 9 of the General Terms and Conditions applicable hereto, and except as provided in Sections 7.4(i) and (iii) hereof, no assignment of this Service Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent thereto of Shipper in the event of an assignment by Sea Robin, or the written consent thereto of Sea Robin in the event of an assignment by Shipper, such consent not to be unreasonably withheld.

The restrictions on assignment contained in this Section 7.4 do not apply to assignments of leases and shall not in any way prevent either party to this Service Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness.

7.5 Exhibits A and B, as applicable, attached to this Service Agreement constitute a part of this Service Agreement and are incorporated herein.

7.6 This Service Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein. After the execution of this Service Agreement, each party shall make and diligently prosecute all necessary filings with federal or other governmental bodies, or both, as may be required for the initiation and continuation of the transportation service which is the subject of this Service Agreement and to construct and operate any facilities necessary therefor. Each party shall have the right to seek such governmental authorizations as it deems necessary, including the right to prosecute its requests or applications for such authorization in the manner it deems appropriate. Upon either party's request, the other party shall timely provide or cause to be provided to the requesting party such information and material not within the requesting party's control and/or possession that may be required for such filings. Each party shall promptly inform the other party of any changes in the representations made by such party herein and/or in the information provided pursuant to this paragraph. Each party shall promptly provide the party with a copy of all filings, notices, approvals, and authorizations in the course of the prosecution of its filings.

(If applicable) In the event all such necessary regulatory approvals have not been issued or have not been issued on terms and conditions acceptable to Sea Robin or Shipper within \_\_\_\_\_ Months from the date of the initial application therefor, then Sea Robin or Shipper may terminate this Service Agreement without further liability or obligation to the other party by giving written notice thereof at any time subsequent to the end of such \_\_\_\_\_-Month period, but prior to the receipt of all such acceptable approvals. Such notice will be effective as of the date it is delivered to the U. S. Mail, for delivery by certified mail, return receipt requested.

7.7 (If applicable) This Service Agreement supersedes and cancels the Service Agreement (#\_\_\_\_\_) dated \_\_\_\_\_ between the parties hereto.



Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, this Service Agreement has been executed by the parties as of the date first written above by their respective duly authorized officers.

SHIPPER: \_\_\_\_\_

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)

SEA ROBIN PIPELINE COMPANY, LLC

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A

Transportation Agreement  
For  
Firm Service  
Under Rate Schedule FTS-2  
Between  
SEA ROBIN PIPELINE COMPANY, LLC

and \_\_\_\_\_

Contract No. \_\_\_\_\_

Effective Date: \_\_\_\_\_

Supersedes Exhibit A dated: \_\_\_\_\_

Service Area: \_\_\_\_\_

SHIPPER: \_\_\_\_\_

SEA ROBIN PIPELINE COMPANY, LLC

BY: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

\_\_\_\_\_  
(Please type or print name)

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

Title \_\_\_\_\_

Executed: \_\_\_\_\_

Executed: \_\_\_\_\_

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A (Continued)

SEA ROBIN POINT(S) OF RECEIPT

Contract No. \_\_\_\_\_

Primary Point(s) of Receipt

<u>Receipt Point</u>	<u>Delivery Period Dates (1) Beginning Ending</u>	<u>Maximum Daily Receipt Quantity in Dth</u>	<u>Maximum Daily Quantity in Dth</u>
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Secondary Point(s) of Receipt

All active Points of Receipt on Sea Robin's Master Receipt Point List for the East Area or West Area consistent with the Service Area designated in this Exhibit A, a current list of which shall be maintained by Sea Robin on Messenger®, are available as secondary Points of Receipt.

(1) No Delivery Period shall be shorter than 3 consecutive Months.

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A (Continued)

SEA ROBIN POINT(S) OF DELIVERY

Contract No. \_\_\_\_\_

Primary Point(s) of Delivery

<u>Delivery Point</u>	<u>Delivery Period</u> <u>Dates (2)</u> <u>Beginning</u> <u>Ending</u>	<u>Maximum Daily</u> <u>Delivery Quantity</u> <u>in Dth</u>	<u>Maximum</u> <u>Daily Quantity</u> <u>in Dth</u>
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Secondary Point(s) of Delivery

All active Points of Delivery on Sea Robin's Master Delivery Point List for the East Area or the West Area consistent with the Service Area designated in this Exhibit A, a current list of which shall be maintained by Sea Robin on Messenger®, are available as secondary Points of Delivery.

(2) No Delivery Period shall be shorter than 3 consecutive Months.

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT B

Contract No. \_\_\_\_\_

Committed Lease(s) (3)

Associated Blocks

Working Interests

- (3) The aggregate estimated proven recoverable reserves from the Committed Lease(s) attributable to Shipper's interest alone or aggregated with other Shippers' interests in such lease(s) pursuant to a Reserve Commitment Agreement, shall not be less than 40 Bcf of Natural Gas unless such reserves were connected to Sea Robin's system prior to August 1, 1997.

RATE SCHEDULE ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE  
FORM OF SERVICE AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT, made and entered into as of this \_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_ (Service Agreement), by and between (Shipper's Name), hereinafter referred to as "Shipper", and SEA ROBIN PIPELINE COMPANY, LLC, a limited liability company organized under the laws of Delaware, hereinafter referred to as "Sea Robin".

WITNESSETH:

WHEREAS, Sea Robin is an interstate pipeline, as defined in the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested transportation of various supplies of gas for redelivery for Shipper's account on an interruptible basis and has submitted a valid request as defined in the General Terms and Conditions (describe transaction more fully if necessary); and

WHEREAS, Sea Robin has agreed to assist Shipper in the transportation of such gas supplies in accordance with the terms and conditions of this Service Agreement, pursuant to Part 284 of the Regulations of the Federal Energy Regulatory Commission (Commission).

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I  
TRANSPORTATION QUANTITY

1.1 Subject to the other provisions of this Service Agreement, Shipper may deliver or cause to be delivered to Sea Robin at Sea Robin's Point(s) of Receipt described in Exhibit A to this Service Agreement, and Sea Robin agrees to accept at such point(s) for transportation under this Service Agreement, the quantity of Natural Gas nominated by Shipper and scheduled by Sea Robin up to the Maximum Daily Quantity (MDQ) set forth in Exhibit A hereto. These quantities are subject to interruption or limitation to Rate Schedule ITS.

1.2 Sea Robin shall redeliver Equivalent Volumes, as defined in Section 1 of the General Terms and Conditions, nominated by Shipper and scheduled by Sea Robin to Shipper at the Sea Robin Point(s) of Delivery described in Exhibit A up to the MDQ set forth in Exhibit A hereto.

ARTICLE II  
CONDITIONS OF SERVICE

2.1 It is recognized that service hereunder is provided pursuant to Rate Schedule ITS which is hereby incorporated by reference, including the General Terms and Conditions. In the event of any conflict between the body of this Service Agreement and Sea Robin's Rate Schedule ITS, Rate Schedule ITS shall govern as to the point of conflict. Sea Robin shall have the right to determine the priority and/or scheduling of the transportation service under this Service Agreement in accordance with the provisions of Sea Robin's Tariff. Sea Robin shall also have the right to revise its priority and/or scheduling of this transportation service from time to time.

2.2 Sea Robin makes no representation, assurance or warranty that capacity will be available on Sea Robin's Pipeline System at any time.

2.3 This Service Agreement shall be subject to all operating conditions established by Sea Robin in Rate Schedule ITS and the General Terms and Conditions, as such conditions may be revised from time to time.

2.4 Sea Robin shall have the right to interrupt service under this Service Agreement if at any time after reasonable notice given the circumstances Shipper fails to comply with any provision of this Service Agreement, Sea Robin's Rate Schedule ITS or its General Terms and Conditions.

2.5 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, punitive, or consequential damages (including, without limitation, loss of profits or business interruptions) arising out of or in any manner related to this Service Agreement.

ARTICLE III  
NOTICES

3.1 Any formal notice, request or demand which either party hereto may desire to give to the other respecting this Service Agreement shall be by written communication sent to the following address or such other physical or electronic address as either party shall designate by written or electronic communication.

Sea Robin:

Notices and General  
Correspondence:

Sea Robin Pipeline Company, LLC  
P.O. Box 4967  
Houston, Texas 77210-4967  
Telephone: (713) 627-4272 or  
1-800-275-7375  
Facsimile: (713) 989-1178

Dispatching Notices:

Sea Robin Pipeline Company, LLC  
Attn: Marketing Operations  
P. O. Box 4967

Houston, Texas 77210-4967  
Phone: (713) 962-9862  
Fax: (713) 286-5402

EMERGENCIES (Not to be used  
for any other purpose)

Sea Robin Pipeline Company, LLC  
Attn: Gas Control  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-5621  
Toll Free: 1-800-225-3913

Shipper:

Billing:

Nomination and Scheduling: (1)

Emergency:

All Other:

(1) Please provide street address in addition to mailing address.

Unless otherwise specified, operating communications by telephone or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation, unless written confirmation by physical or electronic means is requested by either party hereto.

#### ARTICLE IV TERM

4.1 This Service Agreement shall become effective as of the date hereof, and shall be in full force and effect for a primary term set forth on Exhibit A hereto and shall continue and remain in full force and effect for successive evergreen terms as specified on Exhibit A hereto unless and until canceled by either party giving written notice to the other party prior to the end of the primary term or any extension thereof pursuant to the timeframe set forth on Exhibit A.

4.2 Notwithstanding the foregoing, to the extent permitted by law including such abandonment authorizations as may be necessary, Sea Robin shall have the right to terminate this Service Agreement, and the transportation service hereunder, upon thirty (30) Days written notice. In addition, Sea Robin and Shipper may mutually agree to terminate this interruptible Service Agreement at any time.



4.3 Termination of this Service Agreement shall not affect the obligations incurred by either party prior to the effective date of such termination nor shall such termination cancel balances of gas then owing by either party to the other.

#### ARTICLE V CONDITIONS PRECEDENT

5.1 In the event that Shipper does not nominate gas for transportation under this Service Agreement, or tender gas nominated by the later of (i) the date service was requested to commence, (ii) thirty (30) Days after Shipper executes this Service Agreement; or (iii) thirty (30) Days after the completion of necessary construction, this Service Agreement shall automatically terminate.

5.2 Other provisions of this Service Agreement notwithstanding, Sea Robin shall be under no obligation to commence service hereunder unless and until all facilities, of whatever nature, as are required to permit the receipt, measurement, transportation and delivery of Natural Gas hereunder have been installed and are in operating condition. Further, the terms of Rate Schedule ITS and the General Terms and Conditions shall apply to the acquisition or construction of any facilities necessary to effectuate this Service Agreement.

#### ARTICLE VI TRANSPORTATION FEE

6.1 Shipper shall be obligated to pay Sea Robin monthly, for the service under this Service Agreement, the charges specified in Rate Schedule ITS and the General Terms and Conditions. Sea Robin may agree from time to time to discount the rate charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule ITS.

6.2 If at any time and from time to time, including as to the first Month's deliveries hereunder, the Commission or any other governmental authority having jurisdiction in the premises allows or permits Sea Robin to collect, or to negotiate to collect, a higher rate (including but not limited to any incentive charge) for the transportation service, the rate shall be increased to the highest such rate.

6.3 Sea Robin shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in (i) the rates and charges applicable to service provided under this Service Agreement, including both the level and design of such rates and charges; (ii) the terms and conditions applicable to Rate Schedule ITS and (iii) the General Terms and Conditions. Sea Robin agrees that Shipper may protest or contest the aforementioned filings.

ARTICLE VII  
MISCELLANEOUS

7.1 This Service Agreement constitutes the entire agreement between the parties and no representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such representation or agreement is reduced to writing and executed by authorized representatives of the parties.

7.2 Exhibit A attached to this Service Agreement is hereby incorporated by reference into and made a part of this Service Agreement.

7.3 After the execution of this Service Agreement, each party shall make and diligently prosecute all necessary filings with Federal or other governmental bodies, or both, as may be required for the initiation and continuation of the transportation service which is the subject of this Service Agreement. Upon either party's request, the other party shall timely provide or cause to be provided to the requesting party such information and material not within the requesting party's control and/or possession that may be required for such filings. Each party shall promptly inform the other party of any changes in the representations made by such party herein and/or in the information provided pursuant to this paragraph. Each party shall promptly provide the other party with a copy of all filings, notices, approvals, and authorizations in the course of the prosecution of its filings.

7.4 (If applicable) This Service Agreement supersedes and cancels the Service Agreement (# \_\_\_\_\_) dated \_\_\_\_\_ between the parties hereto.

Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed in two (2) original counterparts, by their officers/ representatives thereunto duly authorized, effective as of the first Day and Year set forth hereinabove.

SHIPPER: \_\_\_\_\_

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)

SEA ROBIN PIPELINE COMPANY, LLC

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A

Transportation Agreement  
For  
Interruptible Service  
Under Rate Schedule ITS  
Between  
SEA ROBIN PIPELINE COMPANY, LLC

and \_\_\_\_\_

Contract No. \_\_\_\_\_

Effective Date: \_\_\_\_\_

Supersedes Exhibit A dated: \_\_\_\_\_

Service Area: \_\_\_\_\_

Maximum Daily Quantity : \_\_\_\_\_

Primary Term Start and End Dates: \_\_\_\_\_

Evergreen Period: \_\_\_\_\_ Term Notice: \_\_\_\_\_

SHIPPER: \_\_\_\_\_

SEA ROBIN PIPELINE COMPANY, LLC

BY: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

\_\_\_\_\_  
(Please type or print name)

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

Title \_\_\_\_\_

Executed: \_\_\_\_\_

Executed: \_\_\_\_\_

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A (Continued)

SEA ROBIN POINT(S) OF RECEIPT

Contract No. \_\_\_\_\_

Interruptible Point(s) of Receipt

<u>Point No.</u>	<u>Receipt Point</u>	<u>Service Type</u>	<u>Start Date</u>	<u>End Date</u>
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Additionally, all active Points of Receipt on Sea Robin's Master Receipt Point List for the East Area or the West Area consistent with the Service Area designated in this Exhibit A, a current listing of which shall be maintained by Sea Robin on Messenger®, are/are not incorporated by reference herein.

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A (Continued)

SEA ROBIN POINT(S) OF DELIVERY

Contract No. \_\_\_\_\_

Interruptible Point(s) of Delivery

<u>Point No.</u>	<u>Delivery Point</u>	<u>Service Type</u>	<u>Start Date</u>	<u>End Date</u>
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Additionally, all active Points of Delivery on Sea Robin's Master Delivery Point List for the East Area or the West Area consistent with the Service Area designated in this Exhibit A, a current listing of which shall be maintained by Sea Robin on Messenger®, are/are not incorporated by reference herein.

RATE SCHEDULE GPS  
 GAS PARKING SERVICE  
 FORM OF SERVICE AGREEMENT

CONTRACT NO. \_\_\_\_\_

THIS SERVICE AGREEMENT is made effective as of the \_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_,  
 by and between:

SEA ROBIN PIPELINE COMPANY, LLC, (hereinafter called "Sea Robin"), a limited liability company  
 organized under the laws of Delaware,

and

(hereinafter called "Shipper").

Shipper represents and warrants that Shipper conforms to the requirements of 18 C.F.R.

Section 284.102	(284B - Intrastate Pipelines or Local Distribution Companies)	_____
Section 284.221	(284G - Interstate Pipelines and others)	_____

In consideration of the mutual covenants and agreements as herein set forth, both Sea Robin  
 and Shipper covenant and agree as follows:

ARTICLE I  
 SERVICE

1.1 Sea Robin agrees to receive for the Parking account of Shipper and park, on an  
 interruptible and capacity available basis, quantities of Natural Gas at any specified Parking Point(s) on  
 the Master Parking Point List up to the maximum Parked Quantity as follows:

Maximum Parked Quantity \_\_\_\_\_ Dth

At no time shall Shipper's quantity parked exceed its maximum Parked Quantity, unless  
 otherwise agreed.

ARTICLE II  
TERM

2.1 This Service Agreement shall be effective from the date first stated above. Sea Robin shall provide interruptible Parking service for Shipper pursuant to this Service Agreement from \_\_\_\_\_ until \_\_\_\_\_, when this Service Agreement shall expire; provided, however, Sea Robin and Shipper may mutually agree to terminate this interruptible Service Agreement at any time.

ARTICLE III  
RATES AND CHARGES

3.1 For the services provided or contracted for hereunder, Shipper agrees to pay Sea Robin the then-effective, applicable rates and charges under Sea Robin's Rate Schedule GPS filed with the Commission, as such rates and charges and Rate Schedule GPS may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. Sea Robin reserves the right from time to time to unilaterally file and to make effective any such changes in the terms or rate levels under Rate Schedule GPS and the applicability thereof, the General Terms and Conditions or any other provisions of Sea Robin's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.

3.2 From time to time, Shipper and Sea Robin may agree in writing on a level of discount of the otherwise applicable rates and charges hereunder pursuant to the effective applicable provisions of Rate Schedule GPS and subject to the Regulations and Orders of the Commission. Such discount shall be in accordance with Section 20.1 in the General Terms and Conditions. Any discount shall be effective only on a prospective basis and shall be documented in writing.

ARTICLE IV  
GENERAL TERMS AND CONDITIONS

4.1 This Service Agreement and all terms for service hereunder are subject to the further provisions of Rate Schedule GPS and the General Terms and Conditions of Sea Robin's Tariff, as such may be modified supplemented, superseded or replaced generally or as to the service hereunder. Sea Robin reserves the right from time to time to unilaterally file and to make effective any such changes in the provisions of Rate Schedule GPS and the General Terms and Conditions, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder. Such Rate Schedule and General Terms and Conditions, as may be changed from time to time, are by this reference incorporated in their entirety into this Service Agreement and made an integral part hereof.



ARTICLE V  
NOTICES

5.1 The Post Office addresses of both Sea Robin and Shipper are as follows:

SEA ROBIN

Nomination and  
Scheduling: Sea Robin Pipeline Company, LLC  
Attn: Marketing Operations  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone (713) 962-9862  
Fax: (713) 286-5402

Pipeline Emergencies: Sea Robin Pipeline Company, LLC  
(Not to be used for Attn: Gas Control  
any other purpose) P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-5621  
Toll Free: 1-800-225-3913

All Other: Sea Robin Pipeline Company, LLC  
Attn: Customer Services  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-4272 or  
1-800-275-7375  
Fax: (713) 989-1178

SHIPPER

Billing:

Nomination and  
Scheduling: (1)

Emergency:

All Other:

(1) Please provide street address in addition to mailing address.

Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, both Sea Robin and Shipper have caused this Service Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so.

SHIPPER: \_\_\_\_\_

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

\_\_\_\_\_  
(Please type or print name)

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

EXECUTED \_\_\_\_\_, \_\_\_\_\_  
(Date)

SEA ROBIN PIPELINE COMPANY, LLC

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

\_\_\_\_\_  
(Please type or print name)

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

EXECUTED \_\_\_\_\_, \_\_\_\_\_  
(Date)

CAPACITY RELEASE  
FORM OF SERVICE AGREEMENT

CONTRACT NO. \_\_\_\_\_

THIS SERVICE AGREEMENT is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by and between:

SEA ROBIN PIPELINE COMPANY, LLC, (hereinafter called "Sea Robin"), a Delaware limited liability  
company,

and

(hereinafter called "Replacement Shipper").

In consideration of the mutual covenants and agreements as herein set forth, both Sea Robin and  
Replacement Shipper covenant and agree as follows:

ARTICLE I  
SERVICE

1.1 For each occasion that Replacement Shipper obtains capacity from a Releasing Shipper  
through Sea Robin's capacity release program, an Addendum in the form of Exhibit A, attached hereto  
will be made a part hereof. The specific terms and conditions of each release shall be reflected in each  
Addendum, which shall be incorporated and made a part of this Service Agreement, and which together  
shall constitute the terms and conditions of Sea Robin's service for each release.

1.2 Sea Robin agrees to receive at the Point(s) of Receipt and deliver at the Point(s) of  
Delivery, on a firm basis, quantities of Natural Gas up to the maximum daily quantity obtained from the  
Releasing Shipper. The maximum daily quantity is stated in delivered quantities, for which received  
quantities must be adjusted for fuel usage and lost or unaccounted for Gas. Sea Robin shall deliver  
Equivalent Volumes, as defined in Section 1 of the General Terms and Conditions.

ARTICLE II  
TERM

2.1 This Service Agreement shall be effective from the date first stated above until  
\_\_\_\_\_, when this Service Agreement shall expire. Service shall commence and remain  
effective for a term coincidental for each capacity release term identified in each Addendum.

ARTICLE III  
RATES AND CHARGES

3.1 For the services provided or contracted for hereunder (including any Addendum hereunder), Shipper agrees to pay Sea Robin the then-effective, applicable rates and charges under Sea Robin's Rate Schedule FTS or FTS-2, filed with the Commission, as such rates and charges and Rate Schedule FTS or FTS-2 may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. Sea Robin reserves the right from time to time to unilaterally file and to make effective any such changes in the terms or rate levels under Rate Schedule FTS or FTS-2 and the applicability thereof, the General Terms and Conditions or any other provisions of Sea Robin's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.

ARTICLE IV  
GENERAL TERMS AND CONDITIONS

4.1 This Service Agreement and all terms for service hereunder are subject to the further provisions of the applicable Rate Schedule and the General Terms and Conditions of Sea Robin's Tariff, as such may be modified, supplemented, superseded or replaced generally or as to the service hereunder. Sea Robin reserves the right from time to time to unilaterally file and to make effective any such changes in the provisions of the applicable Rate Schedules and the General Terms and Conditions, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder. Such Rate Schedule and General Terms and Conditions, as may be changed from time to time, are by this reference incorporated in their entirety into this Service Agreement and made an integral part hereof.

ARTICLE V  
NOTICES

5.1 The Post Office addresses of both Sea Robin and Shipper are as follows:

SEA ROBIN

Nomination and  
Scheduling:

Sea Robin Pipeline Company, LLC  
Attn: Marketing Operations  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 962-9862  
Fax: (713) 286-5402

Pipeline Emergencies:  
(Not to be used for  
any other purpose)

Sea Robin Pipeline Company, LLC  
Attn: Gas Control  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-5621  
Toll Free: 1-800-225-3913

All Other:

Sea Robin Pipeline Company, LLC  
Attn: Customer Services  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-4272 or  
1-800-275-7375  
Fax: (713) 989-1178

REPLACEMENT SHIPPER

Billing:

Nomination and  
Scheduling: (1)

Emergency:

All Other:

(1) Please provide street address in addition to mailing address.

Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, both Sea Robin and Replacement Shipper have caused this Service Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so.

REPLACEMENT SHIPPER: \_\_\_\_\_

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

\_\_\_\_\_  
(Please type or print name)

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

EXECUTED \_\_\_\_\_, \_\_\_\_\_  
(Date)

SEA ROBIN PIPELINE COMPANY, LLC

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

\_\_\_\_\_  
(Please type or print name)

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

EXECUTED \_\_\_\_\_, \_\_\_\_\_  
(Date)

EXHIBIT A

Capacity Release Agreement No. \_\_\_\_\_  
Addendum No. \_\_\_\_\_  
Capacity Release  
Service Agreement  
Between  
Sea Robin Pipeline Company, LLC  
and

---

Releasing Shipper  
Contract No. \_\_\_\_\_

Releasing Shipper  
Rate Schedule \_\_\_\_\_

Original Releasing  
Shipper Contract No. \_\_\_\_\_

Regulation \_\_\_\_\_

Service Area \_\_\_\_\_

Replacement Shipper's  
Maximum Daily Quantity (Dth) \_\_\_\_\_

Permanent or Temporary Release \_\_\_\_\_

Conditions of Recall \_\_\_\_\_

Term of Release

Begin \_\_\_\_\_ End \_\_\_\_\_

Reservation Rate (including applicable surcharges) \_\_\_\_\_

Other Conditions

EXHIBIT A (Continued)

Capacity Release Agreement No. \_\_\_\_\_  
Addendum No. \_\_\_\_\_

CAPACITY RIGHTS  
Points of Receipt

<u>Zone</u>	<u>Received From</u>	<u>Location</u>	<u>County</u>	<u>State</u>	<u>Meter No.</u>	<u>Quantity</u>
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Secondary Points of Receipt

Shipper shall have as secondary Points of Receipt all active Points of Receipt on Sea Robin's Master Receipt Point List for the East Area or West Area consistent with the Service Area designated in this Exhibit A, a current list of which shall be maintained by Sea Robin on Messenger®.



EXHIBIT B  
Capacity Release Agreement No. \_\_\_\_\_  
Addendum No. \_\_\_\_\_  
Capacity Release

Points of Delivery

<u>Zone</u>	<u>Delivered To</u>	<u>Location</u>	<u>County</u>	<u>State</u>	<u>Meter No.</u>	<u>Quantity</u>
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Secondary Points of Delivery

Shipper shall have as secondary Points of Delivery all active Points of Delivery on Sea Robin's Master Delivery Point List for the East Area or West Area consistent with the Service Area designated in this Exhibit A, a current list of which shall be maintained by Sea Robin on Messenger®.

FORM OF POOLING SERVICE AGREEMENT

Contract No. \_\_\_\_\_

THIS SERVICE AGREEMENT, made and entered into as of this \_\_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_, by and between Sea Robin Pipeline Company, LLC, a limited liability company organized under the laws of the State of Delaware, hereinafter referred to as "Sea Robin," and \_\_\_\_\_, hereinafter referred to as "Pooler,"

Pooling Point \_\_\_\_\_

WITNESSETH

WHEREAS, Sea Robin, an interstate pipeline as defined in the Natural Gas Policy Act of 1978 (NGPA), performs transportation services pursuant to Part 284 of the Regulations of the Federal Energy Regulatory Commission (Commission); and

WHEREAS, Pooler has submitted a valid request under Sea Robin's Tariff to create a pool of gas supplies originating from various Point(s) of Receipt on Sea Robin's Pipeline System (Pool) under one or more Service Agreements under Rate Schedule FTS, Rate Schedule FTS-2 and/or Rate Schedule ITS, (Service Agreements) pursuant to Section 5 of the General Terms and Conditions of Sea Robin's Tariff; and

WHEREAS, Sea Robin is agreeable to such an arrangement in accordance with the terms and conditions of this Service Agreement, the subject Service Agreements, Sea Robin's Tariff and any applicable Commission Regulations under the NGPA or Natural Gas Act.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I  
TERMS AND CONDITIONS

1.1 Sea Robin agrees to provide a pooling service on behalf of Pooler pursuant to Part 284 of the Regulations of the Commission.

1.2 Services provided hereunder are subject to and governed by the General Terms and Conditions of Sea Robin's effective Tariff, as may be revised from time to time, on file with the Commission. The Tariff is incorporated herein by reference. In the event of any conflict between this Service Agreement and the Tariff, the Tariff shall govern as to the conflict.

1.3 Sea Robin makes no representation, assurance or warranty that capacity will be available on Sea Robin's Pipeline System at any time. Sea Robin shall have the right to interrupt service under this Service Agreement consistent with the terms of the Tariff.

1.4 Subject to the terms and provisions of this Service Agreement, the parties agree that to the extent Sea Robin is able to confirm and schedule the nominations made by Pooler hereunder, the

quantities of gas nominated by Pooler for delivery to the Pool from various Service Agreements or Tier I Pooling Service Agreements shall be deemed to have been received by the Pooler into the Pool.

1.5 Pooler recognizes and agrees that it is Pooler's responsibility to ensure that volumes delivered into a pool during a Day equal volumes delivered out of a pool. Sea Robin reserves the right to cancel this Service Agreement to the extent Pooler repeatedly fails to balance its receipts and deliveries on a daily basis. To the extent the quantities of gas actually delivered and allocated at the Point(s) of Delivery from the pool each day are less than or greater than the daily quantities nominated by Pooler to the Point(s) of Delivery, such variance shall constitute an imbalance under the terms of this Service Agreement.

1.6 Any Imbalances accrued under this Service Agreement shall be resolved pursuant to the provisions of Section 6 of the General Terms and Conditions of Sea Robin's Tariff.

1.7 This Service Agreement shall be subject to all operating conditions on Sea Robin's Pipeline System as such conditions may vary from time to time.

1.8 Unless otherwise changed by Sea Robin as provided in Section 6.4 herein, no rate will be charged for service under this Service Agreement. All transportation and related charges for gas delivered into the Pool shall be applied to the applicable FTS, FTS-2 and ITS Service Agreements delivering gas to the Pool. The provisions of Section 5 of the General Terms and Conditions shall apply to this Service Agreement.

## ARTICLE II NOMINATIONS

2.1 Pooler shall nominate gas for delivery into its Pool and delivery out of its Pool pursuant to the procedures of Section 4 of the General Terms and Conditions of Sea Robin's Tariff. Pooler's nominations shall be used to confirm nominations for deliveries to the Pool under Service Agreements.

2.2 Pooler shall provide to Sea Robin on its nomination the names of Shippers nominating gas for delivery into the Pool, the contract numbers under which the gas is being transported into the Pool, the quantities of gas nominated by each Shipper, a Point of Delivery ranking for such quantities as described below in Section 2.3, and any such other information as Sea Robin may deem necessary to render this pooling service hereunder.

2.3 Pooler shall provide a predetermined ranking of all of the Point(s) of Delivery and/or third party Tier I Pools and associated volumes served by the Pool to be used by Sea Robin to limit the deliveries by such Pool in the event of an interruption or reduction in Pooler's supplies or a capacity constraint at any of Sea Robin's Point(s) of Delivery.

2.4 If Pooler has requested a Tier I Pool, as set forth in Section 5 of the General Terms and Conditions, Pooler may only nominate gas for receipt into such Pool from Point of Receipt sources under transportation Service Agreements, but Pooler may nominate gas for delivery into another Pooler's Tier II Pool. If Pooler has requested a Tier II Pool, as set forth in Section 5 of the General Terms and

Conditions, Pooler may nominate gas for receipt into such Pool from transportation Service Agreements and other Poolers' Tier I Pools, but Pooler may nominate gas for delivery therefrom only into Point(s) of Delivery on Sea Robin's Pipeline System.

If a Tier II Pooler wishes to nominate to receive gas from a third-party Pooler's Tier I Pool, Sea Robin will allow such a nomination provided that the third-party Pooler submits a corresponding nomination to deliver gas to Pooler from its Tier I Pool. If a Tier I Pooler wishes to nominate to deliver gas to a third-party Pooler's Tier II Pool, Sea Robin will allow such nomination provided that the third-party Pooler submits a corresponding nomination to receive gas from Pooler under its Tier II Pool.

2.5 In the event there is a capacity constraint at a Point of Delivery, Pooler's nominations at such constrained Point of Delivery shall be scheduled consistent with other scheduled services according to the priority of service for the underlying Service Agreements at said point. Any nomination by a Pooler where a Shipper has designated its primary Point of Delivery to the Pool shall be scheduled on a firm basis pro rata with other such Primary Point of Delivery nominations under an FTS and/or FTS-2 Service Agreement.

2.6 Pooler shall exercise due diligence in monitoring the supplies serving its Pool hereunder and shall use its best efforts to notify Sea Robin promptly of any known variations in its supplies.

2.7 Pooler warrants and represents that by execution of this Service Agreement hereunder, Pooler has the authority to nominate deliveries of the gas supplies designated by Pooler into and out of the Pool. Pooler agrees to indemnify, release and hold Sea Robin harmless for any claims, costs, damages, expenses (including attorneys' fees and court costs), demands or causes of action caused by Sea Robin's allocation of gas to the Pool under this Service Agreement for which Pooler did not have the authority or title to nominate.

### ARTICLE III CREDITWORTHINESS

3.1 If at any time Pooler is or becomes insolvent or fails to demonstrate creditworthiness, Pooler must provide Sea Robin one of the following forms of credit to enter into or maintain in effect this Service Agreement: (a) a security deposit or other good and sufficient surety, as determined by Sea Robin in its reasonable discretion, in an amount equal to the current Index Price under Section 6 of the General Terms and Conditions multiplied by the average of Pooler's maximum nominated quantity for a three (3) month period multiplied by five percent (5%); or (b) a guaranty from a creditworthy party that said creditworthy party will be responsible for payment of all charges or penalties assessed by Sea Robin but not paid by Pooler hereunder.

### ARTICLE IV NOTICES

4.1 Any formal notice, request or demand which either party hereto may desire to give to the other respecting this Service Agreement shall be by written communication sent to the following

address or to such other physical or electronic address as either party shall designate by written or electronic communication.

Sea Robin:

Notices and General  
Correspondence

Sea Robin Pipeline Company, LLC  
Attention: Customer Services  
P. O. Box 4967  
Houston, Texas 77210-4967  
Telephone: (713)627-4272 or  
1-800-275-7375  
Facsimile: (713)989-1178

Dispatching Notices-  
Nominations/Confirmations

Sea Robin Pipeline Company, LLC  
Attn: Marketing Operations  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 962-9862  
Fax: (713) 286-5402

Emergencies (Not to be used  
for any other purpose)

Sea Robin Pipeline Company, LLC  
Attn: Gas Control  
P. O. Box 4967  
Houston, Texas 77210-4967  
Phone: (713) 627-5621  
Toll Free: 1-800-225-3913

Pooler:

Billing:

Nomination and  
Scheduling: (1)

Emergency:

All Other:

(1) Please provide street address in addition to mailing address.

ARTICLE V  
TERM

5.1 Subject to the provisions hereof, this Service Agreement shall become effective as of the date first written above, and shall remain in full force and effect for a primary term set forth on Exhibit A hereto and shall continue and remain in force and effect for successive evergreen terms as specified on Exhibit A hereto unless and until canceled by either party giving written notice to the other party prior to the end of the primary term or any extension thereof pursuant to the timeframe set forth on Exhibit A. The provisions for correcting imbalances or paying charges which accrue prior to the termination date of this Service Agreement shall survive the termination of this Service Agreement.

ARTICLE VI  
CONDITIONS OF SERVICE

6.1 This Service Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body having or asserting jurisdiction herein. After the execution of this Service Agreement, each party shall make and diligently prosecute all necessary filings with federal or other governmental bodies, or both, as may be required for the initiation and continuation of the service which is the subject of this Service Agreement. Pooler shall reimburse Sea Robin for any applicable filing fees. In the event all necessary regulatory approvals are not issued on terms and conditions acceptable to Sea Robin and Pooler, either party may terminate this Service Agreement without further liability or obligation to the other party by giving written notice within thirty (30) Days after receipt of the unacceptable authorization. Such notice will be effective as of the date it is delivered to the U.S. mail for delivery by certified mail, return receipt requested.

6.2 This Service Agreement is entered into by the parties hereto with the understanding that the terms and provisions hereof and any services provided hereunder are subject to the provisions of the Natural Gas Act and Part 284 of the Federal Energy Regulatory Commission's Regulations. Upon termination of this Service Agreement, Sea Robin and Pooler shall be relieved of further obligation to the other party except to complete the activities underway on the date of termination, to comply with the provisions of Section 6 of the General Terms and Conditions with respect to any imbalance accrued prior to the termination of this Service Agreement, to render reports and to make any payments accruing as of the date of termination.

6.3 This Service Agreement is subject to the provisions of the General Terms and Conditions contained in Sea Robin's FERC Gas Tariff and any future modifications, additions or deletions thereto.

6.4 Pooler agrees that Sea Robin shall, in its sole discretion without any further agreement by Pooler, have the unilateral right to file with the appropriate regulatory authority to change from time to time all or any part of this Service Agreement, as well as all or any part of Sea Robin's Rate Schedules, Service Agreements or the General Terms and Conditions applicable hereto, including the right to design and implement charges or alter charges to recover any and all costs associated with providing service under this Service Agreement. Nothing contained herein shall prejudice the rights of Pooler to protest or contest any changes made pursuant to this Section 6.4.

6.5 The parties hereto agree that neither party shall be liable to the other party for any special, punitive, indirect, or consequential damages (including, without limitation, loss of profits or business interruptions) arising out of or in any manner related to this Service Agreement.

6.6 It is recognized and understood by the parties that the Pool created hereunder is not a physical point on Sea Robin's Pipeline System. Nothing contained herein shall obligate Sea Robin to construct or install facilities to implement service hereunder.

ARTICLE VII  
MISCELLANEOUS

7.1 No waiver by Sea Robin or Pooler of any default of either party under this Service Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

7.2 The laws of the State of Texas (excluding choice of law provisions) shall govern the validity, construction, interpretation and effect of this Service Agreement.

7.3 No modification of, or supplement to, the terms and provisions hereof shall become effective except by execution of a supplementary written agreement between the parties.

7.4 This Service Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Neither party may assign this Service Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

7.5 {If Applicable} This Service Agreement supersedes and cancels the Service Agreement # \_\_\_\_\_ dated \_\_\_\_\_ between the parties hereto.

Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, this Service Agreement has been executed as of the date first written above by each party's respective duly authorized officers.

POOLER: \_\_\_\_\_

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)

SEA ROBIN PIPELINE COMPANY, LLC

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

\_\_\_\_\_  
(Please type or print name)

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

Executed: \_\_\_\_\_, \_\_\_\_\_  
(Date)



Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

EXHIBIT A

Pooling Service Agreement

Between

SEA ROBIN PIPELINE COMPANY, LLC

and \_\_\_\_\_

Contract No. \_\_\_\_\_

Effective Date: \_\_\_\_\_

Supersedes Exhibit A dated: \_\_\_\_\_

Service Area: \_\_\_\_\_

Primary Term Start and End Dates: \_\_\_\_\_

Evergreen Period: \_\_\_\_\_ Term Notice: \_\_\_\_\_

SHIPPER: \_\_\_\_\_

SEA ROBIN PIPELINE COMPANY, LLC

BY: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

\_\_\_\_\_  
(Please type or print name)

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

Title \_\_\_\_\_

Executed: \_\_\_\_\_

Executed: \_\_\_\_\_

## FORM OF RESERVE COMMITMENT AGREEMENT

THIS RESERVE COMMITMENT AGREEMENT (Agreement) is made and entered into as of the \_\_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_, by and between SEA ROBIN PIPELINE COMPANY LLC, a limited liability company of the State of Delaware, hereinafter referred to as "Sea Robin" and \_\_\_\_\_, hereinafter referred to as "Shipper". Sea Robin and Shipper shall collectively be referred to herein as the Parties.

### ARTICLE I DEFINITIONS

- 1.1 COMMITTED LEASE(S) - shall mean those Outer Continental Shelf (OCS) or State Waters leases set forth on Exhibit "A" hereto. The estimated proven recoverable reserves from the Committed Lease(s) attributable to Shipper's and/or its affiliates' interest or aggregated with other Shipper's interests in such lease(s) which are committed to Sea Robin pursuant to this Reserve Commitment Agreement shall meet the eligibility requirements set forth in Rate Schedule FTS-2 of Sea Robin's Tariff. Shipper shall provide to Sea Robin supporting documentation for the reserves estimate, technical support data, and production development plans, including facilities design capacity, subject to a mutually agreeable confidentiality agreement to confirm Shipper's estimated proven recoverable reserves and to demonstrate Shipper's authority to dedicate the Committed Lease(s) under the terms of this Agreement.
- 1.2 AFFILIATE - For purposes of this Agreement, "affiliate" shall mean, with respect to any relevant entity, any other entity that directly or indirectly controls, is controlled by, or is under common control with, such relevant entity in question. As used herein, the term "control" (including its derivatives and similar terms) means owning or holding, directly or indirectly, the power (i) to vote 10% or more of the Voting Stock of any such relevant entity, or (ii) to direct or cause the direction of the management and policies of any such relevant entity. "Voting Stock" shall mean capital stock issued by a corporation, or equivalent interests in any other entity, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or entity with management authority performing similar functions) of such entity.
- 1.3 Any Capitalized terms not defined herein shall have the meaning ascribed thereto in Sea Robin's Tariff.

### ARTICLE II RESERVE DEDICATION

- 2.1 Subject to the provisions of Sections 2.4 and 2.5 below, Shipper hereby agrees to deliver into and transport through Sea Robin's Pipeline System under a Service Agreement under Rate Schedule FTS-2, "FTS-2 Service Agreement," or under an ITS Service Agreement or FTS Service Agreement between Shipper and Sea Robin all Natural Gas produced by or for the account of Shipper, or any affiliate of Shipper which Shipper controls (as defined in Section 1.2 above), from the Committed Lease(s) for the producible life of the Committed Lease(s).

- 2.2 (a) Subject to Section 2.2(b) and the other provisions of this Agreement, Shipper shall be entitled to transfer, assign, sell, exchange, farmout, or otherwise dispose of any of the Committed Lease(s) without the consent of Sea Robin. Shipper shall also be entitled to unitize any Committed Lease(s) with one or more additional OCS leases without the consent of Sea Robin. In the event of such unitization, then (i) such unitization shall not be deemed a transfer or assignment of Shipper's interest for the purpose of this Service Agreement and (ii) only the gas production attributable to Shipper's interest in the unit shall be subject to the provisions of this Agreement. For purposes of this Section 2.2(a), "unitize" or "unitization" shall mean the combination of all or parts of the leases in a prospect, reservoir, or field such that development and operation of the unit are provided for without regard to separate property interests and with unit production and costs allocated among the various parties, whether pursuant to formal or informal joint operating agreements.
- (b) In the event Shipper should transfer or assign any or all of its rights, title and/or interest in the Committed Lease(s), Shipper agrees that (i) it shall notify Sea Robin in writing of such assignment as soon as practicable after such assignment, and (ii) any such transfer or assignment will be made subject to the terms of this Agreement, it being the intent of the parties hereto subject to the provisions of Article V and this Article II, that the Committed Lease(s) remain dedicated for purposes of transportation under Rate Schedule FTS-2 and/or Rate Schedule ITS or Rate Schedule FTS to Sea Robin's Pipeline System for the producible life of the Committed Lease(s). All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Committed Lease(s), and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Committed Lease(s) so assigned. Upon such assignment, Shipper shall be relieved of its obligations under this Agreement to the extent, and only to the extent, such obligations are assigned to a third party.
- 2.3 From the obligations in Section 2.1, Shipper expressly reserves unto itself, its successors and assigns, the following rights and quantities of production sufficient to satisfy such rights:
- (a) The right to operate the Committed Lease(s) free from any control by Sea Robin including, without limitation, the right (but never the obligation) to drill new wells, to repair and rework old wells, to plug and abandon any well and to renew, surrender, release or terminate any lease (in whole or in part) covering the affected lands;
- (b) The right to deliver production to lessors of the Committed Leases in quantities sufficient to fulfill Shipper's lease obligations from time to time, including the right to deliver royalty in kind; and
- (c) The rights to use production for the development and operation of the Committed Lease(s) or other leases in the vicinity (regardless of ownership), including, but not limited to, the use of gas for fuel, drilling, deepening, reworking, development system

installation and startup, compressing, gas lifting, pumping stations, processing, treating, cycling, repressuring or other supplemental recovery operations.

#### 2.4 Temporary Release

- (a) In the event that prior to a Month or during a Month Shipper nominates and has available for transportation (x) a daily quantity of production from Committed Lease(s) that in the aggregate exceeds the sum of (y) the daily amount of capacity available for transportation on Sea Robin's Pipeline System under all of Shipper's existing FTS-2 Agreement(s), plus (z) the daily quantity of ITS and FTS service from the Committed Lease(s) that Sea Robin reasonably expects to be able to provide to Shipper during such Month, then Shipper shall, upon request to Sea Robin, be released for such Month, or the remainder of such Month, as applicable, from its obligations under Section 2.1 of a daily quantity of gas of up to (x) minus the sum of (y) plus (z) (the "Temporary Release Quantity").
- (b) The Temporary Release Quantity shall be deemed to be the last quantities produced, so that any release under this Section 2.4 is applicable only to the daily production quantity in excess of the quantity that Sea Robin is able to accept into Sea Robin's Pipeline System on a given Day.
- (c) Shipper may deliver the Temporary Release Quantity from any field(s) under its Committed Lease(s) which Shipper chooses.

#### 2.5 Permanent Release

This Section 2.5 applies to gas produced from Committed Lease(s) in excess of a Shipper's firm effective or future Maximum Daily Quantity ("MDQ"). In the event Shipper has had Temporary Release Quantities for more than ninety (90) consecutive Days or for more than ninety (90) Days during any consecutive one hundred eighty (180) Day period or if Shipper wishes to increase its MDQs to accommodate production from new fields that were not included in Shipper's initial production development plan for the Committed Lease(s) submitted to Sea Robin under Section 1.1 above at the time of execution of this Agreement, Shipper may request in writing from Sea Robin a prospective permanent release of the daily quantities of gas in future Delivery Periods in excess of the daily quantities of FTS-2 service that Sea Robin is able to make available to Shipper during such future Delivery Periods as described below. Such request shall include a schedule of quantities of gas that Shipper reasonably expects to nominate and have available for delivery from Committed Lease(s) in future Delivery Periods based on production development data presented to Sea Robin. Sea Robin shall act upon Shipper's release request as soon as practicable, but in no event later than six (6) Months from the date of receipt of Shipper's request. Such actions may include, without limitation or obligation to take any action, the installation of facilities or the solicitation of available firm MDQs from other Shippers, to enable Sea Robin to receive such additional quantities from Shipper. To that end, Sea Robin shall review with Shipper the steps or actions Sea Robin is taking, or proposes to take, as soon as practicable, but in no event later than three (3) Months following Shipper's release request.

After such review, but within the six (6) Month period, Sea Robin shall notify Shipper of the additional MDQs, if any, that may be available to Shipper under its FTS-2 Service Agreements in such future Delivery Periods, and/or the quantities of gas eligible for permanent release. If Sea Robin (i) is unable, with existing facilities, to provide to Shipper the increased MDQs requested or (ii) is unable or unwilling to expand its Pipeline System, by the later of (a) 24 Months after the date Sea Robin receives Shipper's request for increased MDQs, or (b) Shipper's anticipated start-up of deliveries from the new field(s), or (c) an alternative, later date acceptable to Shipper, then Sea Robin shall provide Shipper a written, permanent release of quantities from this Agreement as provided below. Such quantities shall be equal to amount(s) of up to (a) the daily quantities of gas that Shipper reasonably expects to nominate and have available for delivery from Committed Lease(s) in future Delivery Periods, minus (b) the quantities of FTS-2 service made available to Shipper for such future Delivery Periods including the additional MDQs, if any, and MDQs under Shipper's existing FTS-2 Service Agreements on the date of such notice (the "Permanent Release Quantities"). Within fifteen (15) Days after such notice, Shipper must notify Sea Robin in writing if Shipper elects to implement the permanent release of the obligations under Section 2.1 with respect to the Permanent Release Quantities; provided, however, that the Permanent Release Quantities shall be deemed to be based on the last quantities produced so that any release under this Section 2.5 is applicable only to the daily production quantity in excess of the level of additional FTS-2 MDQs that were made available to Shipper during such review.

Upon such notification to Sea Robin of Shipper's election to release, Sea Robin will release the Permanent Release Quantities from the obligations under Section 2.1. An illustrative example of the permanent release provisions of this Section 2.5 is provided at Exhibit B to this Agreement. Shipper may deliver the Permanent Release Quantities from any field(s) under the Committed Lease(s) of Shipper's choice

- 2.6 Shipper agrees to provide to Sea Robin, at least annually, an updated production development plan, to update Exhibit A hereto in order to reflect changes in the Committed Lease(s).

### ARTICLE III TRANSPORTATION

- 3.1 Shipper may request that its production from the Committed Lease(s) be transported only under Rate Schedules FTS-2 or ITS, in accordance with the provisions of the applicable Rate Schedule. Shipper shall execute no more than one (1) FTS-2 Service Agreement per lease dedicated under this Reserve Commitment Agreement.
- 3.2 Sea Robin agrees to accept and process Shipper's Requests for Service under Section 3.1 in accordance with the provisions of the applicable Rate Schedules. Prior to the execution of an FTS-2 Service Agreement with Shipper, Sea Robin does not guarantee sufficient capacity to transport all of Shipper's production from Committed Lease(s).

3.3 Nothing contained herein shall obligate Sea Robin to build or install new facilities to provide transportation service for production from Committed Lease(s), and Shipper's sole and exclusive remedy, in the event of insufficient capacity, shall be to request a permanent or temporary release as specified in Sections 2.4 and 2.5 above.

ARTICLE IV  
REGULATION

This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations.

ARTICLE V  
TERM

This Agreement shall be effective \_\_\_\_\_, \_\_\_\_\_, and shall remain in force and effect for the economic life of the Committed Lease(s) unless terminated sooner pursuant to other applicable provisions of this Agreement.

ARTICLE VI  
NOTICES

Any formal notice, request or demand which either party hereto may desire to give to the other respecting this Service Agreement shall be by written communication sent to the following address or to such other physical or electronic address as either party shall designate by written or electronic communication.

Sea Robin: Sea Robin Pipeline Company, LLC  
Attention: Customer Services  
P. O. Box 4967  
Houston, Texas 77210-4967  
Telephone: (713)627-4272 or  
1-800-275-7375  
Facsimile: (713)989-1178

Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_  
Facsimile: ( ) \_\_\_\_\_

ARTICLE VII  
MISCELLANEOUS

The laws of the State of Texas (excluding choice of law provisions) shall govern the validity, construction, interpretation, and effect of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

SHIPPER: \_\_\_\_\_

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

\_\_\_\_\_  
(Please type or print name)

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

Date: \_\_\_\_\_

SEA ROBIN PIPELINE COMPANY, LLC

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

\_\_\_\_\_  
(Please type or print name)

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

Date: \_\_\_\_\_

EXHIBIT A

COMMITTED LEASE(S)



EXHIBIT B  
Reserve Commitment Agreement

Example: Permanent Release  
Under Section 2.5

Assumptions:

- Year 2001
- Shipper A: - has MDQ of 100,000 Dth/Day under its FTS-2 Service Agreement
  - has then current production (as of 1/1/2001) from Committed Lease(s) of 130,000 Dth/Day, but expects its production from such fields to increase to 175,000 Dth/Day beginning 1/1/2002, to remain at 175,000 Dth/Day through 12/31/2003 and to decline to 120,000 Dth/Day beginning 1/1/2004 (and thereafter to remain at that level)
  - Shipper has been receiving 20,000 Dth of IT and 10,000 Dth of Shipper's current production has been interrupted for 90 consecutive Days (thru 12/31/2000)

Procedures:

1. Shipper on 1/1/2001 requests permanent release of quantities of gas in excess of quantities of FTS-2 service available to Shipper with respect to future delivery periods.
2. By 5/1/2001, Sea Robin notifies Shipper of the actions it proposes to take and any additional MDQs available to Shipper under its FTS-2 Service Agreement in such future delivery periods.

Assume, for this example, Sea Robin informs Shipper that it has 25,000 Dth/Day of additional MDQs available to Shipper under its FTS- 2 Service Agreement effective 6/1/2001 and another 30,000 Dth/Day of additional MDQs available to Shipper under its FTS-2 Service Agreement beginning 1/1/2002.

Permanent Release Quantities:

1. Shipper's Permanent Release Quantities are up to: 5,000 Dth/Day during 7/1/2001 through 12/31/2002; 20,000 Dth/Day during 1/1/2002 through 12/31/2003, and 0 beginning 1/1/2004 (see below):

7/1/2001  
through 130,000 - 125,000 (FTS-2) = 5,000 Dth/Day  
12/31/2001

1/1/2002  
through 175,000 - 155,000 (FTS-2) = 20,000 Dth/Day  
12/31/2003

beginning 120,000 - 125,000 (FTS-2) = 0 permanent release quantities  
1/1/2004

2. If Shipper's actual production in calendar year 2002 is 165,000 Dth/Day, only 10,000 Dth/Day will be released (last quantities produced rule).

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This example is for illustrative purposes only. The actual application of any permanent releases shall be governed by the provisions of Section 2.5.

Reserved

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