

**AGREEMENT FOR
FIRM STORAGE SERVICES**

BETWEEN

ARCADIA GAS STORAGE, L.L.C.

AND

DATED: _____

CONTRACT ID: _____

AGREEMENT FOR FIRM STORAGE SERVICES

THIS AGREEMENT FOR FIRM STORAGE SERVICES is made and entered into as of this ____ day of _____, _____, by and between **ARCADIA GAS STORAGE, L.L.C.**, a Texas limited liability company, hereinafter referred to as "Arcadia," and _____, a _____, hereinafter referred to as "Customer," both sometimes collectively hereinafter referred to as the "parties."

WITNESSETH:

WHEREAS, Arcadia operates certain underground natural gas storage and exchange facilities, together with other appurtenant facilities relative thereto, located near Arcadia, Bienville Parish, Louisiana (the "Storage Facilities");

WHEREAS, Customer is an intrastate natural gas pipeline within the meaning of Section 2(16) of the Natural Gas Policy Act of 1978 ("NGPA"), 15 U.S.C. Section 3371(a), which operates wholly within the northern portion of the State of Louisiana;

WHEREAS, Customer offers intrastate and Section 311(a)(2) transportation services pursuant to [insert applicable authorizations with Federal Energy Regulatory Commission] in Docket No. _____;

WHEREAS, Customer has or will have Gas available in Louisiana;

WHEREAS, Customer desires that Arcadia provide Firm storage services ("Services") offered at its Storage Facilities, and Arcadia desires to perform such Services;

WHEREAS, Arcadia and Customer agree that the Services provided under this Agreement are for the receipt, storage and redelivery of Gas whether committed or dedicated to interstate commerce or entirely within the State of Louisiana; and

WHEREAS, the parties intend that the Agreement consists of this Agreement for Services and the "Statement of Operating Conditions" attached hereto as Exhibit "A" (the "SOC") (hereinafter collectively referred to as the "Agreement" or the "Services Agreement").

NOW, THEREFORE, in consideration of the premises and of the mutual benefits, covenants, and agreements herein contained, together with good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by both parties hereto, both parties do hereby agree as follows:

ARTICLE I

DEFINITIONS

- 1.1 "Fuel Reimbursement" means the percentage of Gas Arcadia retains in-kind of Customer's delivered Gas quantities for reimbursement of gas used as fuel in or subject to loss during operations by Arcadia pursuant to the Services Agreement.
- 1.2 "Injection Rate" means the fee per MMBtu Customer is obligated to pay to Arcadia on quantities of Gas delivered by Customer.
- 1.3 "Reservation Rate" means the fee per MMBtu of storage capacity reserved by Customer.
- 1.4 "Withdrawal Rate" means the fee per MMBtu Customer is obligated to pay to Arcadia on quantities of Gas withdrawn and delivered for Customer's account.

- 1.5 All other capitalized words used in this Agreement that are not expressly defined herein shall have the meanings included in the SOC, as such SOC may be amended from time to time.

ARTICLE II

FIRM STORAGE SERVICES

- 2.1 Services are provided subject to this Agreement, together with the SOC set forth in Exhibit "A", as they may be amended from time-to-time.
- 2.2 The Services available pursuant to this Agreement are subject to the Maximum Storage Quantity of _____ MMBtu.
- 2.3 The Services for injection of Gas for storage available pursuant to this Agreement are subject to the Maximum Daily Injection Quantity of _____ MMBtu per Day.
- 2.4 The Services for withdrawal of Gas from storage available pursuant to this Agreement are subject to the Maximum Daily Withdrawal Quantity of _____ MMBtu per Day.

ARTICLE III

TERM

- 3.1 "Commencement Date" is defined in Section 9.1 of this Statement of Operating Conditions and shall be _____, _____. Such date shall also be the first day of the Contract Term. "Completion Date" is defined in Section 9.1 of this Statement of Operating Conditions and means the date that the primary term of this Agreement expires.
- 3.2 This Agreement shall be for a primary term through _____, _____. THE OBLIGATIONS TO MAKE PAYMENT HEREUNDER, AND THE OBLIGATION

OF EITHER PARTY TO INDEMNIFY THE OTHER, PURSUANT HERETO SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT. In the event there is an imbalance, in terms of MMBtu, caused by differences in receipt and delivery of quantities on the date of termination of this Agreement, those provisions of this Agreement which govern the resolution of such imbalances shall continue in full force and effect until such imbalance is corrected.

ARTICLE IV

SERVICES CHARGES

- 4.1 The rates for Services performed under this Agreement shall be as set forth on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1." Such rates shall not exceed the maximum charge for such service, if any, established by the applicable state or federal regulatory authority, nor shall such rates be less than the minimum charge for such service, if any, established by the applicable state or federal regulatory authority. Such rates and charges may include:
- (a) A charge for injection which is the product of the Injection Rate set forth on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1" times the quantities of Gas delivered by Customer, measured in MMBtu's, received at the Point(s) of Receipt during a Month.
 - (b) A withdrawal charge which is the product of the Withdrawal Rate set forth on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1" times the quantities of Gas redelivered to Customer, measured in MMBtu's, at the Point(s) of Delivery during a Month.

- (c) A monthly capacity reservation charge which is the product of the Reservation Rate set forth on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1" times the Maximum Storage Quantity, expressed in MMBtu's.
- (d) A charge of in-kind delivery for retained Fuel equal to the Fuel Reimbursement set forth on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1" times the delivered Gas tendered at the Point(s) of Receipt for injection into the Storage Facilities or other services for the account of Customer during such Month. Title to the quantity of Gas that is charged as Fuel shall transfer to Arcadia at the downstream flange of Arcadia's metering facilities at the Point of Receipt.
- (e) All penalties and other charges described in the SOC, to the extent applicable to any Service.

ARTICLE V

POINT(S) OF RECEIPT AND DELIVERY

- 5.1 The Point(s) of Receipt for all Gas to be tendered by Customer to Arcadia for injection into the Storage Facilities shall be as specified on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1." The Maximum Daily Injection Quantity ("MDIQ") that Arcadia is obligated to receive from Customer at each such individual Point of Receipt shall not exceed the maximum stated on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1."
- 5.2 The Point(s) of Delivery for all Gas to be tendered by Arcadia to Customer for delivery pursuant to the terms hereof shall be as specified on the Term Sheet

attached hereto and made a part hereof as Exhibit "B-1." The Maximum Daily Withdrawal Quantity ("MDWQ") that Arcadia is obligated to deliver to Customer at each such Point of Delivery shall not exceed the maximum stated on the Term Sheet attached hereto and made a part hereof as Exhibit "B-1."

ARTICLE VI

TERMINATION AND ABANDONMENT

- 6.1 The parties recognize and take cognizance of the fact that this Agreement will expire and terminate *ipso facto* for all purposes on the termination date referenced in Article III of this Agreement or such earlier date as provided in other provisions of this Agreement (hereinafter "Termination Date"), unless otherwise extended pursuant to the terms and conditions hereof.
- 6.2 Without admitting or acquiescing in the jurisdiction of the Commissioner of Conservation of the State of Louisiana (hereinafter "Commissioner") over this Agreement, pursuant to the provisions of LSA R.S. 30:555(B) and reserving all rights with respect thereto, Arcadia and Customer do hereby mutually covenant and agree as follows:
- (a) that said Agreement and any and all services and facilities used in connection herewith shall be considered abandoned as of said Termination Date for all purposes pursuant to the provisions of the Natural Resources and Energy Act of 1973, being LSA R.S. 30:501 et seq. (hereinafter "Act"), as it may be amended from time-to-time;
 - (b) to furnish on a timely basis such properly executed documents, applications, filings and other material, as may be required by the Louisiana Commissioner of Conservation for the issuance of an order

granting abandonment of this Agreement and all facilities and services connected herewith, including without limitation, to execute and return within ten (10) Days of receipt from the other party any and all documents, papers, letters, and/or agreements evidencing mutual agreement and consent to the abandonment of this Agreement, and all associated facilities and services, on said Termination Date;

- (c) to prepare and jointly submit any application necessary to obtain permission for abandonment of this Agreement as well as any and all associated facilities and services arising out of or connected herewith from the Commissioner, or other agency or individual granted or having jurisdiction over the same on said Termination Date or any successor individual or agency granted or having jurisdiction over same under the Act or otherwise; and
- (d) that they expressly waive any right to a public hearing before the Commissioner involving an adjudication, or otherwise, under the provisions of the Act, including but not limited to LSA R.S. 30:555(b) thereof, the Administrative Procedure Act, as amended, LSA R.S. 49:950, et seq., including but not limited to LSA R.S. 49:955, any and all rules and regulations implementing said Acts, or otherwise, with respect to the obtaining of permission and approval to abandon this Agreement, and agree that the Commissioner can approve abandonment of this Agreement without the calling and/or holding of a public hearing.

6.3 Notwithstanding the foregoing, and in no way affecting the agreement of the parties as set out in the preceding paragraphs, if this Agreement becomes subject to regulation and the parties, despite their mutual efforts, are prohibited from abandoning or terminating said Agreement, or any of the services and/or facilities connected herewith on said Termination Date, all of the terms and conditions of this Agreement shall apply to any continued service.

ARTICLE VII

CORRESPONDENCE TO CUSTOMER

7.1 Any notice, request, invoice or statement required in this Agreement to be provided to Customer by Arcadia shall be in writing, and may be transmitted via ordinary mail, overnight mail, courier, or fax as specified below. Notice sent by fax shall be deemed received upon the sending party's receipt of its fax confirmation thereof. Notice by overnight mail or courier shall be deemed received upon actual receipt.

BY U.S. MAIL OVERNIGHT MAIL OR COURIER:

BILLING AND ACCOUNTING ISSUES TO CUSTOMER:

Any correspondence, including payments, from Customer to Arcadia shall be as provided in the SOC.

ARTICLE VIII

CREDITWORTHINESS

8.1 The provision of Services to Customer is subject to Arcadia's reasonable determination of the creditworthiness of Customer. Arcadia reserves the right to require a deposit or other form of security if the Customer is determined to be a credit risk. If Arcadia has reasonable grounds for insecurity with respect to the Customer's ability to perform its obligations and pay for the services rendered hereunder or under any Term Sheet attached hereto and made a part hereof as Exhibit "B-1," the Customer shall deliver, within two (2) business days of written request, a guaranty from a creditworthy entity in a form acceptable to Arcadia, or an irrevocable standby letter of credit expiring not less than thirty (30) days following the termination of the latest Term Sheet attached hereto and made a part hereof as Exhibit "B-1," and issued: (i) in Arcadia's favor; (ii) by a FDIC insured bank reasonably acceptable to Arcadia; and (iii) no later than fifteen (15) days prior to expiry of a letter of credit, the Customer shall instruct such issuing bank to renew or extend such letter of credit that satisfies the foregoing. All costs relating to any letter of credit shall be for the account of Customer.

ARTICLE IX

9.1 Customer and Arcadia agree that the Services are provided to Customer, an intrastate natural gas pipeline within the meaning of Section 2(16) of the NGPA, which operates wholly within the northern portion of the State of Louisiana.

ARTICLE X

MISCELLANEOUS

10.1 This Agreement has been negotiated at arm's length between non-affiliated parties, and neither party, by reason of the execution hereof, acquires any right to control or participate in the management or operation of the other party's properties. Neither party shall be charged with the performance of any of the other party's duties or obligations in connection with the operation of the properties affected hereby.

10.2 **NEITHER ARCADIA NOR CUSTOMER SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND, NOR SHALL THIS AGREEMENT CONFER THIRD PARTY BENEFICIARY STATUS ON ANY PERSON.**

10.3 Customer agrees that Arcadia shall have the unilateral right to file with the appropriate state or federal regulatory agency and make changes effective in (a) any applicable rates for Services, and (b) any provision of the SOC applicable to Services provided hereunder. Arcadia shall provide written notice to Customer of any such changes. Arcadia agrees that Customer may contest any of the above-mentioned filings by Arcadia, and that Customer reserves whatever rights it may have with respect to such filings.

10.4 **CUSTOMER AGREES TO INDEMNIFY AND HOLD ARCADIA HARMLESS FROM AND AGAINST ANY LIABILITY TO IT IN THE EVENT GAS IS TAKEN BY THE LOUISIANA OFFICE OF CONSERVATION UNDER EMERGENCY GAS ALLOCATION**

PROCEDURES AND PROCESS SO LONG AS THE FOREGOING IS NOT DUE TO THE ACTIONS OR INACTIONS OF ARCADIA.

- 10.5 The descriptive headings of the provisions of this Agreement are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provisions.
- 10.6 In the event that any term or provision in this Agreement is inconsistent with any term or provision in the SOC, the Agreement shall control.
- 10.7 The terms of this Agreement, including but not limited to the applicable charges, quantity, and all other material terms, shall be kept confidential by the parties hereto, except to the extent that any information must be disclosed (i) to a third party for the purpose of effectuating transportation of Gas subject to this Agreement, (ii) to meet New York Mercantile Exchange requirements or regulatory filing requirements, or (iii) as otherwise required by law.
- 10.8 This Agreement shall be governed by and construed, enforced, and performed in accordance with the law of the State of Texas, without regard to principles of conflicts of law.

ACCEPTED AND AGREED THIS
_____ DAY OF _____, _____

ARCADIA GAS STORAGE LLC

By: _____

Title: _____

ACCEPTED AND AGREED THIS
_____ DAY OF _____, _____

By: _____

Title: _____