



Southern LNG
Company, L.L.C.
a Kinder Morgan company

April 9, 2019

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Southern LNG Company, L.L.C.
Docket No. RP19-843-____
Ship Loading Service Correction Filing

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission's ("Commission") Regulations, Southern LNG Company, L.L.C. ("Southern LNG") hereby submits for filing and approval the following tariff sections of its FERC Gas Tariff ("Tariff")

Section 3.3 – Rate Schedule LNG-3 Firm Terminal Service – Elba III, Version 4.1.0;
Section 4.1 – General Terms and Conditions – Definitions, Version 6.1.0;
Section 4.24 – General Terms and Conditions – Fuel & Electric Power Adj, Version 3.1.0; and
Section 6.1.1 – Form of Service Agreement – Exhibit A to SA Under Rate Schedule LNG-1 or LNG-3, Version 4.1.0

Background

On March 18, 2019 Southern LNG filed with the Commission its Ship Loading Service Compliance Filing in Docket No. RP19-843 ("March filing") pursuant to the June 1, 2016 Commission Order in Docket No. CP14-103-000¹ (the "Order") in which the Commission authorized Southern LNG and Elba Liquefaction Company, L.L.C. ("ELC") to construct and operate the Elba Liquefaction Project (the "Project"). The joint application as filed by Southern LNG and ELC on March 10, 2014 in Docket No. CP14-103-000 contained *pro forma* tariff sections and recourse rates proposed by Southern LNG to allow Southern LNG to provide its new ship loading service. In the Order the Commission directed Southern LNG to file actual tariff records as conditioned and approved by the Commission no sooner than 60 days but no later than 30 days prior to commencement of service to place the rates and tariff records for the ship loading service into effect. At the time of the March filing Southern LNG listed April 23, 2019, as the expected in-service date of the new service associated with the tariff sections but committed to update the Commission if such date changed due to commissioning of the new facilities associated with the ship loading service.

¹ *Elba Liquefaction Company, L.L.C., Southern LNG Company, L.L.C.* 155 FERC ¶ 61,219 (2016)

The pro forma tariff sections were approved by the Order on June 1, 2016. The rates in the pro forma tariff sections were calculated using the federal income tax rate (“FITR”) of 35% in effect at that time. The Tax Cuts and Jobs Act of 2017² lowered the FITR from 35% to 21% effective January 1, 2018. In the March filing Southern LNG filed two sets of tariff records. Option A tariff records were filed reflecting rates calculated using the 21% FITR for the MDLQ Monthly Reservation Charge, MDLQ Overrun Rate, Interruptible Ship Loading Commodity Rate and K-7 Boil Off Compressor Usage Surcharge. Option B tariff records were filed reflecting rates calculated using a 35% FITR as filed in the pro forma tariff sections. The only difference between Option A and Option B is the change in the rates that were affected by going from a 35% FITR to a 21% FITR. In the March filing Southern LNG requested the Commission to accept the Option A tariff records reflecting the 21% FITR and place them into effect on the in-service date of the facilities associated with the ship loading service.

Nature, Basis and Reasons for the Proposed Tariff Changes

The purpose of this filing is twofold. First, Southern LNG respectfully notifies the Commission that the expected in-service date of the Project is now May 1, 2019 vs. April 23, 2019. Second, after submitting the March filing, Southern LNG determined it had inadvertently not included several typographical changes to Tariff Sections 3.3, 4.1 and 4.24. Additionally, Southern LNG did not add several footnotes required by the ship loading service to Tariff Section 6.1.1. Therefore, in this filing, Southern LNG files only corrected Tariff Section 3.3 Version 4.1.0; Tariff Section 4.1 Version 6.1.0; Tariff Section 4.24 Version 3.1.0; and Tariff Section 6.1.1 Version 4.1.0. As a courtesy to FERC staff and Southern LNG customers, the only marked changes in Option A are the changes noted above. All other marked changes submitted in the March filing for Option A tariff records (including those in Tariff Sections 3.3 Version 4.0.0; Tariff Section 4.1 Version 6.0.0; Tariff Section 4.24 Version 3.0.0 and Tariff Section 6.1.1 Version 4.0.0) are still applicable. Southern LNG has Overtaken By Events (OBEd) Tariff Sections 3.3 Version 4.0.0; Tariff Section 4.1 Version 6.0.0; Tariff Section 4.24 Version 3.0.0 and Tariff Section 6.1.1 Version 4.0.0 submitted in the March filing and replaced by the tariff sections as submitted by Southern LNG in this filing. As in the March filing, Southern LNG is filing both an Option A set and Option B set of these tariff records.

Southern LNG respectfully requests a shortened comment period for this filing and requests the Commission accept this filing and permit the Option A set of tariff records in this filing along with the remaining Option A set of tariff records as submitted in the March filing to become effective when new facilities are placed into service.

Procedural Matters

Pursuant to the applicable provisions of Section 154.7 of the Commission’s regulations, Southern LNG submits the following eTariff XML filing package, filed as a zip (compressed) file, containing:

² The Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97.

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1. This transmittal letter; and
2. Clean and Marked version Option A tariff records in PDF format; and
3. Clean and Marked version Option B tariff records in PDF format.

As required by Section 154.208 of the Commission's regulations, copies of this filing are being made available at Southern LNG's offices in Birmingham, Alabama and electronically mailed to Southern LNG's customers and interested state commissions.

The name, title, and mailing addresses of the persons to whom communications concerning this filing are to be addressed and on whom service is to be made is as follows:

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Respectfully submitted,

SOUTHERN LNG COMPANY, L.L.C.

/s/ T. Brooks Henderson
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Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have served by electronic mail the foregoing document upon all Southern LNG customers and interested state commissions this 9th day of April 2019.

/s/ T. Brooks Henderson

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Clean Version of Option A Tendered Tariff Records

Section 3.3

RATE SCHEDULE LNG-3
Firm Terminal Service - Elba III
(Chatham County, Georgia)

1. AVAILABILITY

1.1 Southern LNG will make service for the receipt, storage, vaporization of LNG and delivery of Vaporized LNG under Rate Schedule LNG-3 available to any party (Customer) who requests Firm Service under this Rate Schedule from Southern LNG Company, L.L.C. (Southern LNG) under the following conditions:

- (i) Southern LNG has sufficient capacity and is able to provide the services;
- (ii) Customer has complied with the requirements of Section 2 of the General Terms and Conditions (GT&C) of this Tariff; and
- (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-3 (Service Agreement).
- (iv) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to deliver LNG to the Terminal.

1.2 Southern LNG will make terminal-to-vessel transfers of LNG (Ship Loading Service) under Rate Schedule LNG-3 available to any party (Customer) who requests Ship Loading Service under this Rate Schedule from Southern LNG provided that:

- (i) Southern LNG has sufficient capacity and is able to provide the Ship Loading Service requested;
- (ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff;
- (iii) Customer currently has a sufficient LNG Balance as defined below;
- (iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-3; and
- (v) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to receive LNG from the Terminal.

1.3 Southern LNG shall not be obligated to construct, modify, expand or acquire facilities to perform Terminal Service under this Rate Schedule, except to the extent required pursuant to certification by the Commission. Southern LNG shall obtain abandonment authority for capacity under firm contract that is no longer available for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

The provisions of this Rate Schedule apply to the Terminal Service, including Ship Loading Service, rendered by Southern LNG for Customer pursuant to Subpart 284(G) of the Commission's Regulations (18 C.F.R. § § 284.221 et seq.), Part 153 of the Commission's Regulations (18 C.F.R. § 153), and the Service Agreement.

This Firm Service is not subject to interruption or prior claim by another Customer or another class of service and receives the same priority as any other class of Firm Service; provided, however, that GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity.

3. DEFINITIONS

3.1 Maximum Storage Quantity:

The Maximum Storage Quantity (MSQ) shall be the maximum quantity of LNG that Southern LNG is obligated to store for Customer's account at any time. Customer's MSQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.2 Maximum Daily Vaporization Quantity:

The Maximum Daily Vaporization Quantity (MDVQ) shall be the maximum quantity of Vaporized LNG for any day that Southern LNG shall be obligated to deliver for Customer or Customer's account. Customer's MDVQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.3 Liquefied Natural Gas Balance:

- (a) The Liquefied Natural Gas Balance (LNG Balance) shall be the quantity of gas held in storage in liquid form for Customer's account at the Terminal at the time Southern LNG confirms Customer's nomination. Each Customer's LNG Balance shall be increased or decreased as provided in § 5.9 of this Rate Schedule. As stated in §§ 5.8(c), 6.1(d), and 6.2(b) of this Rate Schedule, Customer has the obligation to manage its LNG Balance to accommodate receipts or deliveries of Gas for Customer's account.

In order to maintain an operational cryogenic state in each Southern LNG storage tank to maintain Customer's LNG Balance, Southern LNG may maintain a residual amount of LNG in each Southern LNG storage tank at the Terminal as recommended by the tank manufacturer or consistent with accepted industry practice for such purpose. Such residual volume will be defined as the Southern LNG storage tank "Heel" and will be considered a part of the plant's working capital. It is understood and expected that the Heel shall be left in place in the Southern LNG storage tanks as part of the plant facilities unless for Southern LNG's operational reasons it is vaporized and removed. For purposes of calculating each Customer's LNG Balance or proportionate share of Boil-Off Gas as provided in Section 3.3(b) below, the Heel will not be considered or calculated. From time to time if minimal customer inventory exists in the Southern LNG storage tanks such that portions of the Heel gas begin to boil off, Southern LNG may replenish the Heel by taking receipts of LNG from the Liquefaction Facilities.

(b) Boil-Off Gas:

(i) Definitions:

Boil-Off Gas includes gas (1) boiling off from Southern LNG's unloading, loading, and storage facilities, (2) flashing from the liquid phase to the gaseous phase during unloading LNG from Customer's Vessel(s), during loading LNG to Customer's Vessel(s), and during cool down, (3) returning to Customer's Vessel(s) during unloading and cool down, and (4) boiling off during the operation of Southern LNG's process equipment.

(ii) Disposal:

- (x) Customer must arrange for the delivery on each day of Customer's share of Boil-Off Gas (except Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG). Disposition of a Customer's proportionate share provided in (iii) below shall occur in the following order:

(1) Customer will be allocated a proportionate share of K-5 Capacity based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day plus

(2) Customer will then be allocated a portion of the K-6 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.5(d) plus

(3) Customer will then be allocated a portion of the K-7 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.7(c) plus

(4) at any time (i) when Southern LNG is receiving delivery of LNG for Customer's account such that Boil-Off Gas levels are elevated, (ii) that Customer elects not to use all or a portion of Customer's share of the K-6 Capacity as provided in (2) above; (iii) that Customer elects not to use all or a portion of Customer's share of the K-7 Capacity as provided in (3) above; or (iv) that an event of Force Majeure or Operating Condition as defined in Section 8.3 of these General Terms and Conditions occurs such that any portion of the K-5 Capacity, K-6 Capacity, or K-7 Capacity is unavailable, for any of Customer's Boil-Off Gas remaining in excess of that handled by (1), (2), and (3) Customer shall nominate sufficient LNG send out to permit such excess boil off to be handled through the Terminal's recondenser facilities.

(y) If all necessary arrangements (including nomination and confirmation) are not complete, then Southern LNG shall take title to the Boil-Off Gas. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Customer shall indemnify Southern LNG against any claim, demand, or action arising from Customer's failure under this paragraph; provided, however, that Southern LNG shall not take title to, and will allocate to Customer's Service Agreement, boil-off that enters the downstream pipeline.

(iii) Allocation:

(x) Except for the Boil-Off Gas associated with loading and unloading Customer's Vessel, as provided in (y) below, Customer's share of Boil-Off Gas on any day shall equal a proportionate share based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day.

(y) At any time when Southern LNG is receiving or delivering LNG from or to a vessel, the Customer for whom or to whom Southern LNG receives or delivers the LNG shall be responsible for the incremental quantities of Boil-Off Gas associated with Southern LNG receiving or delivering such LNG to or from a vessel at the Terminal.

3.4 Maximum Daily Loading Quantity:

The Maximum Daily Loading Quantity (MDLQ) shall be the maximum quantity of LNG in gallons per minute for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer. Customer's MDLQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.5 Maximum Daily Receipt Quantity:

The Maximum Daily Receipt Quantity (MDRQ) shall be the maximum quantity of LNG in gallons per minute that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility. Customer's MDRQ shall be specified in the Service Agreement between Customer and Southern LNG.

4. RATES AND FUEL

- 4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-3 of this Tariff. Customer will pay the maximum rate or a negotiated rate for service unless Southern LNG, in its reasonable judgment, offers to discount from the maximum rate to Customer. Any discount to which Southern LNG agrees, and the effective period, shall be stated on Exhibit C to the Service Agreement. Any negotiated rate to which Southern LNG agrees, and the effective period, shall be stated on Exhibit F to the Service Agreement.
- 4.2 For service rendered to Customer under Rate Schedule LNG-3, Customer shall pay Southern LNG each month (i) a Reservation Charge per Dth of Customer's MSQ plus a Monthly Storage Charge calculated under Rate Schedule LNG-2 for any Dth in excess of Customer's MSQ; (ii) a Reservation Charge per Dth of Customer's MDVQ; (iii) a Commodity Rate per Dth of the aggregate quantities delivered for Customer's account (both for firm vaporized quantities scheduled up to and including Customer's MDVQ and, if any, for vaporized quantities scheduled in excess of Customer's MDVQ) pursuant to the nomination procedures on each day during the month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Commodity Rate; (iv) a Reservation Charge per Dth of Customer's MDLQ as converted per Section 13.5 of the General Terms and Conditions; or, in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement, an MDLQ Overrun Rate per Dth of quantities delivered to Customer's account.
- 4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a pro rata share of Gas as compensation for GRO and LAUF or charge an equivalent monetary amount if there are insufficient deliveries, as provided in GT&C § 24.1. Southern LNG shall adjust Customer's LNG Balance accordingly; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged for GRO and LAUF.
- 4.4 Customer shall also pay any other effective charges and surcharges, as applicable, including an HMC, Electric Power Cost Charge, Dredging Surcharge, K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, and Ship Loading Electric Power Cost Charge as more particularly described in Sections 24.1, 24.2 and 24.3 of this Tariff, and, if applicable, a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule, and a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of Gas compressed in excess of a Customer's firm K-6 or K-7 Capacity entitlement; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Electric Power Cost Charge or ACA Surcharge.
- 4.5 Force Majeure Relief for Firm Service:
- Customers under this Rate Schedule may under Section 4.5 thereof receive one of the following two forms of relief from a complete and extended force majeure at the Elba Terminal as provided below. Unless Southern LNG, in a not unduly discriminatory manner, agrees to consider a later election, a Customer desiring to make the buyout election in Section 4.5.2 below ("Buyout Election") in lieu of the demand charge crediting mechanism under Section 4.5.1 below ("Crediting Election") shall so notify Southern LNG as follows:
- (i) in the event of a request for new service (whether in an open season or otherwise) under Section 2 of the GT&C after the effective date of this provision, then no later than the request for service;
 - (ii) in the event Customer has an existing, effective Service Agreement as of the effective date of this provision, then no later than the later of ten (10) days after the effective date of this provision or January 1, 2010; and
 - (iii) in the event Customer has subscribed to new service that has not yet commenced as of the effectiveness of this provision, then no later than ten (10) days after the in-service of the facilities associated with the service agreement for such subscription.

Such election shall be irrevocable and noted in Customer's Service Agreement and shall survive Customer's termination of the Service Agreement. If Customer does not make a timely Buyout Election, then Customer shall be deemed as of the effectiveness of the Service Agreement to have elected the Crediting Election, which shall apply to that Service Agreement. A Customer whose Buyout Election is noted in its Service Agreement shall not, unless Southern LNG agrees otherwise, in a separate discounted or negotiated rate agreement, receive relief under the Crediting Election.

4.5.1 Crediting Election:

(a) Applicability:

The following demand charge crediting mechanism shall apply to Customer's Service Agreement under this Rate Schedule only if:

- (i) Customer has not made the Buyout Election as provided above, and
- (ii) Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable, during a period that exceeds thirty consecutive days, to make available at least eighty percent (80%) of the aggregate MSQ, MDVQ, or MDLQ for all firm Customers ("Southern LNG Force Majeure").

(b) Customer's Crediting Ratio:

Each Customer shall receive its pro rata share of the BI Credit or ROE Credit defined below based on the following ratio for each firm rate schedule ("Customer's Crediting Ratio"). Customer's Crediting Ratio equals the product of (1) the maximum reservation rates set forth on the rate sheet(s) of this Tariff for the MSQ, MDVQ, and MDLQ, as applicable, under each firm rate schedule multiplied by (2) the MSQ, MDVQ, and MDLQ specified in Customer's Service Agreement under such rate schedule [(1) X (2)] ("Customers' Recourse Revenues") divided by the sum of all Customers' Recourse Revenues for all firm reservation billing determinants under such rate schedule ("Total Recourse Revenues").

(c) Crediting:

The highest of the MSQ, MDVQ, or MDLQ percentage not made available, greater than twenty percent (20%), shall be the "Firm Shortfall."

For the period extending beyond the thirtieth day of the Southern LNG Force Majeure there shall be deducted from each Customer's monthly invoice the greater of either the BI Credit or ROE Credit amount, as defined below, multiplied by Customer's Crediting Ratio:

- (1) an amount equal to any insurance proceeds for business interruption of Southern LNG (the premiums for which are included in the cost of service underlying Southern LNG's rates under the applicable rate schedule) paid to Southern LNG ("BI Credit"); or
- (2) an amount equal to the portion of the Total Recourse Revenues attributable to the FERC-approved cost of common equity and associated income taxes under the applicable rate schedule multiplied by the Firm Shortfall ("ROE Credit").

[[BI Credit or ROE Credit] * Customer's Crediting Ratio]

In no event, however, shall the amount to be paid by a discounted or negotiated rate Customer under this subsection (c) above result in less than the amount that would be paid for a maximum recourse rate Customer having the same MSQ, MDVQ, and MDLQ. If the proceeds for business interruption are subsequently determined to be greater than the ROE Credit provided to

Customers or less than the BI Credit provided to Customers, then Southern LNG shall refund or invoice the difference (pro rate for each Customer) to true up such difference.

4.5.2 Buyout Election:

(a) Qualifications.

In order to qualify to make a Buyout Election, Customer must so elect for its Service Agreements, and the Service Agreements to which the election applies must each, unless Southern LNG agrees otherwise:

- (1) have a primary term of no less than nineteen (19) years; and
- (2) obligate Customer to pay either the maximum recourse reservation rate or a negotiated reservation rate;

(b) General Terms and Conditions.

Section 8.6 of the GT&C to this FERC Gas Tariff shall govern the applicability of, conditions on, and limitations to the Buyout Election.

4.5.3 Exclusivity

Customer's entitlement to demand charge reductions under the Crediting Election or entitlement to terminate its Service Agreement under the Buyout Election shall constitute Customer's sole and exclusive remedy for the event of force majeure to which the Crediting Election or Buyout Election is applicable, without prejudice to Southern LNG's obligation to restore service in the event Customer does not terminate its Service Agreement under either Section 8.6(b)(1)(C) or Section 8.6(b)(2)(B) of the GT&C of Southern LNG's tariff.

5. RECEIPT and DELIVERY OF LNG FROM and TO CUSTOMERS' VESSEL(S)

Southern LNG receives and delivers LNG at the vessel unloading/loading facilities on Elba Island, Georgia.

5.1 Customer shall give, or cause to be given, to Southern LNG notice by electronic mail prior to each arrival of a vessel. Southern LNG will provide Customer(s) with the manner in which Southern LNG must receive notice. The notice shall identify Customer(s) Vessel (LNG Tanker Name, Register, Register Number, Flag, LNG Cargo Capacity, and LNG Tanker Owner/Operator/Manager or as otherwise required by the DOE) and state the date and hour of arrival at the terminal, the transaction type of the vessel (import or export), and the quantity of LNG to be received or delivered, as applicable, by Southern LNG. Southern LNG reserves the right to reject, in a manner not unduly discriminatory, the receipt of any Customer vessel that does not meet the requirements of Southern LNG.

Customer shall send notice as follows:

- (a) first notice 48 hours before Customer's Vessel departs the port of origin. At that time Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that Customer must nominate for vaporization and delivery in order to accommodate the quantities of LNG stated in Customer's notice for receipt by Southern LNG.
- (b) second notice when Customer's Vessel departs the port or origin;
- (c) third notice for receipt by Southern LNG 96 hours before estimated arrival;
- (d) fourth notice for receipt by Southern LNG 72 hours before estimated arrival;

- (e) fifth notice for receipt by Southern LNG 48 hours before estimated arrival;
- (f) sixth notice for receipt by Southern LNG 24 hours before estimated arrival;
- (g) seventh notice for receipt by Southern LNG 5 hours before estimated arrival;
- (h) final notice when Customer's Vessel enters the channel of the Savannah River.

Notwithstanding the foregoing, for the Ship Loading Service, Customer shall not be obligated to provide the notice required in Sections 5.1(a) and 5.1(b) above. When Customer gives or causes to be given its first notice of a request for Ship Loading Service under Section 5.1(c), Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that should be available for delivery to the Vessel for ship loading. If applicable, Customer shall specify whether it requires vessel cool down services as well. To the extent operational conditions permit, including, but not limited to, plant loading equipment, pumping equipment, boil off equipment, LNG Balance and any lay restrictions imposed by government agencies at the Terminal, and subject to Southern LNG's cool down procedures and consistent with standard industry practices, Southern LNG will provide cool down services according to such procedures for a vessel when it arrives at the dock in a non-cryogenic state or partially cryogenic state. In the event that Customer's vessel requires more than forty (40) hours for the completion of such cool down in order to enable the vessel to reach a cryogenic state suitable to load a full LNG cargo, Customer will pay Southern LNG a Ship Cool Down Excess Lay Charge per day for each 24-hour period in which the vessel remains at the dock in excess of the forty (40) hours. Notwithstanding the above, Southern LNG shall waive the Ship Cool Down Excess Lay Charge in the event that no other vessel under a firm service is scheduled to arrive during the day in which the Ship Cool Down Excess Lay Charge applies or for any day for which the delay is caused by Southern LNG's operations or any lay restrictions imposed by government agencies at the Terminal. In the event that such governmental lay restrictions do exist, the time for measuring cool down services shall toll and Customer shall not be deemed to be utilizing cool down services as long as such restrictions are in place. Upon receipt of Customer's first notice for Ship Loading Service, Southern LNG will issue a scheduling notice to Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice.

5.2 Scheduling Priorities for the Receipt or Delivery of LNG at the Elba Island Terminal:

If all requests for the receipt or delivery of LNG from or to Customers' Vessel(s) cannot be scheduled, and all conflicts in the arrival of Customers' vessels cannot be resolved by mutual agreement among Southern LNG and the affected Customers, then Southern LNG shall schedule service in the following order:

- (i) Firm Service in sequence starting with the highest rate for service, provided that Customers paying the maximum rate for Firm Service shall be treated as having equal priority regardless of the Firm Rate Schedule or service under such Rate Schedule, and Customers paying the maximum rate for Firm Service shall be treated as having equal priority with Customers paying a negotiated rate that is equal to or exceeds the maximum rate;
- (ii) Ship Loading Service for Customers that hold Firm Service but do not hold MDLQ; and
- (iii) Interruptible Service not included in (ii) above in sequence starting with the highest rate for service;

If two or more Customers have the same priority using the above criteria, service will be scheduled in sequence starting with the earliest executed Service Agreement currently in effect.

5.3 Unscheduled Arrival:

If Customer's Vessel does not arrive as scheduled pursuant to Section 5.1(a) , or Section 5.1(c) in the case of Ship Loading Service, of this Rate Schedule, then Southern LNG shall receive the LNG

from or deliver the LNG to the unscheduled vessel at the first time available without causing detriment to any scheduled Firm Service, without regard for whether the unscheduled arrival is the result of Customer's force majeure. Customer agrees to reimburse Southern LNG for all costs incurred as a result of the vessel's failure to arrive as scheduled.

- 5.4 Southern LNG shall have no obligation to carry out receipts or deliveries of LNG that are not in complete compliance with applicable safety regulations.
- 5.5 Customer assumes all responsibility for ensuring that Customer's Vessel shall conform to the details and specifications for interfacing facilities provided by Southern LNG.
- 5.6 Customer shall secure proper insurance and shall provide Southern LNG with a certificate of insurance, satisfactory to Southern LNG, prior to berthing of Customer's Vessel at the Terminal. Customer shall cause Customer's Vessel(s) to be adequately covered by marine insurance policies in amounts and at levels customarily maintained by first-class operators.
- 5.7 Southern LNG shall provide only the following facilities, to be reasonably safe for navigation, berthing, unloading/loading, and departure of Customer's Vessel(s):
- (a) A vapor return line system of sufficient capacity to return to Customer's vessel(s) quantities of natural gas necessary for the unloading/loading thereof;
 - (b) Access to Customer's Vessel(s) for all reasonable purposes;
 - (c) A berth and pier sufficient to accommodate vehicles required for service and maintenance of Customer's Vessel(s);
 - (d) Unloading/loading arms and pipes for unloading/loading LNG from/to Customer's Vessel.

Southern LNG shall provide no other facilities or services for the navigation, berthing, unloading/loading, and departure of Customer's Vessel(s).

- 5.8 Maximum LNG Balance; Management of LNG Balance:
- (a) Southern LNG shall be obligated to receive LNG from Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to unload, Customer's (i) LNG Balance plus (ii) the quantity to be received does not exceed Customer's MSQ.
 - (b) Southern LNG shall be obligated to deliver LNG to Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to load, the quantity to be delivered to the Vessel does not exceed Customer's LNG Balance. In the event Customer gives notice to Southern LNG under Section 5.1(c) of the arrival of a vessel for ship loading service and Southern LNG schedules such vessel, but such vessel will require LNG in excess of Customer's LNG Balance, Southern LNG shall notify Customer at the time for the notice set forth in Section 5.1(e) above that its LNG Balance is inadequate to meet Customer's scheduling notice and Southern LNG shall not be required to deliver to Customer its full LNG Balance, unless Customer nominates adequate volumes of LNG from the Liquefaction Facilities after the notice is provided pursuant to Section 5.1(e) above and prior to the notice provided pursuant to Section 5.1(h) above.
 - (c) Customer shall have the obligation to manage Customer's LNG Balance to accommodate any receipts or deliveries for Customer's account. In order to permit unloading of Customer's Vessel, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG in sufficient quantities for LNG to be received from Customer's Vessel to accommodate Boil-Off Gas. In addition, in order to enable loading of Customer's Vessel and accommodate the return of Boil-Off Gas from such loading to the vapor handling system at the Terminal, Southern LNG may, in its sole discretion, issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG to any interconnected pipeline or redeliveries to the Liquefaction Facility in sufficient quantities to accommodate such Boil-Off Gas.
- 5.9 Increase or Decrease in LNG Balance

Customer's LNG Balance will be increased or decreased for each nomination cycle set out in the GT&C by the quantity of LNG received or delivered by Southern LNG for Customer's account by that nomination cycle. The quantity received or delivered by Southern LNG for Customer's account shall not include the amount of Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG or returning to the vapor handling system at the Terminal during loading of LNG. Furthermore, Customer's LNG Balance shall be decreased by Customer's pro rata share of GRO and LAUF, as provided in § 24.1 of the GT&C.

6. STORAGE WITHDRAWALS AND DELIVERIES

Southern LNG shall receive Gas and deliver Vaporized LNG or LNG at the Receipt and Delivery Points described in Section 6 of the GT&C.

6.1 Delivery of Vaporized LNG:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to schedule deliveries of Vaporized LNG on any day, excluding Boil-Off Gas allocated under Section 3.3(b) above, unless aggregate nominations by all Customers for delivery on that day exceed 75,000 Dth.

Nothing in this Tariff shall obligate Southern LNG to deliver Vaporized LNG when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Vaporization Quantity:

For service under this Rate Schedule LNG-3, Customer shall be entitled to its MDVQ unless Southern LNG declares a force majeure event or an operating condition as provided in GT&C § 8.3. If, however, on any day, the total of all Customers' nominations exceeds vaporization capacity, then the nominations for that day shall be scheduled according to GT&C § 8.4(c).

(c) Uniform Hourly Vaporization Quantity:

Subject to GT&C §§ 8.3 and 8.4, Southern LNG shall withdraw, vaporize, and deliver Customer's MDVQ at a uniform hourly rate up to one-twenty-fourth (1/24) of its MDVQ.

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver Vaporized LNG at greater than the uniform hourly rate. Southern LNG will effect such deliveries on an interruptible basis.

(d) Minimum LNG Balance; Management of LNG Balance:

(i) Southern LNG shall have no obligation to schedule deliveries for Customer's account unless Customer's (i) LNG Balance at the time of scheduling minus (ii) scheduled deliveries equals zero or greater.

(ii) In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating deliveries of Vaporized LNG without having arranged for timely receipt by Southern LNG of additional LNG for storage.

6.2 Delivery of LNG to Customer's Vessel:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to deliver LNG to Customer's Vessel when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Loading Quantity: The MDLQ shall be limited as follows:

(i) Loading Rate:

To the extent operationally possible and pursuant to the vessel scheduling procedures set forth in Sections 5.2 and 5.3 above, Southern LNG shall permit more than one Customer to use the ship loading facilities simultaneously. The Customers shall be allowed to do any combination of loading and vaporization send out deliveries, provided that each Customer's combined total of nominated loading deliveries (expressed in gallons per minute (GPM)) plus nominated vaporization deliveries (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)), if any, shall not exceed the quantity of 52,000 GPM minus the other Customer(s) confirmed vaporization send out nomination deliveries in equivalent GPM; provided, however, such rate may be adjusted by Southern LNG, if necessary, to handle any Boil-Off Gas generated as a result of such deliveries. Notwithstanding the above, a Customer's loading deliveries must be at a rate less than 46,230 GPM up to its MDLQ and a Customer's vaporization rate shall be consistent with the terms of Section 6.1(c) above up to its MDVQ.

(ii) Minimum LNG Balance; Management of LNG Balance:

Upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall be obligated to deliver LNG as nominated by Customer at a rate consistent with Section 6.2(b)(i) above, but not to exceed Customer's LNG Balance.

In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating receipts of LNG from the Liquefaction Facility without having arranged for additional storage capacity if Customer's LNG Balance is equal to its MSQ.

7. REQUEST FOR SERVICE

Requests for service hereunder shall be considered acceptable only if Customer has completed and returned Southern LNG's service request form (which is available to all Customers and potential Customers on Southern LNG's Interactive Website) to the address specified on such form:

Customer's request shall contain the information specified in the service request form, as revised from time to time, and the following:

- (a) either with the request for service or at the time of execution of a service agreement, such other information, in writing, as is required to comply with regulatory reporting or filing requirements;
- (b) sufficient information to determine Customer's creditworthiness in accordance with GT&C § 2.1(a); and
- (c) sufficient information to determine the compatibility of Customer's Vessel(s) with the interfacing facilities of Southern LNG.

8. CAPACITY RELEASE

Customers may release capacity under this Rate Schedule according to the capacity release provisions in GT&C § 16.

9. TRANSFER OF LNG BALANCE

Any Customer (Transferor) may agree to transfer all or any portion of its LNG Balance to another Customer (Transferee), using the storage transfer form provided by Southern LNG on its Interactive Website; provided, however, that such transfer shall not cause either (a) the Transferee to exceed its MSQ specified in its Service Agreement, unless the Transferee, before such transfer occurs, enters into a capacity release arrangement providing for the excess capacity in accordance with GT&C § 16; or (b) the Transferor's LNG Balance to equal less than zero. Such transfer is irrevocable once Southern LNG receives notice and confirmation.

10. WITHDRAWAL OF LNG BALANCE

10.1 Withdrawal by Customer:

Customer shall withdraw its LNG Balance when and in the amount that any one of the following circumstances requires:

- (a) Available storage capacity declines according to GT&C § 8.4(a);
- (b) Customer releases, or the Releasing Customer recalls, capacity under GT&C § 16;
- (c) Customer's Service Agreement terminates; or
- (d) Southern LNG issues an OFO pursuant to GT&C § 23.

Customer shall have completed the withdrawal of its LNG Balance by the following times:

- (a) if constrained capacity under Section 10.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;
- (b) if capacity release or recall under Section 10.1(b) above, then the time the release takes effect or the time specified for recall in the recall notice;
- (c) if termination under Section 10.1(c) above, then the time the Service Agreement terminates; or
- (d) if ordered under Section 10.1(d) above, then the time specified in the OFO.

10.2 Withdrawal by Southern LNG:

If any Customer fails to withdraw LNG pursuant to this Section 10, then Customer agrees that Southern LNG may, free and clear of any adverse claim, (i) take title to the LNG in Customer's LNG Balance and (ii) dispose of the LNG. Customer shall indemnify Southern LNG and hold Southern LNG harmless from all costs, damages, and liabilities that result from Southern LNG's disposing of the LNG. Neither Customer's failure to withdraw Gas nor Southern LNG's disposal of the Gas, as provided above, shall be a basis for a claim that Southern LNG breached any duty imposed by this Rate Schedule, the GT&C of this Tariff, or the Service Agreement. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

11. GENERAL TERMS AND CONDITIONS & SERVICE AGREEMENTS

All of the GT&C of this Tariff apply to and are hereby made a part of this Rate Schedule. If any inconsistencies exist between the GT&C and this Rate Schedule, the terms and conditions of the Rate Schedule shall control. This Rate Schedule also incorporates Customer's Service Agreement with Southern LNG. If any inconsistencies exist between this Rate Schedule and the Service Agreement, the terms and conditions of the Service Agreement shall control.

To the extent Southern LNG and Customer have executed one or more Service Agreements under this Rate Schedule that are in effect on the date Southern LNG converts to its new Interactive Website on April 1, 2016, the firm contract quantities under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract MSQ and MDVQ in Mcf times 1.021 Dth/Mcf. Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on

such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by Customer.

1. DEFINITIONS

When used in this Tariff or any document to which the Tariff refers, the following terms shall have the meanings defined below unless indicated otherwise:

- (a) Btu – A British thermal unit defined as the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees (59°) to sixty degrees (60°) Fahrenheit at a constant pressure of fourteen and six hundred ninety-six thousandths (14.696) pounds per square inch absolute. The abbreviation "Btu" may be either singular or plural depending on the context in which used in this Tariff.
- (b) Business Day - Monday through Friday, excluding Federal Banking holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
- (c) Central Clock Time (CCT) - 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. "Birmingham, Alabama time" shall mean Central Clock Time.
- (d) Commission or FERC - The Federal Energy Regulatory Commission or a successor regulatory agency.
- (e) Critical Notices - Those notices issued by Southern LNG which contain information about conditions that affect scheduling of service by Southern LNG or adversely affect scheduled gas flow.
- (f) Cubic Foot - The quantity of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.73 pounds per square inch and at a temperature of 60 degrees Fahrenheit on a dry basis. (For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees Celsius, and dry.)
- (g) Customer or Customers – A person or persons with whom Southern LNG has executed an effective Service Agreement for service under a Rate Schedule in this Tariff.
- (h) Customer's Vessel(s) or Vessel - A vessel or vessels used by Customer, or which Customer causes to be used, to transport LNG for receipt or delivery by Southern LNG for or from Customer's account. This term includes, without limitation, all vessels owned, operated, leased, or chartered by Customer or by any person from whom Southern LNG receives or delivers LNG for or from Customer's account.
- (i) Dekatherm (Dth) - The standard quantity for purposes of contracting, nominations, confirmation, scheduling, capacity release, invoicing, balancing and rates in the United States. One Dth is equivalent to one MMBtu. The abbreviation "Dth" may be either singular or plural depending on the context in which used in this Tariff.
- (j) Elba Island Terminal or Facilities - The facilities owned and operated by Southern LNG and used to provide Terminal Service to Customers.
- (k) Gas - LNG and/or Vaporized LNG or other gas at the Terminal, depending on the context.
- (l) Gas Day or Day - A period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Clock Time. The date of a day shall be that of its beginning.
- (m) NAESB - The North American Energy Standards Board.
- (n) NAESB Standard - The standards issued by NAESB and adopted by the Federal Energy Regulatory Commission in its regulations governing interstate natural gas companies.
- (o) Gross Heating Value (GHV) - The quantity of heat produced by the combustion in air under constant pressure or one cubic meter of anhydrous gas, the air being at the same temperature and the same pressure as the gas, after the cooling of the products of combustion to the initial

- temperature of the gas and the air and after condensation of the water created by the combustion. Appropriate corrections will be made if the initial conditions of the air and the gas do not equal 0°C and 1.01325 bars.
- (p) LNG or Liquefied Natural Gas - Natural gas in liquid state at or below its boiling point and at or near atmospheric pressure.
 - (q) Mcf - 1,000 cubic feet of natural gas.
 - (r) MMBtu - 1,000,000 Btu. One MMBtu is equivalent to one dekatherm (Dth).
 - (s) Month - A period beginning on the first day of the calendar month and ending on the commencement of the first day of the next succeeding calendar month.
 - (t) Operational Flow Orders (OFO) - An order issued either to alleviate conditions that, among other things, threaten the safe operations or system integrity of Southern LNG's system or to maintain operations required to provide efficient and reliable firm service. Whenever Southern LNG experiences these conditions, any pertinent order shall be referred to as an OFO. An illustrative list of Southern LNG's current types of OFOs is set forth in GT&C § 23.2.
 - (u) Party - Southern LNG or Customer.
 - (v) Parties - Southern LNG and Customer.
 - (w) 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.
 - (x) 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.
 - (y) Psia - Pounds per square inch absolute. Pressure measured relative to absolute zero.
 - (z) Psig - Pounds per square inch gauge. Pressure measured relative to atmospheric pressure.
 - (aa) 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.
 - (bb) Interactive Website - Any computer system used by Southern LNG to communicate with customers, as described in GT&C § 20.
 - (cc) 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 contract, is designated as the "swing." All other scheduled line items are allocated the scheduled quantity. The line items 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 items(s)/contract is not permitted to be allocated a quantity which would result in a negative number, therefore any negative quantity is allocated to the remaining scheduled line items on a pro rata basis.
 - (dd) Tariff - Southern LNG's effective FERC Gas Tariff, as revised from time to time.
 - (ee) Terminal - The facilities owned and operated by Southern LNG on Elba Island, Georgia for the receipt, storage, and vaporization of LNG and the (a) delivery of Vaporized LNG and/or (b) ship loading of LNG on behalf of Customers.

- (ff) Terminal Service or Service - The receipt, storage, vaporization, delivery of Vaporized LNG, and/or loading of LNG on behalf of Customers.
- (gg) Thermie - One thousand kilocalories, or one million calories. Two hundred and fifty-two (252) Thermies equal one Dth.
- (hh) Vaporized LNG - Liquefied natural gas that has been converted from its liquid state to a gaseous state in preparation for delivery by Southern LNG for Customer's account at the Downstream Pipeline Interconnect, as defined in Section 6.2 below.
- (ii) Gigacalorie - 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/cm² at 15.6 degrees C and dry.
- (jj) Gigajoule - The standard quantity for nominations, confirmations and scheduling per Gas Day in Canada. One gigajoule is equivalent to 1,000,000,000 joules. For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm. The standard joule is the joule specified in the SI System of Units.
- (kk) Firm Rate Schedule(s) - Either Rate Schedule LNG-1, Rate Schedule LNG-3, or both, as the context requires.
- (ll) Firm Service(s) - Service provided by Southern LNG to Customer as specified in either a Service Agreement under Rate Schedule LNG-1, a Service Agreement under Rate Schedule LNG-3, or both, as the context requires.
- (mm) Interruptible Service(s) - Any service provided by Southern LNG to Customer under Rate Schedule LNG-2.
- (nn) Point Identification Number (PIN) - The number assigned to each point of receipt and delivery, including receipt and/or delivery for storage and vaporization, which shall be specified on Southern LNG's Interactive Website and in Customer's Service Agreement where Customer may be entitled to service. A PIN may also be referred to as a Receipt Point, Delivery Point, Storage Point, or Vaporization Point in this Tariff.
- (oo) Rate Default - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.
- (pp) Rate Floor - Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Southern LNG's minimum reservation rate or zero cents when there is no stated minimum reservation rate.
- (qq) K-5 Capacity - The available compression of 9,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's electric powered K-5 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-5 Capacity is part of the Terminal Service.
- (rr) K-6 Capacity - The available compression of 12,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's K-6 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline as part of the Terminal Service ("K-6 Boil-Off Compressor"). A Customer's K-6 Capacity Entitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (ss) Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-1 or LNG-3.
- (tt) Interruptible Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-2.

- (uu) K-7 Capacity - The available compression of 40,800 Mcf of Boil-Off Gas per Gas Day by Southern LNG's two compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline as part of the Ship Loading Service ("K-7 Boil-Off Compressors"). A Customer's K-7 Capacity Entitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (vv) Liquefaction Facility shall mean a liquefaction facility directly connected to the Elba Island LNG Terminal, whether owned by Southern LNG or a third party.
- (ww) MDLQ Overrun Rate shall mean the rate to be paid on a volumetric basis per dth of LNG delivered to Customer's Vessel in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement.

24. FUEL & ELECTRIC POWER COST CHARGES/ADJUSTMENTS

24.1 CUSTOMER'S PRO RATA SHARE OF FUEL AND LOST AND UNACCOUNTED FOR GAS AND HEEL MAINTENANCE COSTS

(a) Delivery of Equivalent Volume for the Account of Customer:

Subject to the applicable Rate Schedule and Customer's Service Agreement, Southern LNG shall be obligated to deliver only an equivalent volume of Vaporized LNG and/or LNG, as applicable, for Customer's account. As used in the preceding sentence, an "equivalent volume" shall mean the sum of the quantities of LNG expressed in Dth delivered to or on behalf of Customer during a given billing month reduced by Customer's pro rata share of (i) gas required for operations (GRO) and (ii) gas otherwise lost and unaccounted for (LAUF), collectively referred to as Fuel.

(b) Definitions:

As used in this subsection, these terms shall have the following meaning:

- (i) Pro rata share - The term "pro rata share" shall mean the ratio that Gas delivered by Southern LNG for the account of Customer for a month bears to the total monthly volume of Gas delivered for all Customers during such month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be included as Gas delivered during a month under this definition of pro rata share.
 - (ii) GRO - The term "GRO" shall consist of Gas used as fuel for compression, vaporization, and power generation and Gas otherwise used and accounted for in operations.
 - (iii) LAUF - The term "LAUF" shall mean the difference between the sum of all receipts and the sum of all output volumes, as adjusted for changes in inventory during the month; provided, however, that LAUF shall not include Gas losses (i) incurred by Southern LNG as a result of its failure to act as a reasonable and prudent operator or (ii) for which insurance proceeds are recovered by Southern LNG.
 - (iv) HMC - The Heel maintenance costs, or "HMC" shall mean costs reasonably incurred, during periods when all Customers' inventory has been reduced to zero, for the purchase of liquefaction services to re-liquefy Boil-Off Gas from Heel.
- (c) If during a given billing month GRO and LAUF exceed deliveries, then in the next billing month with sufficient deliveries, the equivalent volume shall be reduced by the unrecovered GRO and LAUF. In the event there are insufficient deliveries to recover GRO and LAUF for three (3) consecutive months, then the unrecovered GRO and LAUF over such three month period will be converted to a monetary amount by multiplying the unrecovered monthly GRO and LAUF by a monthly price equal to the average of the weekly prices published by Natural Gas Intelligence Weekly Gas Price Index during the month and indicated as Cash Market Prices, "Alabama/Mississippi," "Transco Zone 4". The resulting dollar amount will then be charged to Customers on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal. Such method will continue on a monthly basis until deliveries exceed GRO and LAUF during a billing month.

- (d) HMC shall be billed to Customers on a prorata basis as determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) Southern LNG shall provide to Customer reasonable access to data in Southern LNG's possession regarding GRO, LAUF, and HMC.

24.2 Electric Power Cost Charges

This section of the GT&C sets forth the procedures to reflect in Southern LNG's rates changes in the amounts payable by Southern LNG for electric power costs incurred at the Elba Island Terminal.

- (a) Filing Procedure
 - (i) The Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost Charges set forth on the rate sheets of Southern LNG's Tariff may be increased to reflect a net positive change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost and shall be decreased to reflect a net negative change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost.
 - (ii) Southern LNG shall file with the Commission to reflect net changes in the Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost charges at least thirty (30) days prior to each anniversary of the beginning date for the Electric Power Annual Period.
- (b) Definitions
 - (i) Electric Power Annual Period - The annual period beginning on the in-service date for the recommissioned Elba Island Terminal and each annual period thereafter.
 - (ii) Actual Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal less any electric power costs associated with the K-6 Boil Off Compressor, K-7 Boil Off Compressors or Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iii) Actual K-6 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-6 Boil Off Compressor. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iv) Actual K-7 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-7 Boil Off Compressors. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.

- (v) Actual Ship Loading Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
- (vi) Estimated Electric Power Costs - The projected electric power costs for the Electric Power Annual Period less any costs associated with the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service.
- (vii) Estimated K-6 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-6 Boil Off Compressor.
- (viii) Estimated K-7 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-7 Boil Off Compressors.
- (ix) Estimated Ship Loading Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the Ship Loading Service.
- (x) Estimated Delivery Volumes - The projected annual volume in Dth per month of Vaporized LNG delivered out of the Elba Island Terminal.
- (xi) Estimated K-6 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-6 Boil Off Compressor.
- (xii) Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 Boil Off Compressors.
- (xiii) Estimated Ship Loading Delivery Volumes - The projected annual volume in Dth of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xiv) Actual Delivery Volumes - The actual volumes of Vaporized LNG delivered out of the Elba Island Terminal per month.
- (xv) Actual K-6 Boil Off Compressor Volumes- The actual volumes of Gas compressed at the K-6 Boil Off Compressor per month.
- (xvi) Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 Boil Off Compressors per month.
- (xvii) Actual Ship Loading Delivery Volumes - The actual volume in Dth per month of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xviii) Deferral Period - The period of twelve (12) months ending two (2) months prior to the effective date of a change in charges filed pursuant to this Section 24.2; provided, however, with respect to the K-6 Boil Off Compressor Electric Power Cost, the K-7 Boil Off Compressor Electric Power Cost and the Ship Loading Electric Power Cost, the first period may be prorated for the first Deferral Period to reflect the number of months in the Deferral Period that the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service goes in service.

- (xix) Electric Power Deferred Account- The account by which Southern LNG determines the actual recovery of Actual Electric Power Costs and records the difference between the Actual Electric Power Costs and the product of the Actual Delivery Volumes times the Current Electric Power Cost Charge and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (xx) K-6 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-6 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-6 Boil Off Compressor Electric Power Costs and the product of the Actual K-6 Boil Off Compressor Volumes times the Current K-6 Boil Off Compressor Electric Power Cost Charge.
 - (xxi) K-7 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-7 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-7 Boil Off Compressor Electric Power Costs and the product of the Actual K-7 Boil Off Compressor Volumes times the Current K-7 Boil Off Compressor Electric Power Cost Charge.
 - (xxii) Ship Loading Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual Ship Loading Electric Power Costs and records the difference between the Actual Ship Loading Electric Power Costs and the product of the Actual Ship Loading Volumes times the Current Ship Loading Electric Power Cost Charge.
- (c) Determination of the Current Electric Power Cost Charge
- Southern LNG shall determine the Current Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:
- (i) The Estimated Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Electric Power Deferred Account as determined in accordance with Section 24.2(d) below.
 - (ii) The amounts determined in Section 24.2(c)(i) above will be divided by the Estimated Delivery Volumes.
- (d) Electric Power Deferred Account (Account)
- Southern LNG shall maintain the Account for Deferral Period in accordance with the following procedures:
- (i) Southern LNG shall determine each month the Actual Electric Power Costs.
 - (ii) Southern LNG shall determine each month the actual recovery of Electric Power Costs by multiplying the Actual Delivery Volumes in Dth by the Current Electric Power Cost Charge, and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(d)(i) and 24.2(d)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as an Electric Power Deferred Account. Interest shall be computed on the balance in the Electric Power Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.

- (iv) If during a Deferral Period there are no Actual Delivery Volumes, then the Actual Electric Power Costs incurred during such Deferral Period will be charged on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) K-6 Boil Off Compressor Electric Power Cost Charge
 - (i) Determination of the Current K-6 Boil Off Compressor Electric Power Cost Charge

Southern LNG shall determine the Current K-6 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

 - (A) The Estimated K-6 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-6 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(e)(ii)C below.
 - (B) The amounts determined in Section 24.2(e)(i)A above will be divided by the Estimated K-6 Boil Off Compressor Volumes.
 - (ii) K-6 Boil Off Compressor Electric Power Deferred Account (K-6 Account)

Southern LNG shall maintain the K-6 Account for the Deferral Period in accordance with the following procedures:

 - (A) Southern LNG shall determine each month the Actual K-6 Boil Off Compressor Electric Power Costs.
 - (B) Southern LNG shall determine each month the actual recovery of K-6 Boil Off Compressor Electric Power Costs by multiplying the Actual K-6 Boil Off Compressor Volumes by the Current K-6 Boil Off Compressor Electric Power Cost Charge.
 - (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(e)(ii)A and 24.2(e)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-6 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-6 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (f) Ship Loading Electric Power Cost Charge
 - (i) Determination of the Current Ship Loading Electric Power Cost Charge

Southern LNG shall determine the Current Ship Loading Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

 - (A) The Estimated Ship Loading Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Ship Loading Electric Power Deferred Account as determined in accordance with Section 24.2(f)(ii)C below.
 - (B) The amounts determined in Section 24.2(f)(i)A above will be divided by the Estimated Ship Loading Delivery Volumes.

(ii) Ship Loading Electric Power Deferred Account (SL Account)

Southern LNG shall maintain the SL Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual Ship Loading Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of Ship Loading Electric Power Costs by multiplying the Actual Ship Loading Delivery Volumes by the Current Ship Loading Electric Power Cost Charge.
- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(f)(ii)A and 24.2(f)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the Ship Loading Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's Ship Loading Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (D) If during a Deferral Period there are no Actual Ship Loading Delivery Volumes, then the Actual Ship Loading Electric Power Costs incurred will be billed on a prorata basis as determined by dividing each Customer's MDLQ by the total amount of MDLQ for all Firm Ship Loading Service Customers at the Terminal.

(g) K-7 Boil Off Compressor Electric Power Cost Charge

(i) Determination of the Current K-7 Boil Off Compressor Electric Power Cost Charge

Southern LNG shall determine the Current K-7 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

- (A) The Estimated K-7 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-7 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(g)(ii)C below.
- (B) The amounts determined in Section 24.2(g)(i)A above will be divided by the Estimated K-7 Boil Off Compressor Volumes.

(ii) K-7 Boil Off Compressor Electric Power Deferred Account (K-7 Account)

Southern LNG shall maintain the K-7 Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual K-7 Boil Off Compressor Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of K-7 Boil Off Compressor Electric Power Costs by multiplying the Actual K-7 Boil Off Compressor Volumes by the Current K-7 Boil Off Compressor Electric Power Cost Charge.

- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(g)(ii)A and 24.2(g)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-7 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-7 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.

24.3 Maintenance Dredging Cost Adjustment

This section of the GT&C sets forth the procedures to reflect changes in the amounts incurred by Southern LNG for maintenance dredging of the turning basin at the Elba Island Terminal.

- (a) Definitions
- (i) Maintenance Dredging – The work required to maintain the required depth and integrity of the turning basin, channel and berths at the Elba Island Terminal, including the costs of disposing of spoil associated with such work.
 - (ii) Maintenance Dredging Annual Period – The annual period beginning on March 1, 2002, and each annual period thereafter.
 - (iii) Maintenance Dredging Costs – The cost for Maintenance Dredging.
 - (iv) Actual Maintenance Dredging Costs – The actual cost incurred by Southern LNG for Maintenance Dredging. Such actual cost shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.3, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (v) Estimated Maintenance Dredging Costs – The projected Maintenance Dredging Costs for the Maintenance Dredging Annual Period.
 - (vi) Estimated MSQ Reservation Charge Billing Determinants – The projected annual reservation charge billing determinants, which shall not be less than the total aggregate MSQ subscribed by all Firm Service Customers at the time of the calculation.
 - (vii) Deferral Period – The period of 12 months ending December 31 prior to the beginning of each Maintenance Dredging Annual Period.
 - (viii) Affected Rate Schedules – Affected Rate Schedules shall be Rate Schedules LNG-1, LNG-2, and LNG-3.
- (b) Filing Procedure
- (i) The Dredging Surcharge set forth on the rate sheets of Southern LNG's Tariff shall be increased or be decreased as set forth in this Section 24.3.
 - (ii) Southern LNG shall file with the Commission an Annual Maintenance Dredging Cost Filing within at least thirty (30) days prior to the beginning date for each Maintenance Dredging Annual Period. The Annual Maintenance Dredging Cost Filing shall provide for the reconciliation under Section 24.3(c)(iv) below.
- (c) Maintenance Dredging Deferred Account (Account)

Southern LNG shall maintain the Account for the Deferral Period in accordance with the following procedures:

- (i) Each month, Southern LNG shall determine the Actual Maintenance Dredging Costs.
 - (ii) Each month, Southern LNG shall multiply the currently effective Dredging Surcharge by the Reservation Charge Billing Determinants for the month.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.3(c)(i) and 24.3(c)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as a Maintenance Dredging Deferred Account. Interest shall be computed on the balance in the Maintenance Dredging Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.
 - (iv) In each Annual Maintenance Dredging Cost Filing, Southern LNG shall adjust its Dredging Surcharge, as described in Section 24.3(d) below, either positively or negatively to recover or return the balances in the applicable FERC Account No. 186 sub-account.
- (d) Determination of the Dredging Surcharge
- (i) Southern LNG shall determine the Estimated Maintenance Dredging Costs for the upcoming Maintenance Dredging Annual Period.
 - (ii) The Estimated Maintenance Dredging Costs shall be offset against or added to, as appropriate, the balance accumulated at the end of the Deferral Period in the Maintenance Dredging Deferred Account, as determined in accordance with Section 24.3(c).
 - (iii) The amounts determined in Section 24.3(d)(ii) above shall be divided by the Estimated MSQ Reservation Charge Billing Determinants.

Service Agreement No. _____

EXHIBIT A

Storage Point	MSQ (Dth) (1)	MDVQ (Dth) (2)	Start Date	Primary Term	Primary Term Notice	Evergreen Term	Evergreen Term Notice	Terminal Outlet Pressure	MDLQ (GPM) (3)	MDRQ (GPM) (4)
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Southern LNG's marine terminal facilities located on Elba Island in Chatham County, Georgia

Total Maximum Storage Quantity: _____ Dth

- (1) The quantity available for receipt by Southern LNG shall be subject to adjustment each day based on Customer's LNG Balance, as set forth in the applicable Firm Rate Schedule.
- (2) The quantity available for delivery by Southern LNG may be subject to adjustment each day, as set forth in the applicable Firm Rate Schedule.
- (3) The maximum quantity of LNG for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer.
- (4) The maximum quantity of LNG that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility.
- (5) Customer may elect to extend the Primary Term for an additional five (5) years ("Primary Term Extension") if it gives written notice to Southern LNG prior to Southern LNG posting the capacity for bid under Section 15 of the General Terms and Conditions to Southern LNG's Tariff, but in no event later than the end of the Primary Term In the event Southern LNG does not make such posting.
- (6) [If Applicable] In lieu of the option in footnote (5) above, Customer may elect to extend the Primary Term by the Primary Term Notice date specified above ("Primary Term Extension") to coincide with the expiration of the Primary Term or Extended Primary Term set forth in a Liquefaction Services Agreement ("LSA") dated _____, between Customer and a Liquefaction Facility; provided, however, in no event shall this election to extend be construed to mean that the Primary Term set forth above may be shortened or reduced in the event the LSA is terminated prior to the Primary Term thereof for any reason or the Primary Term of the LSA is modified or amended to be less than twenty (20) years from the Start Date defined therein.
- (7) MDLQ and MDRQ may be converted to dth/d for purposes of defining contract entitlement in accordance with Section 13.5 of the General Terms and Conditions (GPM x 123.9 = dth/d)

K-6 Capacity Entitlement: _____ Mcf/day
 K-7 Capacity Entitlement: _____ Mcf/day

 (CUSTOMER)

 SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____

Marked Version of Option A Tendered Tariff Records

Section 3.3

RATE SCHEDULE LNG-3
Firm Terminal Service - Elba III
(Chatham County, Georgia)

1. AVAILABILITY

1.1 Southern LNG will make service for the receipt, storage, vaporization of LNG and delivery of Vaporized LNG under Rate Schedule LNG-3 available to any party (Customer) who requests Firm Service under this Rate Schedule from Southern LNG Company, L.L.C. (Southern LNG) under the following conditions:

- (i) Southern LNG has sufficient capacity and is able to provide the services;
- (ii) Customer has complied with the requirements of Section 2 of the General Terms and Conditions (GT&C) of this Tariff; and
- (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-3 (Service Agreement).
- (iv) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to deliver LNG to the Terminal.

1.2 Southern LNG will make terminal-to-vessel transfers of LNG (Ship Loading Service) under Rate Schedule LNG-3 available to any party (Customer) who requests Ship Loading Service under this Rate Schedule from Southern LNG provided that:

- (i) Southern LNG has sufficient capacity and is able to provide the Ship Loading Service requested;
- (ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff;
- (iii) Customer currently has a sufficient LNG Balance as defined below;
- (iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-3; and
- (v) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to receive LNG from the Terminal.

1.3 Southern LNG shall not be obligated to construct, modify, expand or acquire facilities to perform Terminal Service under this Rate Schedule, except to the extent required pursuant to certification by the Commission. Southern LNG shall obtain abandonment authority for capacity under firm contract that is no longer available for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

The provisions of this Rate Schedule apply to the Terminal Service, including Ship Loading Service, rendered by Southern LNG for Customer pursuant to Subpart 284(G) of the Commission's Regulations (18 C.F.R. § § 284.221 et seq.), Part 153 of the Commission's Regulations (18 C.F.R. § 153), and the Service Agreement.

This Firm Service is not subject to interruption or prior claim by another Customer or another class of service and receives the same priority as any other class of Firm Service; provided, however, that GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity.

3. DEFINITIONS

3.1 Maximum Storage Quantity:

The Maximum Storage Quantity (MSQ) shall be the maximum quantity of LNG that Southern LNG is obligated to store for Customer's account at any time. Customer's MSQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.2 Maximum Daily Vaporization Quantity:

The Maximum Daily Vaporization Quantity (MDVQ) shall be the maximum quantity of Vaporized LNG for any day that Southern LNG shall be obligated to deliver for Customer or Customer's account. Customer's MDVQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.3 Liquefied Natural Gas Balance:

(a) The Liquefied Natural Gas Balance (LNG Balance) shall be the quantity of gas held in storage in liquid form for Customer's account at the Terminal at the time Southern LNG confirms Customer's nomination. Each Customer's LNG Balance shall be increased or decreased as provided in § 5.9 of this Rate Schedule. As stated in §§ 5.8(c), 6.1(d), and 6.2(b) of this Rate Schedule, Customer has the obligation to manage its LNG Balance to accommodate receipts or deliveries of Gas for Customer's account.

In order to maintain an operational cryogenic state in each Southern LNG storage tank to maintain Customer's LNG Balance, Southern LNG may maintain a residual amount of LNG in each Southern LNG storage tank at the Terminal as recommended by the tank manufacturer or consistent with accepted industry practice for such purpose. Such residual volume will be defined as the Southern LNG storage tank "Heel" and will be considered a part of the plant's working capital. It is understood and expected that the Heel shall be left in place in the Southern LNG storage tanks as part of the plant facilities unless for Southern LNG's operational reasons it is vaporized and removed. For purposes of calculating each Customer's LNG Balance or proportionate share of Boil-Off Gas as provided in Section 3.3(b) below, the Heel will not be considered or calculated. From time to time if minimal customer inventory exists in the Southern LNG storage tanks such that portions of the Heel gas begin to boil off, Southern LNG may replenish the Heel by taking receipts of LNG from the Liquefaction Facilities.

(b) Boil-Off Gas:

(i) Definitions:

Boil-Off Gas includes gas (1) boiling off from Southern LNG's unloading, loading, and storage facilities, (2) flashing from the liquid phase to the gaseous phase during unloading LNG from Customer's Vessel(s), during loading LNG to Customer's Vessel(s), and during cool down, (3) returning to Customer's Vessel(s) during unloading and cool down, and (4) boiling off during the operation of Southern LNG's process equipment.

(ii) Disposal:

(x) Customer must arrange for the delivery on each day of Customer's share of Boil-Off Gas (except Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG). Disposition of a Customer's proportionate share provided in (iii) below shall occur in the following order:

(1) Customer will be allocated a proportionate share of K-5 Capacity based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day plus

(2) Customer will then be allocated a portion of the K-6 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.5(d) plus

(3) Customer will then be allocated a portion of the K-7 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.7(c) plus

(4) at any time (i) when Southern LNG is receiving delivery of LNG for Customer's account such that Boil-Off Gas levels are elevated, (ii) that Customer elects not to use all or a portion of Customer's share of the K-6 Capacity as provided in (2) above; (iii) that Customer elects not to use all or a portion of Customer's share of the K-7 Capacity as provided in (3) above; or (iv) that an event of Force Majeure or Operating Condition as defined in Section 8.3 of these General Terms and Conditions occurs such that any portion of the K-5 Capacity, K-6 Capacity, or K-7 Capacity is unavailable, for any of Customer's Boil-Off Gas remaining in excess of that handled by (1), (2), and (3) Customer shall nominate sufficient LNG send out to permit such excess boil off to be handled through the Terminal's recondenser facilities.

(y) If all necessary arrangements (including nomination and confirmation) are not complete, then Southern LNG shall take title to the Boil-Off Gas. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Customer shall indemnify Southern LNG against any claim, demand, or action arising from Customer's failure under this paragraph; provided, however, that Southern LNG shall not take title to, and will allocate to Customer's Service Agreement, boil-off that enters the downstream pipeline.

(iii) Allocation:

(x) Except for the Boil-Off Gas associated with loading and unloading Customer's Vessel, as provided in (y) below, Customer's share of Boil-Off Gas on any day shall equal a proportionate share based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day.

(y) At any time when Southern LNG is receiving or delivering LNG from or to a vessel, the Customer for whom or to whom Southern LNG receives or delivers the LNG shall be responsible for the incremental quantities of Boil-Off Gas associated with Southern LNG receiving or delivering such LNG to or from a vessel at the Terminal.

3.4 Maximum Daily Loading Quantity:

The Maximum Daily Loading Quantity (MDLQ) shall be the maximum quantity of LNG in gallons per minute for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer. Customer's MDLQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.5 Maximum Daily Receipt Quantity:

The Maximum Daily Receipt Quantity (MDRQ) shall be the maximum quantity of LNG in gallons per minute that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility. Customer's MDRQ shall be specified in the Service Agreement between Customer and Southern LNG.

4. RATES AND FUEL

- 4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-3 of this Tariff. Customer will pay the maximum rate or a negotiated rate for service unless Southern LNG, in its reasonable judgment, offers to discount from the maximum rate to Customer. Any discount to which Southern LNG agrees, and the effective period, shall be stated on Exhibit C to the Service Agreement. Any negotiated rate to which Southern LNG agrees, and the effective period, shall be stated on Exhibit F to the Service Agreement.
- 4.2 For service rendered to Customer under Rate Schedule LNG-3, Customer shall pay Southern LNG each month (i) a Reservation Charge per Dth of Customer's MSQ plus a Monthly Storage Charge calculated under Rate Schedule LNG-2 for any Dth in excess of Customer's MSQ; (ii) a Reservation Charge per Dth of Customer's MDVQ; (iii) a Commodity Rate per Dth of the aggregate quantities delivered for Customer's account (both for firm vaporized quantities scheduled up to and including Customer's MDVQ and, if any, for vaporized quantities scheduled in excess of Customer's MDVQ) pursuant to the nomination procedures on each day during the month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Commodity Rate; (iv) a Reservation Charge per Dth of Customer's MDLQ as converted per Section 13.5 of the General Terms and Conditions; or, in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement, an MDLQ Overrun Rate per Dth of quantities delivered to Customer's account.
- 4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a pro rata share of Gas as compensation for GRO and LAUF or charge an equivalent monetary amount if there are insufficient deliveries, as provided in GT&C § 24.1. Southern LNG shall adjust Customer's LNG Balance accordingly; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged for GRO and LAUF.
- 4.4 Customer shall also pay any other effective charges and surcharges, as applicable, including an HMC, Electric Power Cost Charge, Dredging Surcharge, K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, and Ship Loading Electric Power Cost Charge as more particularly described in Sections 24.1, 24.2 and 24.3 of this Tariff, and, if applicable, a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule, and a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of Gas compressed in excess of a Customer's firm K-6 or K-7 capacity entitlement; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Electric Power Cost Charge or ACA Surcharge.
- 4.5 Force Majeure Relief for Firm Service:
- Customers under this Rate Schedule may under Section 4.5 thereof receive one of the following two forms of relief from a complete and extended force majeure at the Elba Terminal as provided below. Unless Southern LNG, in a not unduly discriminatory manner, agrees to consider a later election, a Customer desiring to make the buyout election in Section 4.5.2 below ("Buyout Election") in lieu of the demand charge crediting mechanism under Section 4.5.1 below ("Crediting Election") shall so notify Southern LNG as follows:
- (i) in the event of a request for new service (whether in an open season or otherwise) under Section 2 of the GT&C after the effective date of this provision, then no later than the request for service;
 - (ii) in the event Customer has an existing, effective Service Agreement as of the effective date of this provision, then no later than the later of ten (10) days after the effective date of this provision or January 1, 2010; and
 - (iii) in the event Customer has subscribed to new service that has not yet commenced as of the effectiveness of this provision, then no later than ten (10) days after the in-service of the facilities associated with the service agreement for such subscription.

Such election shall be irrevocable and noted in Customer's Service Agreement and shall survive Customer's termination of the Service Agreement. If Customer does not make a timely Buyout Election, then Customer shall be deemed as of the effectiveness of the Service Agreement to have elected the Crediting Election, which shall apply to that Service Agreement. A Customer whose Buyout Election is noted in its Service Agreement shall not, unless Southern LNG agrees otherwise, in a separate discounted or negotiated rate agreement, receive relief under the Crediting Election.

4.5.1 Crediting Election:

(a) Applicability:

The following demand charge crediting mechanism shall apply to Customer's Service Agreement under this Rate Schedule only if:

- (i) Customer has not made the Buyout Election as provided above, and
- (ii) Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable, during a period that exceeds thirty consecutive days, to make available at least eighty percent (80%) of the aggregate MSQ, MDVQ, or MDLQ for all firm Customers ("Southern LNG Force Majeure").

(b) Customer's Crediting Ratio:

Each Customer shall receive its pro rata share of the BI Credit or ROE Credit defined below based on the following ratio for each firm rate schedule ("Customer's Crediting Ratio"). Customer's Crediting Ratio equals the product of (1) the maximum reservation rates set forth on the rate sheet(s) of this Tariff for the MSQ, MDVQ, and MDLQ, as applicable, under each firm rate schedule multiplied by (2) the MSQ, MDVQ, and MDLQ specified in Customer's Service Agreement under such rate schedule [(1) X (2)] ("Customers' Recourse Revenues") divided by the sum of all Customers' Recourse Revenues for all firm reservation billing determinants under such rate schedule ("Total Recourse Revenues").

(c) Crediting:

The highest of the MSQ, MDVQ, or MDLQ percentage not made available, greater than twenty percent (20%), shall be the "Firm Shortfall."

For the period extending beyond the thirtieth day of the Southern LNG Force Majeure there shall be deducted from each Customer's monthly invoice the greater of either the BI Credit or ROE Credit amount, as defined below, multiplied by Customer's Crediting Ratio:

- (1) an amount equal to any insurance proceeds for business interruption of Southern LNG (the premiums for which are included in the cost of service underlying Southern LNG's rates under the applicable rate schedule) paid to Southern LNG ("BI Credit"); or
- (2) an amount equal to the portion of the Total Recourse Revenues attributable to the FERC-approved cost of common equity and associated income taxes under the applicable rate schedule multiplied by the Firm Shortfall ("ROE Credit").

[[BI Credit or ROE Credit] * Customer's Crediting Ratio]

In no event, however, shall the amount to be paid by a discounted or negotiated rate Customer under this subsection (c) above result in less than the amount that would be paid for a maximum recourse rate Customer having the same MSQ, MDVQ, and MDLQ. If the proceeds for business interruption are subsequently determined to be greater than the ROE Credit provided to

Customers or less than the BI Credit provided to Customers, then Southern LNG shall refund or invoice the difference (pro rate for each Customer) to true up such difference.

4.5.2 Buyout Election:

(a) Qualifications.

In order to qualify to make a Buyout Election, Customer must so elect for its Service Agreements, and the Service Agreements to which the election applies must each, unless Southern LNG agrees otherwise:

- (1) have a primary term of no less than nineteen (19) years; and
- (2) obligate Customer to pay either the maximum recourse reservation rate or a negotiated reservation rate;

(b) General Terms and Conditions.

Section 8.6 of the GT&C to this FERC Gas Tariff shall govern the applicability of, conditions on, and limitations to the Buyout Election.

4.5.3 Exclusivity

Customer's entitlement to demand charge reductions under the Crediting Election or entitlement to terminate its Service Agreement under the Buyout Election shall constitute Customer's sole and exclusive remedy for the event of force majeure to which the Crediting Election or Buyout Election is applicable, without prejudice to Southern LNG's obligation to restore service in the event Customer does not terminate its Service Agreement under either Section 8.6(b)(1)(C) or Section 8.6(b)(2)(B) of the GT&C of Southern LNG's tariff.

5. RECEIPT and DELIVERY OF LNG FROM and TO CUSTOMERS' VESSEL(S)

Southern LNG receives and delivers LNG at the vessel unloading/loading facilities on Elba Island, Georgia.

5.1 Customer shall give, or cause to be given, to Southern LNG notice by electronic mail prior to each arrival of a vessel. Southern LNG will provide Customer(s) with the manner in which Southern LNG must receive notice. The notice shall identify Customer(s) Vessel (LNG Tanker Name, Register, Register Number, Flag, LNG Cargo Capacity, and LNG Tanker Owner/Operator/Manager or as otherwise required by the DOE) and state the date and hour of arrival at the terminal, the transaction type of the vessel (import or export), and the quantity of LNG to be received or delivered, as applicable, by Southern LNG. Southern LNG reserves the right to reject, in a manner not unduly discriminatory, the receipt of any Customer vessel that does not meet the requirements of Southern LNG.

Customer shall send notice as follows:

- (a) first notice 48 hours before Customer's Vessel departs the port of origin. At that time Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that Customer must nominate for vaporization and delivery in order to accommodate the quantities of LNG stated in Customer's notice for receipt by Southern LNG.
- (b) second notice when Customer's Vessel departs the port or origin;
- (c) third notice for receipt by Southern LNG 96 hours before estimated arrival;
- (d) fourth notice for receipt by Southern LNG 72 hours before estimated arrival;

- (e) fifth notice for receipt by Southern LNG 48 hours before estimated arrival;
- (f) sixth notice for receipt by Southern LNG 24 hours before estimated arrival;
- (g) seventh notice for receipt by Southern LNG 5 hours before estimated arrival;
- (h) final notice when Customer's Vessel enters the channel of the Savannah River.

Notwithstanding the foregoing, for the Ship Loading Service, Customer shall not be obligated to provide the notice required in Sections 5.1(a) and 5.1(b) above. When Customer gives or causes to be given its first notice of a request for Ship Loading Service under Section 5.1(c), Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that should be available for delivery to the Vessel for ship loading. If applicable, Customer shall specify whether it requires vessel cool down services as well. To the extent operational conditions permit, including, but not limited to, plant loading equipment, pumping equipment, boil off equipment, LNG Balance and any lay restrictions imposed by government agencies at the Terminal, and subject to Southern LNG's cool down procedures and consistent with standard industry practices, Southern LNG will provide cool down services according to such procedures for a vessel when it arrives at the dock in a non-cryogenic state or partially cryogenic state. In the event that Customer's vessel requires more than forty (40) hours for the completion of such cool down in order to enable the vessel to reach a cryogenic state suitable to load a full LNG cargo, Customer will pay Southern LNG a Ship Cool Down Excess Lay Charge per day for each 24-hour period in which the vessel remains at the dock in excess of the forty (40) hours. Notwithstanding the above, Southern LNG shall waive the Ship Cool Down Excess Lay Charge in the event that no other vessel under a firm service is scheduled to arrive during the day in which the Ship Cool Down Excess Lay Charge applies or for any day for which the delay is caused by Southern LNG's operations or any lay restrictions imposed by government agencies at the Terminal. In the event that such governmental lay restrictions do exist, the time for measuring cool down services shall toll and Customer shall not be deemed to be utilizing cool down services as long as such restrictions are in place. Upon receipt of Customer's first notice for Ship Loading Service, Southern LNG will issue a scheduling notice to Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice.

5.2 Scheduling Priorities for the Receipt or Delivery of LNG at the Elba Island Terminal:

If all requests for the receipt or delivery of LNG from or to Customers' Vessel(s) cannot be scheduled, and all conflicts in the arrival of Customers' vessels cannot be resolved by mutual agreement among Southern LNG and the affected Customers, then Southern LNG shall schedule service in the following order:

- (i) Firm Service in sequence starting with the highest rate for service, provided that Customers paying the maximum rate for Firm Service shall be treated as having equal priority regardless of the Firm Rate Schedule or service under such Rate Schedule, and Customers paying the maximum rate for Firm Service shall be treated as having equal priority with Customers paying a negotiated rate that is equal to or exceeds the maximum rate;
- (ii) Ship Loading Service for Customers that hold Firm Service but do not hold MDLQ; and
- (iii) Interruptible Service not included in (ii) above in sequence starting with the highest rate for service;

If two or more Customers have the same priority using the above criteria, service will be scheduled in sequence starting with the earliest executed Service Agreement currently in effect.

5.3 Unscheduled Arrival:

If Customer's Vessel does not arrive as scheduled pursuant to Section 5.1(a) , or Section 5.1(c) in the case of Ship Loading Service, of this Rate Schedule, then Southern LNG shall receive the LNG

from or deliver the LNG to the unscheduled vessel at the first time available without causing detriment to any scheduled Firm Service, without regard for whether the unscheduled arrival is the result of Customer's force majeure. Customer agrees to reimburse Southern LNG for all costs incurred as a result of the vessel's failure to arrive as scheduled.

- 5.4 Southern LNG shall have no obligation to carry out receipts or deliveries of LNG that are not in complete compliance with applicable safety regulations.
- 5.5 Customer assumes all responsibility for ensuring that Customer's Vessel shall conform to the details and specifications for interfacing facilities provided by Southern LNG.
- 5.6 Customer shall secure proper insurance and shall provide Southern LNG with a certificate of insurance, satisfactory to Southern LNG, prior to berthing of Customer's Vessel at the Terminal. Customer shall cause Customer's Vessel(s) to be adequately covered by marine insurance policies in amounts and at levels customarily maintained by first-class operators.
- 5.7 Southern LNG shall provide only the following facilities, to be reasonably safe for navigation, berthing, unloading/loading, and departure of Customer's Vessel(s):
- (a) A vapor return line system of sufficient capacity to return to Customer's vessel(s) quantities of natural gas necessary for the unloading/loading thereof;
 - (b) Access to Customer's Vessel(s) for all reasonable purposes;
 - (c) A berth and pier sufficient to accommodate vehicles required for service and maintenance of Customer's Vessel(s);
 - (d) Unloading/loading arms and pipes for unloading/loading LNG from/to Customer's Vessel.

Southern LNG shall provide no other facilities or services for the navigation, berthing, unloading/loading, and departure of Customer's Vessel(s).

- 5.8 Maximum LNG Balance; Management of LNG Balance:
- (a) Southern LNG shall be obligated to receive LNG from Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to unload, Customer's (i) LNG Balance plus (ii) the quantity to be received does not exceed Customer's MSQ.
 - (b) Southern LNG shall be obligated to deliver LNG to Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to load, the quantity to be delivered to the Vessel does not exceed Customer's LNG Balance. In the event Customer gives notice to Southern LNG under Section 5.1(c) of the arrival of a vessel for ship loading service and Southern LNG schedules such vessel, but such vessel will require LNG in excess of Customer's LNG Balance, Southern LNG shall notify Customer at the time for the notice set forth in Section 5.1(e) above that its LNG Balance is inadequate to meet Customer's scheduling notice and Southern LNG shall not be required to deliver to Customer its full LNG Balance, unless Customer nominates adequate volumes of LNG from the Liquefaction Facilities after the notice is provided pursuant to Section 5.1(e) above and prior to the notice provided pursuant to Section 5.1(h) above.
 - (c) Customer shall have the obligation to manage Customer's LNG Balance to accommodate any receipts or deliveries for Customer's account. In order to permit unloading of Customer's Vessel, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG in sufficient quantities for LNG to be received from Customer's Vessel to accommodate Boil-Off Gas. In addition, in order to enable loading of Customer's Vessel and accommodate the return of Boil-Off Gas from such loading to the vapor handling system at the Terminal, Southern LNG may, in its sole discretion, issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG to any interconnected pipeline or redeliveries to the Liquefaction Facility in sufficient quantities to accommodate such Boil-Off Gas.

- 5.9 Increase or Decrease in LNG Balance

Customer's LNG Balance will be increased or decreased for each nomination cycle set out in the GT&C by the quantity of LNG received or delivered by Southern LNG for Customer's account by that nomination cycle. The quantity received or delivered by Southern LNG for Customer's account shall not include the amount of Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG or returning to the vapor handling system at the Terminal during loading of LNG. Furthermore, Customer's LNG Balance shall be decreased by Customer's pro rata share of GRO and LAUF, as provided in § 24.1 of the GT&C.

6. STORAGE WITHDRAWALS AND DELIVERIES

Southern LNG shall receive Gas and deliver Vaporized LNG or LNG at the Receipt and Delivery Points described in Section 6 of the GT&C.

6.1 Delivery of Vaporized LNG:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to schedule deliveries of Vaporized LNG on any day, excluding Boil-Off Gas allocated under Section 3.3(b) above, unless aggregate nominations by all Customers for delivery on that day exceed 75,000 Dth.

Nothing in this Tariff shall obligate Southern LNG to deliver Vaporized LNG when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Vaporization Quantity:

For service under this Rate Schedule LNG-3, Customer shall be entitled to its MDVQ unless Southern LNG declares a force majeure event or an operating condition as provided in GT&C § 8.3. If, however, on any day, the total of all Customers' nominations exceeds vaporization capacity, then the nominations for that day shall be scheduled according to GT&C § 8.4(c).

(c) Uniform Hourly Vaporization Quantity:

Subject to GT&C §§ 8.3 and 8.4, Southern LNG shall withdraw, vaporize, and deliver Customer's MDVQ at a uniform hourly rate up to one-twenty-fourth (1/24) of its MDVQ.

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver Vaporized LNG at greater than the uniform hourly rate. Southern LNG will effect such deliveries on an interruptible basis.

(d) Minimum LNG Balance; Management of LNG Balance:

(i) Southern LNG shall have no obligation to schedule deliveries for Customer's account unless Customer's (i) LNG Balance at the time of scheduling minus (ii) scheduled deliveries equals zero or greater.

(ii) In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating deliveries of Vaporized LNG without having arranged for timely receipt by Southern LNG of additional LNG for storage.

6.2 Delivery of LNG to Customer's Vessel:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to deliver LNG to Customer's Vessel when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Loading Quantity: The MDLQ shall be limited as follows:

(i) Loading Rate:

To the extent operationally possible and pursuant to the vessel scheduling procedures set forth in Sections 5.2 and 5.3 above, Southern LNG shall permit more than one Customer to use the ship loading facilities simultaneously. The Customers shall be allowed to do any combination of loading and vaporization send out deliveries, provided that each Customer's combined total of nominated loading deliveries (expressed in gallons per minute (GPM)) plus nominated vaporization deliveries (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)), if any, shall not exceed the quantity of 52,000 GPM minus the other Customer(s) confirmed vaporization send out nomination deliveries in equivalent GPM; provided, however, such rate may be adjusted by Southern LNG, if necessary, to handle any Boil-Off Gas generated as a result of such deliveries. Notwithstanding the above, a Customer's loading deliveries must be at a rate less than 46,230 GPM up to its MDLQ and a Customer's vaporization rate shall be consistent with the terms of Section 6.1(c) above up to its MDVQ.

(ii) Minimum LNG Balance; Management of LNG Balance:

Upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall be obligated to deliver LNG as nominated by Customer at a rate consistent with Section 6.2(b)(i) above, but not to exceed Customer's LNG Balance.

In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating receipts of LNG from the Liquefaction Facility without having arranged for additional storage capacity if Customer's LNG Balance is equal to its MSQ.

7. REQUEST FOR SERVICE

Requests for service hereunder shall be considered acceptable only if Customer has completed and returned Southern LNG's service request form (which is available to all Customers and potential Customers on Southern LNG's Interactive Website) to the address specified on such form:

Customer's request shall contain the information specified in the service request form, as revised from time to time, and the following:

- (a) either with the request for service or at the time of execution of a service agreement, such other information, in writing, as is required to comply with regulatory reporting or filing requirements;
- (b) sufficient information to determine Customer's creditworthiness in accordance with GT&C § 2.1(a); and
- (c) sufficient information to determine the compatibility of Customer's Vessel(s) with the interfacing facilities of Southern LNG.

8. CAPACITY RELEASE

Customers may release capacity under this Rate Schedule according to the capacity release provisions in GT&C § 16.

9. TRANSFER OF LNG BALANCE

Any Customer (Transferor) may agree to transfer all or any portion of its LNG Balance to another Customer (Transferee), using the storage transfer form provided by Southern LNG on its Interactive Website; provided, however, that such transfer shall not cause either (a) the Transferee to exceed its MSQ specified in its Service Agreement, unless the Transferee, before such transfer occurs, enters into a capacity release arrangement providing for the excess capacity in accordance with GT&C § 16; or (b) the Transferor's LNG Balance to equal less than zero. Such transfer is irrevocable once Southern LNG receives notice and confirmation.

10. WITHDRAWAL OF LNG BALANCE

10.1 Withdrawal by Customer:

Customer shall withdraw its LNG Balance when and in the amount that any one of the following circumstances requires:

- (a) Available storage capacity declines according to GT&C § 8.4(a);
- (b) Customer releases, or the Releasing Customer recalls, capacity under GT&C § 16;
- (c) Customer's Service Agreement terminates; or
- (d) Southern LNG issues an OFO pursuant to GT&C § 23.

Customer shall have completed the withdrawal of its LNG Balance by the following times:

- (a) if constrained capacity under Section 10.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;
- (b) if capacity release or recall under Section 10.1(b) above, then the time the release takes effect or the time specified for recall in the recall notice;
- (c) if termination under Section 10.1(c) above, then the time the Service Agreement terminates; or
- (d) if ordered under Section 10.1(d) above, then the time specified in the OFO.

10.2 Withdrawal by Southern LNG:

If any Customer fails to withdraw LNG pursuant to this Section 10, then Customer agrees that Southern LNG may, free and clear of any adverse claim, (i) take title to the LNG in Customer's LNG Balance and (ii) dispose of the LNG. Customer shall indemnify Southern LNG and hold Southern LNG harmless from all costs, damages, and liabilities that result from Southern LNG's disposing of the LNG. Neither Customer's failure to withdraw Gas nor Southern LNG's disposal of the Gas, as provided above, shall be a basis for a claim that Southern LNG breached any duty imposed by this Rate Schedule, the GT&C of this Tariff, or the Service Agreement. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

11. GENERAL TERMS AND CONDITIONS & SERVICE AGREEMENTS

All of the GT&C of this Tariff apply to and are hereby made a part of this Rate Schedule. If any inconsistencies exist between the GT&C and this Rate Schedule, the terms and conditions of the Rate Schedule shall control. This Rate Schedule also incorporates Customer's Service Agreement with Southern LNG. If any inconsistencies exist between this Rate Schedule and the Service Agreement, the terms and conditions of the Service Agreement shall control.

To the extent Southern LNG and Customer have executed one or more Service Agreements under this Rate Schedule that are in effect on the date Southern LNG converts to its new Interactive Website on April 1, 2016, the firm contract quantities under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract MSQ and MDVQ in Mcf times 1.021 Dth/Mcf. Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on

such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by Customer.

1. DEFINITIONS

When used in this Tariff or any document to which the Tariff refers, the following terms shall have the meanings defined below unless indicated otherwise:

- (a) Btu – A British thermal unit defined as the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees (59°) to sixty degrees (60°) Fahrenheit at a constant pressure of fourteen and six hundred ninety-six thousandths (14.696) pounds per square inch absolute. The abbreviation "Btu" may be either singular or plural depending on the context in which used in this Tariff.
- (b) Business Day - Monday through Friday, excluding Federal Banking holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
- (c) Central Clock Time (CCT) - 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. "Birmingham, Alabama time" shall mean Central Clock Time.
- (d) Commission or FERC - The Federal Energy Regulatory Commission or a successor regulatory agency.
- (e) Critical Notices - Those notices issued by Southern LNG which contain information about conditions that affect scheduling of service by Southern LNG or adversely affect scheduled gas flow.
- (f) Cubic Foot - The quantity of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.73 pounds per square inch and at a temperature of 60 degrees Fahrenheit on a dry basis. (For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees Celsius, and dry.)
- (g) Customer or Customers – A person or persons with whom Southern LNG has executed an effective Service Agreement for service under a Rate Schedule in this Tariff.
- (h) Customer's Vessel(s) or Vessel - A vessel or vessels used by Customer, or which Customer causes to be used, to transport LNG for receipt or delivery by Southern LNG for or from Customer's account. This term includes, without limitation, all vessels owned, operated, leased, or chartered by Customer or by any person from whom Southern LNG receives or delivers LNG for or from Customer's account.
- (i) Dekatherm (Dth) - The standard quantity for purposes of contracting, nominations, confirmation, scheduling, capacity release, invoicing, balancing and rates in the United States. One Dth is equivalent to one MMBtu. The abbreviation "Dth" may be either singular or plural depending on the context in which used in this Tariff.
- (j) Elba Island Terminal or Facilities - The facilities owned and operated by Southern LNG and used to provide Terminal Service to Customers.
- (k) Gas - LNG and/or Vaporized LNG or other gas at the Terminal, depending on the context.
- (l) Gas Day or Day - A period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Clock Time. The date of a day shall be that of its beginning.
- (m) NAESB - The North American Energy Standards Board.
- (n) NAESB Standard - The standards issued by NAESB and adopted by the Federal Energy Regulatory Commission in its regulations governing interstate natural gas companies.
- (o) Gross Heating Value (GHV) - The quantity of heat produced by the combustion in air under constant pressure or one cubic meter of anhydrous gas, the air being at the same temperature and the same pressure as the gas, after the cooling of the products of combustion to the initial

- temperature of the gas and the air and after condensation of the water created by the combustion. Appropriate corrections will be made if the initial conditions of the air and the gas do not equal 0°C and 1.01325 bars.
- (p) LNG or Liquefied Natural Gas - Natural gas in liquid state at or below its boiling point and at or near atmospheric pressure.
 - (q) Mcf - 1,000 cubic feet of natural gas.
 - (r) MMBtu - 1,000,000 Btu. One MMBtu is equivalent to one dekatherm (Dth).
 - (s) Month - A period beginning on the first day of the calendar month and ending on the commencement of the first day of the next succeeding calendar month.
 - (t) Operational Flow Orders (OFO) - An order issued either to alleviate conditions that, among other things, threaten the safe operations or system integrity of Southern LNG's system or to maintain operations required to provide efficient and reliable firm service. Whenever Southern LNG experiences these conditions, any pertinent order shall be referred to as an OFO. An illustrative list of Southern LNG's current types of OFOs is set forth in GT&C § 23.2.
 - (u) Party - Southern LNG or Customer.
 - (v) Parties - Southern LNG and Customer.
 - (w) 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.
 - (x) 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.
 - (y) Psia - Pounds per square inch absolute. Pressure measured relative to absolute zero.
 - (z) Psig - Pounds per square inch gauge. Pressure measured relative to atmospheric pressure.
 - (aa) 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.
 - (bb) Interactive Website - Any computer system used by Southern LNG to communicate with customers, as described in GT&C § 20.
 - (cc) 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 contract, is designated as the "swing." All other scheduled line items are allocated the scheduled quantity. The line items 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 items(s)/contract is not permitted to be allocated a quantity which would result in a negative number, therefore any negative quantity is allocated to the remaining scheduled line items on a pro rata basis.
 - (dd) Tariff - Southern LNG's effective FERC Gas Tariff, as revised from time to time.
 - (ee) Terminal - The facilities owned and operated by Southern LNG on Elba Island, Georgia for the receipt, storage, and vaporization of LNG and the (a) delivery of Vaporized LNG and/or (b) ship loading of LNG on behalf of Customers.

- (ff) Terminal Service or Service - The receipt, storage, vaporization, delivery of Vaporized LNG, and/or loading of LNG on behalf of Customers.
- (gg) Thermie - One thousand kilocalories, or one million calories. Two hundred and fifty-two (252) Thermies equal one Dth.
- (hh) Vaporized LNG - Liquefied natural gas that has been converted from its liquid state to a gaseous state in preparation for delivery by Southern LNG for Customer's account at the Downstream Pipeline Interconnect, as defined in Section 6.2 below.
- (ii) Gigacalorie - 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/cm² at 15.6 degrees C and dry.
- (jj) Gigajoule - The standard quantity for nominations, confirmations and scheduling per Gas Day in Canada. One gigajoule is equivalent to 1,000,000,000 joules. For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm. The standard joule is the joule specified in the SI System of Units.
- (kk) Firm Rate Schedule(s) - Either Rate Schedule LNG-1, Rate Schedule LNG-3, or both, as the context requires.
- (ll) Firm Service(s) - Service provided by Southern LNG to Customer as specified in either a Service Agreement under Rate Schedule LNG-1, a Service Agreement under Rate Schedule LNG-3, or both, as the context requires.
- (mm) Interruptible Service(s) - Any service provided by Southern LNG to Customer under Rate Schedule LNG-2.
- (nn) Point Identification Number (PIN) - The number assigned to each point of receipt and delivery, including receipt and/or delivery for storage and vaporization, which shall be specified on Southern LNG's Interactive Website and in Customer's Service Agreement where Customer may be entitled to service. A PIN may also be referred to as a Receipt Point, Delivery Point, Storage Point, or Vaporization Point in this Tariff.
- (oo) Rate Default - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.
- (pp) Rate Floor - Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Southern LNG's minimum reservation rate or zero cents when there is no stated minimum reservation rate.
- (qq) K-5 Capacity - The available compression of 9,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's electric powered K-5 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-5 Capacity is part of the Terminal Service.
- (rr) K-6 Capacity - The available compression of 12,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's K-6 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline. ~~This K-6 Capacity is a~~ as part of the Terminal Service ("~~K-6 Boil-Off Compressor~~"). A Customer's K-6 Capacity eEntitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (ss) Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-1 or LNG-3.
- (tt) Interruptible Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-2.

- (uu) K-7 Capacity - The available compression of 40,800 Mcf of Boil-Off Gas per Gas Day by Southern LNG's two ~~K-7~~ compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline. ~~This K-7 Capacity is a~~ as part of the Ship Loading Service ("K-7 Boil-Off Compressors"). A Customer's K-7 Capacity ~~e~~Entitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (vv) Liquefaction Facility shall mean a liquefaction facility directly connected to the Elba Island LNG Terminal, whether owned by Southern LNG or a third party.
- (ww) MDLQ Overrun Rate shall mean the rate to be paid on a volumetric basis per dth of LNG delivered to Customer's Vessel in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement.

24. FUEL & ELECTRIC POWER COST CHARGES/ADJUSTMENTS

24.1 CUSTOMER'S PRO RATA SHARE OF FUEL AND LOST AND UNACCOUNTED FOR GAS AND HEEL MAINTENANCE COSTS

(a) Delivery of Equivalent Volume for the Account of Customer:

Subject to the applicable Rate Schedule and Customer's Service Agreement, Southern LNG shall be obligated to deliver only an equivalent volume of Vaporized LNG and/or LNG, as applicable, for Customer's account. As used in the preceding sentence, an "equivalent volume" shall mean the sum of the quantities of LNG expressed in Dth delivered to or on behalf of Customer during a given billing month reduced by Customer's pro rata share of (i) gas required for operations (GRO) and (ii) gas otherwise lost and unaccounted for (LAUF), collectively referred to as Fuel.

(b) Definitions:

As used in this subsection, these terms shall have the following meaning:

(i) Pro rata share - The term "pro rata share" shall mean the ratio that Gas delivered by Southern LNG for the account of Customer for a month bears to the total monthly volume of Gas delivered for all Customers during such month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be included as Gas delivered during a month under this definition of pro rata share.

(ii) GRO - The term "GRO" shall consist of Gas used as fuel for compression, vaporization, and power generation and Gas otherwise used and accounted for in operations.

(iii) LAUF - The term "LAUF" shall mean the difference between the sum of all receipts and the sum of all output volumes, as adjusted for changes in inventory during the month; provided, however, that LAUF shall not include Gas losses (i) incurred by Southern LNG as a result of its failure to act as a reasonable and prudent operator or (ii) for which insurance proceeds are recovered by Southern LNG.

(iv) HMC - The Heel maintenance costs, or "HMC" shall mean costs reasonably incurred, during periods when all Customers' inventory has been reduced to zero, for the purchase of liquefaction services to re-liquefy Boil-Off Gas from Heel.

(c) If during a given billing month GRO and LAUF exceed deliveries, then in the next billing month with sufficient deliveries, the equivalent volume shall be reduced by the unrecovered GRO and LAUF. In the event there are insufficient deliveries to recover GRO and LAUF for three (3) consecutive months, then the unrecovered GRO and LAUF over such three month period will be converted to a monetary amount by multiplying the unrecovered monthly GRO and LAUF by a monthly price equal to the average of the weekly prices published by Natural Gas Intelligence Weekly Gas Price Index during the month and indicated as Cash Market Prices, "Alabama/Mississippi," "Transco Zone 4". The resulting dollar amount will then be charged to Customers on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal. Such method will continue on a monthly basis until deliveries exceed GRO and LAUF during a billing month.

- (d) HMC shall be billed to Customers on a prorata basis as determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) Southern LNG shall provide to Customer reasonable access to data in Southern LNG's possession regarding GRO, LAUF, and HMC.

24.2 Electric Power Cost Charges

This section of the GT&C sets forth the procedures to reflect in Southern LNG's rates changes in the amounts payable by Southern LNG for electric power costs incurred at the Elba Island Terminal.

- (a) Filing Procedure
 - (i) The Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost Charges set forth on the rate sheets of Southern LNG's Tariff may be increased to reflect a net positive change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost and shall be decreased to reflect a net negative change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost.
 - (ii) Southern LNG shall file with the Commission to reflect net changes in the Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost charges at least thirty (30) days prior to each anniversary of the beginning date for the Electric Power Annual Period.
- (b) Definitions
 - (i) Electric Power Annual Period - The annual period beginning on the in-service date for the recommissioned Elba Island Terminal and each annual period thereafter.
 - (ii) Actual Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal less any electric power costs associated with the K-6 Boil Off Compressor, K-7 Boil Off Compressors or Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iii) Actual K-6 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-6 Boil Off Compressor. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iv) Actual K-7 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-7 Boil Off Compressors. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.

- (v) Actual Ship Loading Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
- (vi) Estimated Electric Power Costs - The projected electric power costs for the Electric Power Annual Period less any costs associated with the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service.
- (vii) Estimated K-6 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-6 Boil Off Compressor.
- (viii) Estimated K-7 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-7 Boil Off Compressors.
- (ix) Estimated Ship Loading Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the Ship Loading Service.
- (x) Estimated Delivery Volumes - The projected annual volume in Dth per month of Vaporized LNG delivered out of the Elba Island Terminal.
- (xi) Estimated K-6 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-6 Boil Off Compressor.
- (xii) Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 Boil Off Compressors.
- (xiii) Estimated Ship Loading Delivery Volumes - The projected annual volume in Dth of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xiv) Actual Delivery Volumes - The actual volumes of Vaporized LNG delivered out of the Elba Island Terminal per month.
- (xv) Actual K-6 Boil Off Compressor Volumes- The actual volumes of Gas compressed at the K-6 Boil Off Compressor per month.
- (xvi) Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 Boil Off Compressors per month.
- (xvii) Actual Ship Loading Delivery Volumes - The actual volume in Dth per month of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xviii) Deferral Period - The period of twelve (12) months ending two (2) months prior to the effective date of a change in charges filed pursuant to this Section 24.2; provided, however, with respect to the K-6 Boil Off Compressor Electric Power Cost, the K-7 Boil Off Compressor Electric Power Cost and the Ship Loading Electric Power Cost, the first period may be prorated for the first Deferral Period to reflect the number of months in the Deferral Period that the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service goes in service.

- (xix) Electric Power Deferred Account- The account by which Southern LNG determines the actual recovery of Actual Electric Power Costs and records the difference between the Actual Electric Power Costs and the product of the Actual Delivery Volumes times the Current Electric Power Cost Charge and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (xx) K-6 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-6 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-6 Boil Off Compressor Electric Power Costs and the product of the Actual K-6 Boil Off Compressor Volumes times the Current K-6 Boil Off Compressor Electric Power Cost Charge.
 - (xxi) K-7 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-7 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-7 Boil Off Compressor Electric Power Costs and the product of the Actual K-7 Boil Off Compressor Volumes times the Current K-7 Boil Off Compressor Electric Power Cost Charge.
 - (xxii) Ship Loading Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual Ship Loading Electric Power Costs and records the difference between the Actual Ship Loading Electric Power Costs and the product of the Actual Ship Loading Volumes times the Current Ship Loading Electric Power Cost Charge.
- (c) Determination of the Current Electric Power Cost Charge
- Southern LNG shall determine the Current Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:
- (i) The Estimated Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Electric Power Deferred Account as determined in accordance with Section 24.2(d) below.
 - (ii) The amounts determined in Section 24.2(c)(i) above will be divided by the Estimated Delivery Volumes.
- (d) Electric Power Deferred Account (Account)
- Southern LNG shall maintain the Account for Deferral Period in accordance with the following procedures:
- (i) Southern LNG shall determine each month the Actual Electric Power Costs.
 - (ii) Southern LNG shall determine each month the actual recovery of Electric Power Costs by multiplying the Actual Delivery Volumes in Dth by the Current Electric Power Cost Charge, and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(d)(i) and 24.2(d)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as an Electric Power Deferred Account. Interest shall be computed on the balance in the Electric Power Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.

- (iv) If during a Deferral Period there are no Actual Delivery Volumes, then the Actual Electric Power Costs incurred during such Deferral Period will be charged on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) K-6 Boil Off Compressor Electric Power Cost Charge
 - (i) Determination of the Current K-6 Boil Off Compressor Electric Power Cost Charge

Southern LNG shall determine the Current K-6 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

 - (A) The Estimated K-6 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-6 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(e)(ii)C below.
 - (B) The amounts determined in Section 24.2(e)(i)A above will be divided by the Estimated K-6 Boil Off Compressor Volumes.
 - (ii) K-6 Boil Off Compressor Electric Power Deferred Account (K-6 Account)

Southern LNG shall maintain the K-6 Account for the Deferral Period in accordance with the following procedures:

 - (A) Southern LNG shall determine each month the Actual K-6 Boil Off Compressor Electric Power Costs.
 - (B) Southern LNG shall determine each month the actual recovery of K-6 Boil Off Compressor Electric Power Costs by multiplying the Actual K-6 Boil Off Compressor Volumes by the Current K-6 Boil Off Compressor Electric Power Cost Charge.
 - (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(e)(ii)A and 24.2(e)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-6 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-6 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (f) Ship Loading Electric Power Cost Charge
 - (i) Determination of the Current Ship Loading Electric Power Cost Charge

Southern LNG shall determine the Current Ship Loading Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

 - (A) The Estimated Ship Loading Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Ship Loading Electric Power Deferred Account as determined in accordance with Section 24.2(f)(ii)C below.
 - (B) The amounts determined in Section 24.2(f)(i)A above will be divided by the Estimated Ship Loading Delivery Volumes.

(ii) Ship Loading Electric Power Deferred Account (SL Account)

Southern LNG shall maintain the SL Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual Ship Loading Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of Ship Loading Electric Power Costs by multiplying the Actual Ship Loading Delivery Volumes by the Current Ship Loading Electric Power Cost Charge.
- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(f)(ii)A and 24.2(f)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the Ship Loading Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's Ship Loading Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (D) If during a Deferral Period there are no Actual Ship Loading Delivery Volumes, then the Actual Ship Loading Electric Power Costs incurred will be billed on a prorata basis as determined by dividing each Customer's MDLQ by the total amount of MDLQ for all Firm Ship Loading Service Customers at the Terminal.

(g) K-7 Boil Off Compressor Electric Power Cost Charge

(i) Determination of the Current K-7 Boil Off Compressor Electric Power Cost Charge

Southern LNG shall determine the Current K-7 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

- (A) The Estimated K-7 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-7 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(g)(ii)C below.
- (B) The amounts determined in Section 24.2(g)(i)A above will be divided by the Estimated K-7 Boil Off Compressor Volumes.

(ii) K-7 Boil Off Compressor Electric Power Deferred Account (K-7 Account)

Southern LNG shall maintain the K-7 Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual K-7 Boil Off Compressor Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of K-7 Boil Off Compressor Electric Power Costs by multiplying the Actual K-7 Boil Off Compressor Volumes by the Current K-7 Boil Off Compressor Electric Power Cost Charge.

- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(g)(ii)A and 24.2(g)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-7 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-7 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.

24.3 Maintenance Dredging Cost Adjustment

This section of the GT&C sets forth the procedures to reflect changes in the amounts incurred by Southern LNG for maintenance dredging of the turning basin at the Elba Island Terminal.

- (a) Definitions
 - (i) Maintenance Dredging – The work required to maintain the required depth and integrity of the turning basin, channel and berths at the Elba Island Terminal, including the costs of disposing of spoil associated with such work.
 - (ii) Maintenance Dredging Annual Period – The annual period beginning on March 1, 2002, and each annual period thereafter.
 - (iii) Maintenance Dredging Costs – The cost for Maintenance Dredging.
 - (iv) Actual Maintenance Dredging Costs – The actual cost incurred by Southern LNG for Maintenance Dredging. Such actual cost shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.3, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (v) Estimated Maintenance Dredging Costs – The projected Maintenance Dredging Costs for the Maintenance Dredging Annual Period.
 - (vi) Estimated MSQ Reservation Charge Billing Determinants – The projected annual reservation charge billing determinants, which shall not be less than the total aggregate MSQ subscribed by all Firm Service Customers at the time of the calculation.
 - (vii) Deferral Period – The period of 12 months ending December 31 prior to the beginning of each Maintenance Dredging Annual Period.
 - (viii) Affected Rate Schedules – Affected Rate Schedules shall be Rate Schedules LNG-1, LNG-2, and LNG-3.
- (b) Filing Procedure
 - (i) The Dredging Surcharge set forth on the rate sheets of Southern LNG's Tariff shall be increased or be decreased as set forth in this Section 24.3.
 - (ii) Southern LNG shall file with the Commission an Annual Maintenance Dredging Cost Filing within at least thirty (30) days prior to the beginning date for each Maintenance Dredging Annual Period. The Annual Maintenance Dredging Cost Filing shall provide for the reconciliation under Section 24.3(c)(iv) below.
- (c) Maintenance Dredging Deferred Account (Account)

Southern LNG shall maintain the Account for the Deferral Period in accordance with the following procedures:

- (i) Each month, Southern LNG shall determine the Actual Maintenance Dredging Costs.
 - (ii) Each month, Southern LNG shall multiply the currently effective Dredging Surcharge by the Reservation Charge Billing Determinants for the month.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.3(c)(i) and 24.3(c)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as a Maintenance Dredging Deferred Account. Interest shall be computed on the balance in the Maintenance Dredging Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.
 - (iv) In each Annual Maintenance Dredging Cost Filing, Southern LNG shall adjust its Dredging Surcharge, as described in Section 24.3(d) below, either positively or negatively to recover or return the balances in the applicable FERC Account No. 186 sub-account.
- (d) Determination of the Dredging Surcharge
- (i) Southern LNG shall determine the Estimated Maintenance Dredging Costs for the upcoming Maintenance Dredging Annual Period.
 - (ii) The Estimated Maintenance Dredging Costs shall be offset against or added to, as appropriate, the balance accumulated at the end of the Deferral Period in the Maintenance Dredging Deferred Account, as determined in accordance with Section 24.3(c).
 - (iii) The amounts determined in Section 24.3(d)(ii) above shall be divided by the Estimated MSQ Reservation Charge Billing Determinants.

Service Agreement No. _____

EXHIBIT A

Storage Point	MSQ (Dth) (1)	MDVQ (Dth) (2)	Start Date	Primary Term	Primary Term Notice	Evergreen Term	Evergreen Term Notice	Terminal Outlet Pressure	MDLQ (GPM) (3)	MDRQ (GPM) (4)
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Southern LNG's marine terminal facilities located on Elba Island in Chatham County, Georgia

Total Maximum Storage Quantity: _____ Dth

- (1) The quantity available for receipt by Southern LNG shall be subject to adjustment each day based on Customer's LNG Balance, as set forth in the applicable Firm Rate Schedule.
- (2) The quantity available for delivery by Southern LNG may be subject to adjustment each day, as set forth in the applicable Firm Rate Schedule.
- (3) The maximum quantity of LNG for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer.
- (4) The maximum quantity of LNG that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility.
- ~~(5) Customer may elect to extend the Primary Term for an additional five (5) years ("Primary Term Extension") if it gives written notice to Southern LNG prior to Southern LNG posting the capacity for bid under Section 15 of the General Terms and Conditions to Southern LNG's Tariff, but in no event later than the end of the Primary Term. In the event Southern LNG does not make such posting.~~
- ~~(6) [If Applicable] In lieu of the option in footnote (5) above, Customer may elect to extend the Primary Term by the Primary Term Notice date specified above ("Primary Term Extension") to coincide with the expiration of the Primary Term or Extended Primary Term set forth in a Liquefaction Services Agreement ("LSA") dated _____, between Customer and a Liquefaction Facility; provided, however, in no event shall this election to extend be construed to mean that the Primary Term set forth above may be shortened or reduced in the event the LSA is terminated prior to the Primary Term thereof for any reason or the Primary Term of the LSA is modified or amended to be less than twenty (20) years from the Start Date defined therein.~~
- ~~(7) MDLQ and MDRQ may be converted to dth/d for purposes of defining contract entitlement in accordance with Section 13.5 of the General Terms and Conditions (GPM x 123.9 = dth/d).~~

~~K-6 Boil-Off Compressor Capacity Entitlement: _____ Mcf/day~~
~~K-7 Capacity Entitlement: _____ Mcf/day~~

 (CUSTOMER)

 SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____

Clean Version of Option B Tendered Tariff Records

Section 3.3

RATE SCHEDULE LNG-3
Firm Terminal Service - Elba III
(Chatham County, Georgia)

1. AVAILABILITY

1.1 Southern LNG will make service for the receipt, storage, vaporization of LNG and delivery of Vaporized LNG under Rate Schedule LNG-3 available to any party (Customer) who requests Firm Service under this Rate Schedule from Southern LNG Company, L.L.C. (Southern LNG) under the following conditions:

- (i) Southern LNG has sufficient capacity and is able to provide the services;
- (ii) Customer has complied with the requirements of Section 2 of the General Terms and Conditions (GT&C) of this Tariff; and
- (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-3 (Service Agreement).
- (iv) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to deliver LNG to the Terminal.

1.2 Southern LNG will make terminal-to-vessel transfers of LNG (Ship Loading Service) under Rate Schedule LNG-3 available to any party (Customer) who requests Ship Loading Service under this Rate Schedule from Southern LNG provided that:

- (i) Southern LNG has sufficient capacity and is able to provide the Ship Loading Service requested;
- (ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff;
- (iii) Customer currently has a sufficient LNG Balance as defined below;
- (iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-3; and
- (v) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to receive LNG from the Terminal.

1.3 Southern LNG shall not be obligated to construct, modify, expand or acquire facilities to perform Terminal Service under this Rate Schedule, except to the extent required pursuant to certification by the Commission. Southern LNG shall obtain abandonment authority for capacity under firm contract that is no longer available for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

The provisions of this Rate Schedule apply to the Terminal Service, including Ship Loading Service, rendered by Southern LNG for Customer pursuant to Subpart 284(G) of the Commission's Regulations (18 C.F.R. § § 284.221 et seq.), Part 153 of the Commission's Regulations (18 C.F.R. § 153), and the Service Agreement.

This Firm Service is not subject to interruption or prior claim by another Customer or another class of service and receives the same priority as any other class of Firm Service; provided, however, that GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity.

3. DEFINITIONS

3.1 Maximum Storage Quantity:

The Maximum Storage Quantity (MSQ) shall be the maximum quantity of LNG that Southern LNG is obligated to store for Customer's account at any time. Customer's MSQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.2 Maximum Daily Vaporization Quantity:

The Maximum Daily Vaporization Quantity (MDVQ) shall be the maximum quantity of Vaporized LNG for any day that Southern LNG shall be obligated to deliver for Customer or Customer's account. Customer's MDVQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.3 Liquefied Natural Gas Balance:

(a) The Liquefied Natural Gas Balance (LNG Balance) shall be the quantity of gas held in storage in liquid form for Customer's account at the Terminal at the time Southern LNG confirms Customer's nomination. Each Customer's LNG Balance shall be increased or decreased as provided in § 5.9 of this Rate Schedule. As stated in §§ 5.8(c), 6.1(d), and 6.2(b) of this Rate Schedule, Customer has the obligation to manage its LNG Balance to accommodate receipts or deliveries of Gas for Customer's account.

In order to maintain an operational cryogenic state in each Southern LNG storage tank to maintain Customer's LNG Balance, Southern LNG may maintain a residual amount of LNG in each Southern LNG storage tank at the Terminal as recommended by the tank manufacturer or consistent with accepted industry practice for such purpose. Such residual volume will be defined as the Southern LNG storage tank "Heel" and will be considered a part of the plant's working capital. It is understood and expected that the Heel shall be left in place in the Southern LNG storage tanks as part of the plant facilities unless for Southern LNG's operational reasons it is vaporized and removed. For purposes of calculating each Customer's LNG Balance or proportionate share of Boil-Off Gas as provided in Section 3.3(b) below, the Heel will not be considered or calculated. From time to time if minimal customer inventory exists in the Southern LNG storage tanks such that portions of the Heel gas begin to boil off, Southern LNG may replenish the Heel by taking receipts of LNG from the Liquefaction Facilities.

(b) Boil-Off Gas:

(i) Definitions:

Boil-Off Gas includes gas (1) boiling off from Southern LNG's unloading, loading, and storage facilities, (2) flashing from the liquid phase to the gaseous phase during unloading LNG from Customer's Vessel(s), during loading LNG to Customer's Vessel(s), and during cool down, (3) returning to Customer's Vessel(s) during unloading and cool down, and (4) boiling off during the operation of Southern LNG's process equipment.

(ii) Disposal:

(x) Customer must arrange for the delivery on each day of Customer's share of Boil-Off Gas (except Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG). Disposition of a Customer's proportionate share provided in (iii) below shall occur in the following order:

(1) Customer will be allocated a proportionate share of K-5 Capacity based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day plus

(2) Customer will then be allocated a portion of the K-6 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.5(d) plus

(3) Customer will then be allocated a portion of the K-7 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.7(c) plus

(4) at any time (i) when Southern LNG is receiving delivery of LNG for Customer's account such that Boil-Off Gas levels are elevated, (ii) that Customer elects not to use all or a portion of Customer's share of the K-6 Capacity as provided in (2) above; (iii) that Customer elects not to use all or a portion of Customer's share of the K-7 Capacity as provided in (3) above; or (iv) that an event of Force Majeure or Operating Condition as defined in Section 8.3 of these General Terms and Conditions occurs such that any portion of the K-5 Capacity, K-6 Capacity, or K-7 Capacity is unavailable, for any of Customer's Boil-Off Gas remaining in excess of that handled by (1), (2), and (3) Customer shall nominate sufficient LNG send out to permit such excess boil off to be handled through the Terminal's recondenser facilities.

(y) If all necessary arrangements (including nomination and confirmation) are not complete, then Southern LNG shall take title to the Boil-Off Gas. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Customer shall indemnify Southern LNG against any claim, demand, or action arising from Customer's failure under this paragraph; provided, however, that Southern LNG shall not take title to, and will allocate to Customer's Service Agreement, boil-off that enters the downstream pipeline.

(iii) Allocation:

(x) Except for the Boil-Off Gas associated with loading and unloading Customer's Vessel, as provided in (y) below, Customer's share of Boil-Off Gas on any day shall equal a proportionate share based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day.

(y) At any time when Southern LNG is receiving or delivering LNG from or to a vessel, the Customer for whom or to whom Southern LNG receives or delivers the LNG shall be responsible for the incremental quantities of Boil-Off Gas associated with Southern LNG receiving or delivering such LNG to or from a vessel at the Terminal.

3.4 Maximum Daily Loading Quantity:

The Maximum Daily Loading Quantity (MDLQ) shall be the maximum quantity of LNG in gallons per minute for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer. Customer's MDLQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.5 Maximum Daily Receipt Quantity:

The Maximum Daily Receipt Quantity (MDRQ) shall be the maximum quantity of LNG in gallons per minute that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility. Customer's MDRQ shall be specified in the Service Agreement between Customer and Southern LNG.

4. RATES AND FUEL

- 4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-3 of this Tariff. Customer will pay the maximum rate or a negotiated rate for service unless Southern LNG, in its reasonable judgment, offers to discount from the maximum rate to Customer. Any discount to which Southern LNG agrees, and the effective period, shall be stated on Exhibit C to the Service Agreement. Any negotiated rate to which Southern LNG agrees, and the effective period, shall be stated on Exhibit F to the Service Agreement.
- 4.2 For service rendered to Customer under Rate Schedule LNG-3, Customer shall pay Southern LNG each month (i) a Reservation Charge per Dth of Customer's MSQ plus a Monthly Storage Charge calculated under Rate Schedule LNG-2 for any Dth in excess of Customer's MSQ; (ii) a Reservation Charge per Dth of Customer's MDVQ; (iii) a Commodity Rate per Dth of the aggregate quantities delivered for Customer's account (both for firm vaporized quantities scheduled up to and including Customer's MDVQ and, if any, for vaporized quantities scheduled in excess of Customer's MDVQ) pursuant to the nomination procedures on each day during the month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Commodity Rate; (iv) a Reservation Charge per Dth of Customer's MDLQ as converted per Section 13.5 of the General Terms and Conditions; or, in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement, an MDLQ Overrun Rate per Dth of quantities delivered to Customer's account.
- 4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a pro rata share of Gas as compensation for GRO and LAUF or charge an equivalent monetary amount if there are insufficient deliveries, as provided in GT&C § 24.1. Southern LNG shall adjust Customer's LNG Balance accordingly; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged for GRO and LAUF.
- 4.4 Customer shall also pay any other effective charges and surcharges, as applicable, including an HMC, Electric Power Cost Charge, Dredging Surcharge, K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, and Ship Loading Electric Power Cost Charge as more particularly described in Sections 24.1, 24.2 and 24.3 of this Tariff, and, if applicable, a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule, and a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of Gas compressed in excess of a Customer's firm K-6 or K-7 Capacity entitlement; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Electric Power Cost Charge or ACA Surcharge.
- 4.5 Force Majeure Relief for Firm Service:
- Customers under this Rate Schedule may under Section 4.5 thereof receive one of the following two forms of relief from a complete and extended force majeure at the Elba Terminal as provided below. Unless Southern LNG, in a not unduly discriminatory manner, agrees to consider a later election, a Customer desiring to make the buyout election in Section 4.5.2 below ("Buyout Election") in lieu of the demand charge crediting mechanism under Section 4.5.1 below ("Crediting Election") shall so notify Southern LNG as follows:
- (i) in the event of a request for new service (whether in an open season or otherwise) under Section 2 of the GT&C after the effective date of this provision, then no later than the request for service;
 - (ii) in the event Customer has an existing, effective Service Agreement as of the effective date of this provision, then no later than the later of ten (10) days after the effective date of this provision or January 1, 2010; and
 - (iii) in the event Customer has subscribed to new service that has not yet commenced as of the effectiveness of this provision, then no later than ten (10) days after the in-service of the facilities associated with the service agreement for such subscription.

Such election shall be irrevocable and noted in Customer's Service Agreement and shall survive Customer's termination of the Service Agreement. If Customer does not make a timely Buyout Election, then Customer shall be deemed as of the effectiveness of the Service Agreement to have elected the Crediting Election, which shall apply to that Service Agreement. A Customer whose Buyout Election is noted in its Service Agreement shall not, unless Southern LNG agrees otherwise, in a separate discounted or negotiated rate agreement, receive relief under the Crediting Election.

4.5.1 Crediting Election:

(a) Applicability:

The following demand charge crediting mechanism shall apply to Customer's Service Agreement under this Rate Schedule only if:

- (i) Customer has not made the Buyout Election as provided above, and
- (ii) Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable, during a period that exceeds thirty consecutive days, to make available at least eighty percent (80%) of the aggregate MSQ, MDVQ, or MDLQ for all firm Customers ("Southern LNG Force Majeure").

(b) Customer's Crediting Ratio:

Each Customer shall receive its pro rata share of the BI Credit or ROE Credit defined below based on the following ratio for each firm rate schedule ("Customer's Crediting Ratio"). Customer's Crediting Ratio equals the product of (1) the maximum reservation rates set forth on the rate sheet(s) of this Tariff for the MSQ, MDVQ, and MDLQ, as applicable, under each firm rate schedule multiplied by (2) the MSQ, MDVQ, and MDLQ specified in Customer's Service Agreement under such rate schedule $[(1) \times (2)]$ ("Customers' Recourse Revenues") divided by the sum of all Customers' Recourse Revenues for all firm reservation billing determinants under such rate schedule ("Total Recourse Revenues").

(c) Crediting:

The highest of the MSQ, MDVQ, or MDLQ percentage not made available, greater than twenty percent (20%), shall be the "Firm Shortfall."

For the period extending beyond the thirtieth day of the Southern LNG Force Majeure there shall be deducted from each Customer's monthly invoice the greater of either the BI Credit or ROE Credit amount, as defined below, multiplied by Customer's Crediting Ratio:

- (1) an amount equal to any insurance proceeds for business interruption of Southern LNG (the premiums for which are included in the cost of service underlying Southern LNG's rates under the applicable rate schedule) paid to Southern LNG ("BI Credit"); or
- (2) an amount equal to the portion of the Total Recourse Revenues attributable to the FERC-approved cost of common equity and associated income taxes under the applicable rate schedule multiplied by the Firm Shortfall ("ROE Credit").

$[[\text{BI Credit or ROE Credit}] * \text{Customer's Crediting Ratio}]$

In no event, however, shall the amount to be paid by a discounted or negotiated rate Customer under this subsection (c) above result in less than the amount that would be paid for a maximum recourse rate Customer having the same MSQ, MDVQ, and MDLQ. If the proceeds for business interruption are subsequently determined to be greater than the ROE Credit provided to

Customers or less than the BI Credit provided to Customers, then Southern LNG shall refund or invoice the difference (pro rate for each Customer) to true up such difference.

4.5.2 Buyout Election:

(a) Qualifications.

In order to qualify to make a Buyout Election, Customer must so elect for its Service Agreements, and the Service Agreements to which the election applies must each, unless Southern LNG agrees otherwise:

- (1) have a primary term of no less than nineteen (19) years; and
- (2) obligate Customer to pay either the maximum recourse reservation rate or a negotiated reservation rate;

(b) General Terms and Conditions.

Section 8.6 of the GT&C to this FERC Gas Tariff shall govern the applicability of, conditions on, and limitations to the Buyout Election.

4.5.3 Exclusivity

Customer's entitlement to demand charge reductions under the Crediting Election or entitlement to terminate its Service Agreement under the Buyout Election shall constitute Customer's sole and exclusive remedy for the event of force majeure to which the Crediting Election or Buyout Election is applicable, without prejudice to Southern LNG's obligation to restore service in the event Customer does not terminate its Service Agreement under either Section 8.6(b)(1)(C) or Section 8.6(b)(2)(B) of the GT&C of Southern LNG's tariff.

5. RECEIPT and DELIVERY OF LNG FROM and TO CUSTOMERS' VESSEL(S)

Southern LNG receives and delivers LNG at the vessel unloading/loading facilities on Elba Island, Georgia.

5.1 Customer shall give, or cause to be given, to Southern LNG notice by electronic mail prior to each arrival of a vessel. Southern LNG will provide Customer(s) with the manner in which Southern LNG must receive notice. The notice shall identify Customer(s) Vessel (LNG Tanker Name, Register, Register Number, Flag, LNG Cargo Capacity, and LNG Tanker Owner/Operator/Manager or as otherwise required by the DOE) and state the date and hour of arrival at the terminal, the transaction type of the vessel (import or export), and the quantity of LNG to be received or delivered, as applicable, by Southern LNG. Southern LNG reserves the right to reject, in a manner not unduly discriminatory, the receipt of any Customer vessel that does not meet the requirements of Southern LNG.

Customer shall send notice as follows:

- (a) first notice 48 hours before Customer's Vessel departs the port of origin. At that time Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that Customer must nominate for vaporization and delivery in order to accommodate the quantities of LNG stated in Customer's notice for receipt by Southern LNG.
- (b) second notice when Customer's Vessel departs the port or origin;
- (c) third notice for receipt by Southern LNG 96 hours before estimated arrival;
- (d) fourth notice for receipt by Southern LNG 72 hours before estimated arrival;

- (e) fifth notice for receipt by Southern LNG 48 hours before estimated arrival;
- (f) sixth notice for receipt by Southern LNG 24 hours before estimated arrival;
- (g) seventh notice for receipt by Southern LNG 5 hours before estimated arrival;
- (h) final notice when Customer's Vessel enters the channel of the Savannah River.

Notwithstanding the foregoing, for the Ship Loading Service, Customer shall not be obligated to provide the notice required in Sections 5.1(a) and 5.1(b) above. When Customer gives or causes to be given its first notice of a request for Ship Loading Service under Section 5.1(c), Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that should be available for delivery to the Vessel for ship loading. If applicable, Customer shall specify whether it requires vessel cool down services as well. To the extent operational conditions permit, including, but not limited to, plant loading equipment, pumping equipment, boil off equipment, LNG Balance and any lay restrictions imposed by government agencies at the Terminal, and subject to Southern LNG's cool down procedures and consistent with standard industry practices, Southern LNG will provide cool down services according to such procedures for a vessel when it arrives at the dock in a non-cryogenic state or partially cryogenic state. In the event that Customer's vessel requires more than forty (40) hours for the completion of such cool down in order to enable the vessel to reach a cryogenic state suitable to load a full LNG cargo, Customer will pay Southern LNG a Ship Cool Down Excess Lay Charge per day for each 24-hour period in which the vessel remains at the dock in excess of the forty (40) hours. Notwithstanding the above, Southern LNG shall waive the Ship Cool Down Excess Lay Charge in the event that no other vessel under a firm service is scheduled to arrive during the day in which the Ship Cool Down Excess Lay Charge applies or for any day for which the delay is caused by Southern LNG's operations or any lay restrictions imposed by government agencies at the Terminal. In the event that such governmental lay restrictions do exist, the time for measuring cool down services shall toll and Customer shall not be deemed to be utilizing cool down services as long as such restrictions are in place. Upon receipt of Customer's first notice for Ship Loading Service, Southern LNG will issue a scheduling notice to Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice.

5.2 Scheduling Priorities for the Receipt or Delivery of LNG at the Elba Island Terminal:

If all requests for the receipt or delivery of LNG from or to Customers' Vessel(s) cannot be scheduled, and all conflicts in the arrival of Customers' vessels cannot be resolved by mutual agreement among Southern LNG and the affected Customers, then Southern LNG shall schedule service in the following order:

- (i) Firm Service in sequence starting with the highest rate for service, provided that Customers paying the maximum rate for Firm Service shall be treated as having equal priority regardless of the Firm Rate Schedule or service under such Rate Schedule, and Customers paying the maximum rate for Firm Service shall be treated as having equal priority with Customers paying a negotiated rate that is equal to or exceeds the maximum rate;
- (ii) Ship Loading Service for Customers that hold Firm Service but do not hold MDLQ; and
- (iii) Interruptible Service not included in (ii) above in sequence starting with the highest rate for service;

If two or more Customers have the same priority using the above criteria, service will be scheduled in sequence starting with the earliest executed Service Agreement currently in effect.

5.3 Unscheduled Arrival:

If Customer's Vessel does not arrive as scheduled pursuant to Section 5.1(a), or Section 5.1(c) in the case of Ship Loading Service, of this Rate Schedule, then Southern LNG shall receive the LNG

from or deliver the LNG to the unscheduled vessel at the first time available without causing detriment to any scheduled Firm Service, without regard for whether the unscheduled arrival is the result of Customer's force majeure. Customer agrees to reimburse Southern LNG for all costs incurred as a result of the vessel's failure to arrive as scheduled.

- 5.4 Southern LNG shall have no obligation to carry out receipts or deliveries of LNG that are not in complete compliance with applicable safety regulations.
- 5.5 Customer assumes all responsibility for ensuring that Customer's Vessel shall conform to the details and specifications for interfacing facilities provided by Southern LNG.
- 5.6 Customer shall secure proper insurance and shall provide Southern LNG with a certificate of insurance, satisfactory to Southern LNG, prior to berthing of Customer's Vessel at the Terminal. Customer shall cause Customer's Vessel(s) to be adequately covered by marine insurance policies in amounts and at levels customarily maintained by first-class operators.
- 5.7 Southern LNG shall provide only the following facilities, to be reasonably safe for navigation, berthing, unloading/loading, and departure of Customer's Vessel(s):
- (a) A vapor return line system of sufficient capacity to return to Customer's vessel(s) quantities of natural gas necessary for the unloading/loading thereof;
 - (b) Access to Customer's Vessel(s) for all reasonable purposes;
 - (c) A berth and pier sufficient to accommodate vehicles required for service and maintenance of Customer's Vessel(s);
 - (d) Unloading/loading arms and pipes for unloading/loading LNG from/to Customer's Vessel.

Southern LNG shall provide no other facilities or services for the navigation, berthing, unloading/loading, and departure of Customer's Vessel(s).

- 5.8 Maximum LNG Balance; Management of LNG Balance:
- (a) Southern LNG shall be obligated to receive LNG from Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to unload, Customer's (i) LNG Balance plus (ii) the quantity to be received does not exceed Customer's MSQ.
 - (b) Southern LNG shall be obligated to deliver LNG to Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to load, the quantity to be delivered to the Vessel does not exceed Customer's LNG Balance. In the event Customer gives notice to Southern LNG under Section 5.1(c) of the arrival of a vessel for ship loading service and Southern LNG schedules such vessel, but such vessel will require LNG in excess of Customer's LNG Balance, Southern LNG shall notify Customer at the time for the notice set forth in Section 5.1(e) above that its LNG Balance is inadequate to meet Customer's scheduling notice and Southern LNG shall not be required to deliver to Customer its full LNG Balance, unless Customer nominates adequate volumes of LNG from the Liquefaction Facilities after the notice is provided pursuant to Section 5.1(e) above and prior to the notice provided pursuant to Section 5.1(h) above.
 - (c) Customer shall have the obligation to manage Customer's LNG Balance to accommodate any receipts or deliveries for Customer's account. In order to permit unloading of Customer's Vessel, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG in sufficient quantities for LNG to be received from Customer's Vessel to accommodate Boil-Off Gas. In addition, in order to enable loading of Customer's Vessel and accommodate the return of Boil-Off Gas from such loading to the vapor handling system at the Terminal, Southern LNG may, in its sole discretion, issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG to any interconnected pipeline or redeliveries to the Liquefaction Facility in sufficient quantities to accommodate such Boil-Off Gas.

- 5.9 Increase or Decrease in LNG Balance

Customer's LNG Balance will be increased or decreased for each nomination cycle set out in the GT&C by the quantity of LNG received or delivered by Southern LNG for Customer's account by that nomination cycle. The quantity received or delivered by Southern LNG for Customer's account shall not include the amount of Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG or returning to the vapor handling system at the Terminal during loading of LNG. Furthermore, Customer's LNG Balance shall be decreased by Customer's pro rata share of GRO and LAUF, as provided in § 24.1 of the GT&C.

6. STORAGE WITHDRAWALS AND DELIVERIES

Southern LNG shall receive Gas and deliver Vaporized LNG or LNG at the Receipt and Delivery Points described in Section 6 of the GT&C.

6.1 Delivery of Vaporized LNG:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to schedule deliveries of Vaporized LNG on any day, excluding Boil-Off Gas allocated under Section 3.3(b) above, unless aggregate nominations by all Customers for delivery on that day exceed 75,000 Dth.

Nothing in this Tariff shall obligate Southern LNG to deliver Vaporized LNG when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Vaporization Quantity:

For service under this Rate Schedule LNG-3, Customer shall be entitled to its MDVQ unless Southern LNG declares a force majeure event or an operating condition as provided in GT&C § 8.3. If, however, on any day, the total of all Customers' nominations exceeds vaporization capacity, then the nominations for that day shall be scheduled according to GT&C § 8.4(c).

(c) Uniform Hourly Vaporization Quantity:

Subject to GT&C §§ 8.3 and 8.4, Southern LNG shall withdraw, vaporize, and deliver Customer's MDVQ at a uniform hourly rate up to one-twenty-fourth (1/24) of its MDVQ.

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver Vaporized LNG at greater than the uniform hourly rate. Southern LNG will effect such deliveries on an interruptible basis.

(d) Minimum LNG Balance; Management of LNG Balance:

(i) Southern LNG shall have no obligation to schedule deliveries for Customer's account unless Customer's (i) LNG Balance at the time of scheduling minus (ii) scheduled deliveries equals zero or greater.

(ii) In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating deliveries of Vaporized LNG without having arranged for timely receipt by Southern LNG of additional LNG for storage.

6.2 Delivery of LNG to Customer's Vessel:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to deliver LNG to Customer's Vessel when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Loading Quantity: The MDLQ shall be limited as follows:

(i) Loading Rate:

To the extent operationally possible and pursuant to the vessel scheduling procedures set forth in Sections 5.2 and 5.3 above, Southern LNG shall permit more than one Customer to use the ship loading facilities simultaneously. The Customers shall be allowed to do any combination of loading and vaporization send out deliveries, provided that each Customer's combined total of nominated loading deliveries (expressed in gallons per minute (GPM)) plus nominated vaporization deliveries (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)), if any, shall not exceed the quantity of 52,000 GPM minus the other Customer(s) confirmed vaporization send out nomination deliveries in equivalent GPM; provided, however, such rate may be adjusted by Southern LNG, if necessary, to handle any Boil-Off Gas generated as a result of such deliveries. Notwithstanding the above, a Customer's loading deliveries must be at a rate less than 46,230 GPM up to its MDLQ and a Customer's vaporization rate shall be consistent with the terms of Section 6.1(c) above up to its MDVQ.

(ii) Minimum LNG Balance; Management of LNG Balance:

Upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall be obligated to deliver LNG as nominated by Customer at a rate consistent with Section 6.2(b)(i) above, but not to exceed Customer's LNG Balance.

In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating receipts of LNG from the Liquefaction Facility without having arranged for additional storage capacity if Customer's LNG Balance is equal to its MSQ.

7. REQUEST FOR SERVICE

Requests for service hereunder shall be considered acceptable only if Customer has completed and returned Southern LNG's service request form (which is available to all Customers and potential Customers on Southern LNG's Interactive Website) to the address specified on such form:

Customer's request shall contain the information specified in the service request form, as revised from time to time, and the following:

- (a) either with the request for service or at the time of execution of a service agreement, such other information, in writing, as is required to comply with regulatory reporting or filing requirements;
- (b) sufficient information to determine Customer's creditworthiness in accordance with GT&C § 2.1(a); and
- (c) sufficient information to determine the compatibility of Customer's Vessel(s) with the interfacing facilities of Southern LNG.

8. CAPACITY RELEASE

Customers may release capacity under this Rate Schedule according to the capacity release provisions in GT&C § 16.

9. TRANSFER OF LNG BALANCE

Any Customer (Transferor) may agree to transfer all or any portion of its LNG Balance to another Customer (Transferee), using the storage transfer form provided by Southern LNG on its Interactive Website; provided, however, that such transfer shall not cause either (a) the Transferee to exceed its MSQ specified in its Service Agreement, unless the Transferee, before such transfer occurs, enters into a capacity release arrangement providing for the excess capacity in accordance with GT&C § 16; or (b) the Transferor's LNG Balance to equal less than zero. Such transfer is irrevocable once Southern LNG receives notice and confirmation.

10. WITHDRAWAL OF LNG BALANCE

10.1 Withdrawal by Customer:

Customer shall withdraw its LNG Balance when and in the amount that any one of the following circumstances requires:

- (a) Available storage capacity declines according to GT&C § 8.4(a);
- (b) Customer releases, or the Releasing Customer recalls, capacity under GT&C § 16;
- (c) Customer's Service Agreement terminates; or
- (d) Southern LNG issues an OFO pursuant to GT&C § 23.

Customer shall have completed the withdrawal of its LNG Balance by the following times:

- (a) if constrained capacity under Section 10.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;
- (b) if capacity release or recall under Section 10.1(b) above, then the time the release takes effect or the time specified for recall in the recall notice;
- (c) if termination under Section 10.1(c) above, then the time the Service Agreement terminates; or
- (d) if ordered under Section 10.1(d) above, then the time specified in the OFO.

10.2 Withdrawal by Southern LNG:

If any Customer fails to withdraw LNG pursuant to this Section 10, then Customer agrees that Southern LNG may, free and clear of any adverse claim, (i) take title to the LNG in Customer's LNG Balance and (ii) dispose of the LNG. Customer shall indemnify Southern LNG and hold Southern LNG harmless from all costs, damages, and liabilities that result from Southern LNG's disposing of the LNG. Neither Customer's failure to withdraw Gas nor Southern LNG's disposal of the Gas, as provided above, shall be a basis for a claim that Southern LNG breached any duty imposed by this Rate Schedule, the GT&C of this Tariff, or the Service Agreement. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

11. GENERAL TERMS AND CONDITIONS & SERVICE AGREEMENTS

All of the GT&C of this Tariff apply to and are hereby made a part of this Rate Schedule. If any inconsistencies exist between the GT&C and this Rate Schedule, the terms and conditions of the Rate Schedule shall control. This Rate Schedule also incorporates Customer's Service Agreement with Southern LNG. If any inconsistencies exist between this Rate Schedule and the Service Agreement, the terms and conditions of the Service Agreement shall control.

To the extent Southern LNG and Customer have executed one or more Service Agreements under this Rate Schedule that are in effect on the date Southern LNG converts to its new Interactive Website on April 1, 2016, the firm contract quantities under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract MSQ and MDVQ in Mcf times 1.021 Dth/Mcf. Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on

such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by Customer.

1. DEFINITIONS

When used in this Tariff or any document to which the Tariff refers, the following terms shall have the meanings defined below unless indicated otherwise:

- (a) Btu – A British thermal unit defined as the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees (59°) to sixty degrees (60°) Fahrenheit at a constant pressure of fourteen and six hundred ninety-six thousandths (14.696) pounds per square inch absolute. The abbreviation "Btu" may be either singular or plural depending on the context in which used in this Tariff.
- (b) Business Day - Monday through Friday, excluding Federal Banking holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
- (c) Central Clock Time (CCT) - 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. "Birmingham, Alabama time" shall mean Central Clock Time.
- (d) Commission or FERC - The Federal Energy Regulatory Commission or a successor regulatory agency.
- (e) Critical Notices - Those notices issued by Southern LNG which contain information about conditions that affect scheduling of service by Southern LNG or adversely affect scheduled gas flow.
- (f) Cubic Foot - The quantity of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.73 pounds per square inch and at a temperature of 60 degrees Fahrenheit on a dry basis. (For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees Celsius, and dry.)
- (g) Customer or Customers – A person or persons with whom Southern LNG has executed an effective Service Agreement for service under a Rate Schedule in this Tariff.
- (h) Customer's Vessel(s) or Vessel - A vessel or vessels used by Customer, or which Customer causes to be used, to transport LNG for receipt or delivery by Southern LNG for or from Customer's account. This term includes, without limitation, all vessels owned, operated, leased, or chartered by Customer or by any person from whom Southern LNG receives or delivers LNG for or from Customer's account.
- (i) Dekatherm (Dth) - The standard quantity for purposes of contracting, nominations, confirmation, scheduling, capacity release, invoicing, balancing and rates in the United States. One Dth is equivalent to one MMBtu. The abbreviation "Dth" may be either singular or plural depending on the context in which used in this Tariff.
- (j) Elba Island Terminal or Facilities - The facilities owned and operated by Southern LNG and used to provide Terminal Service to Customers.
- (k) Gas - LNG and/or Vaporized LNG or other gas at the Terminal, depending on the context.
- (l) Gas Day or Day - A period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Clock Time. The date of a day shall be that of its beginning.
- (m) NAESB - The North American Energy Standards Board.
- (n) NAESB Standard - The standards issued by NAESB and adopted by the Federal Energy Regulatory Commission in its regulations governing interstate natural gas companies.
- (o) Gross Heating Value (GHV) - The quantity of heat produced by the combustion in air under constant pressure or one cubic meter of anhydrous gas, the air being at the same temperature and the same pressure as the gas, after the cooling of the products of combustion to the initial

- temperature of the gas and the air and after condensation of the water created by the combustion. Appropriate corrections will be made if the initial conditions of the air and the gas do not equal 0°C and 1.01325 bars.
- (p) LNG or Liquefied Natural Gas - Natural gas in liquid state at or below its boiling point and at or near atmospheric pressure.
 - (q) Mcf - 1,000 cubic feet of natural gas.
 - (r) MMBtu - 1,000,000 Btu. One MMBtu is equivalent to one dekatherm (Dth).
 - (s) Month - A period beginning on the first day of the calendar month and ending on the commencement of the first day of the next succeeding calendar month.
 - (t) Operational Flow Orders (OFO) - An order issued either to alleviate conditions that, among other things, threaten the safe operations or system integrity of Southern LNG's system or to maintain operations required to provide efficient and reliable firm service. Whenever Southern LNG experiences these conditions, any pertinent order shall be referred to as an OFO. An illustrative list of Southern LNG's current types of OFOs is set forth in GT&C § 23.2.
 - (u) Party - Southern LNG or Customer.
 - (v) Parties - Southern LNG and Customer.
 - (w) 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.
 - (x) 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.
 - (y) Psia - Pounds per square inch absolute. Pressure measured relative to absolute zero.
 - (z) Psig - Pounds per square inch gauge. Pressure measured relative to atmospheric pressure.
 - (aa) 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.
 - (bb) Interactive Website - Any computer system used by Southern LNG to communicate with customers, as described in GT&C § 20.
 - (cc) 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 contract, is designated as the "swing." All other scheduled line items are allocated the scheduled quantity. The line items 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 items(s)/contract is not permitted to be allocated a quantity which would result in a negative number, therefore any negative quantity is allocated to the remaining scheduled line items on a pro rata basis.
 - (dd) Tariff - Southern LNG's effective FERC Gas Tariff, as revised from time to time.
 - (ee) Terminal - The facilities owned and operated by Southern LNG on Elba Island, Georgia for the receipt, storage, and vaporization of LNG and the (a) delivery of Vaporized LNG and/or (b) ship loading of LNG on behalf of Customers.

- (ff) Terminal Service or Service - The receipt, storage, vaporization, delivery of Vaporized LNG, and/or loading of LNG on behalf of Customers.
- (gg) Thermie - One thousand kilocalories, or one million calories. Two hundred and fifty-two (252) Thermies equal one Dth.
- (hh) Vaporized LNG - Liquefied natural gas that has been converted from its liquid state to a gaseous state in preparation for delivery by Southern LNG for Customer's account at the Downstream Pipeline Interconnect, as defined in Section 6.2 below.
- (ii) Gigacalorie - 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/cm² at 15.6 degrees C and dry.
- (jj) Gigajoule - The standard quantity for nominations, confirmations and scheduling per Gas Day in Canada. One gigajoule is equivalent to 1,000,000,000 joules. For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm. The standard joule is the joule specified in the SI System of Units.
- (kk) Firm Rate Schedule(s) - Either Rate Schedule LNG-1, Rate Schedule LNG-3, or both, as the context requires.
- (ll) Firm Service(s) - Service provided by Southern LNG to Customer as specified in either a Service Agreement under Rate Schedule LNG-1, a Service Agreement under Rate Schedule LNG-3, or both, as the context requires.
- (mm) Interruptible Service(s) - Any service provided by Southern LNG to Customer under Rate Schedule LNG-2.
- (nn) Point Identification Number (PIN) - The number assigned to each point of receipt and delivery, including receipt and/or delivery for storage and vaporization, which shall be specified on Southern LNG's Interactive Website and in Customer's Service Agreement where Customer may be entitled to service. A PIN may also be referred to as a Receipt Point, Delivery Point, Storage Point, or Vaporization Point in this Tariff.
- (oo) Rate Default - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.
- (pp) Rate Floor - Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Southern LNG's minimum reservation rate or zero cents when there is no stated minimum reservation rate.
- (qq) K-5 Capacity - The available compression of 9,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's electric powered K-5 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-5 Capacity is part of the Terminal Service.
- (rr) K-6 Capacity - The available compression of 12,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's K-6 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline as part of the Terminal Service ("K-6 Boil-Off Compressor"). A Customer's K-6 Capacity Entitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (ss) Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-1 or LNG-3.
- (tt) Interruptible Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-2.

- (uu) K-7 Capacity - The available compression of 40,800 Mcf of Boil-Off Gas per Gas Day by Southern LNG's two compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline as part of the Ship Loading Service ("K-7 Boil-Off Compressors"). A Customer's K-7 Capacity Entitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (vv) Liquefaction Facility shall mean a liquefaction facility directly connected to the Elba Island LNG Terminal, whether owned by Southern LNG or a third party.
- (ww) MDLQ Overrun Rate shall mean the rate to be paid on a volumetric basis per dth of LNG delivered to Customer's Vessel in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement.

24. FUEL & ELECTRIC POWER COST CHARGES/ADJUSTMENTS

24.1 CUSTOMER'S PRO RATA SHARE OF FUEL AND LOST AND UNACCOUNTED FOR GAS AND HEEL MAINTENANCE COSTS

(a) Delivery of Equivalent Volume for the Account of Customer:

Subject to the applicable Rate Schedule and Customer's Service Agreement, Southern LNG shall be obligated to deliver only an equivalent volume of Vaporized LNG and/or LNG, as applicable, for Customer's account. As used in the preceding sentence, an "equivalent volume" shall mean the sum of the quantities of LNG expressed in Dth delivered to or on behalf of Customer during a given billing month reduced by Customer's pro rata share of (i) gas required for operations (GRO) and (ii) gas otherwise lost and unaccounted for (LAUF), collectively referred to as Fuel.

(b) Definitions:

As used in this subsection, these terms shall have the following meaning:

- (i) Pro rata share - The term "pro rata share" shall mean the ratio that Gas delivered by Southern LNG for the account of Customer for a month bears to the total monthly volume of Gas delivered for all Customers during such month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be included as Gas delivered during a month under this definition of pro rata share.
 - (ii) GRO - The term "GRO" shall consist of Gas used as fuel for compression, vaporization, and power generation and Gas otherwise used and accounted for in operations.
 - (iii) LAUF - The term "LAUF" shall mean the difference between the sum of all receipts and the sum of all output volumes, as adjusted for changes in inventory during the month; provided, however, that LAUF shall not include Gas losses (i) incurred by Southern LNG as a result of its failure to act as a reasonable and prudent operator or (ii) for which insurance proceeds are recovered by Southern LNG.
 - (iv) HMC - The Heel maintenance costs, or "HMC" shall mean costs reasonably incurred, during periods when all Customers' inventory has been reduced to zero, for the purchase of liquefaction services to re-liquefy Boil-Off Gas from Heel.
- (c) If during a given billing month GRO and LAUF exceed deliveries, then in the next billing month with sufficient deliveries, the equivalent volume shall be reduced by the unrecovered GRO and LAUF. In the event there are insufficient deliveries to recover GRO and LAUF for three (3) consecutive months, then the unrecovered GRO and LAUF over such three month period will be converted to a monetary amount by multiplying the unrecovered monthly GRO and LAUF by a monthly price equal to the average of the weekly prices published by Natural Gas Intelligence Weekly Gas Price Index during the month and indicated as Cash Market Prices, "Alabama/Mississippi," "Transco Zone 4". The resulting dollar amount will then be charged to Customers on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal. Such method will continue on a monthly basis until deliveries exceed GRO and LAUF during a billing month.

- (d) HMC shall be billed to Customers on a prorata basis as determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) Southern LNG shall provide to Customer reasonable access to data in Southern LNG's possession regarding GRO, LAUF, and HMC.

24.2 Electric Power Cost Charges

This section of the GT&C sets forth the procedures to reflect in Southern LNG's rates changes in the amounts payable by Southern LNG for electric power costs incurred at the Elba Island Terminal.

- (a) Filing Procedure
 - (i) The Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost Charges set forth on the rate sheets of Southern LNG's Tariff may be increased to reflect a net positive change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost and shall be decreased to reflect a net negative change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost.
 - (ii) Southern LNG shall file with the Commission to reflect net changes in the Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost charges at least thirty (30) days prior to each anniversary of the beginning date for the Electric Power Annual Period.
- (b) Definitions
 - (i) Electric Power Annual Period - The annual period beginning on the in-service date for the recommissioned Elba Island Terminal and each annual period thereafter.
 - (ii) Actual Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal less any electric power costs associated with the K-6 Boil Off Compressor, K-7 Boil Off Compressors or Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iii) Actual K-6 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-6 Boil Off Compressor. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iv) Actual K-7 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-7 Boil Off Compressors. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.

- (v) Actual Ship Loading Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
- (vi) Estimated Electric Power Costs - The projected electric power costs for the Electric Power Annual Period less any costs associated with the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service.
- (vii) Estimated K-6 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-6 Boil Off Compressor.
- (viii) Estimated K-7 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-7 Boil Off Compressors.
- (ix) Estimated Ship Loading Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the Ship Loading Service.
- (x) Estimated Delivery Volumes - The projected annual volume in Dth per month of Vaporized LNG delivered out of the Elba Island Terminal.
- (xi) Estimated K-6 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-6 Boil Off Compressor.
- (xii) Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 Boil Off Compressors.
- (xiii) Estimated Ship Loading Delivery Volumes - The projected annual volume in Dth of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xiv) Actual Delivery Volumes - The actual volumes of Vaporized LNG delivered out of the Elba Island Terminal per month.
- (xv) Actual K-6 Boil Off Compressor Volumes- The actual volumes of Gas compressed at the K-6 Boil Off Compressor per month.
- (xvi) Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 Boil Off Compressors per month.
- (xvii) Actual Ship Loading Delivery Volumes - The actual volume in Dth per month of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xviii) Deferral Period - The period of twelve (12) months ending two (2) months prior to the effective date of a change in charges filed pursuant to this Section 24.2; provided, however, with respect to the K-6 Boil Off Compressor Electric Power Cost, the K-7 Boil Off Compressor Electric Power Cost and the Ship Loading Electric Power Cost, the first period may be prorated for the first Deferral Period to reflect the number of months in the Deferral Period that the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service goes in service.

- (xix) Electric Power Deferred Account- The account by which Southern LNG determines the actual recovery of Actual Electric Power Costs and records the difference between the Actual Electric Power Costs and the product of the Actual Delivery Volumes times the Current Electric Power Cost Charge and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (xx) K-6 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-6 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-6 Boil Off Compressor Electric Power Costs and the product of the Actual K-6 Boil Off Compressor Volumes times the Current K-6 Boil Off Compressor Electric Power Cost Charge.
 - (xxi) K-7 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-7 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-7 Boil Off Compressor Electric Power Costs and the product of the Actual K-7 Boil Off Compressor Volumes times the Current K-7 Boil Off Compressor Electric Power Cost Charge.
 - (xxii) Ship Loading Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual Ship Loading Electric Power Costs and records the difference between the Actual Ship Loading Electric Power Costs and the product of the Actual Ship Loading Volumes times the Current Ship Loading Electric Power Cost Charge.
- (c) Determination of the Current Electric Power Cost Charge
- Southern LNG shall determine the Current Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:
- (i) The Estimated Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Electric Power Deferred Account as determined in accordance with Section 24.2(d) below.
 - (ii) The amounts determined in Section 24.2(c)(i) above will be divided by the Estimated Delivery Volumes.
- (d) Electric Power Deferred Account (Account)
- Southern LNG shall maintain the Account for Deferral Period in accordance with the following procedures:
- (i) Southern LNG shall determine each month the Actual Electric Power Costs.
 - (ii) Southern LNG shall determine each month the actual recovery of Electric Power Costs by multiplying the Actual Delivery Volumes in Dth by the Current Electric Power Cost Charge, and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(d)(i) and 24.2(d)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as an Electric Power Deferred Account. Interest shall be computed on the balance in the Electric Power Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.

- (iv) If during a Deferral Period there are no Actual Delivery Volumes, then the Actual Electric Power Costs incurred during such Deferral Period will be charged on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) K-6 Boil Off Compressor Electric Power Cost Charge
- (i) Determination of the Current K-6 Boil Off Compressor Electric Power Cost Charge
- Southern LNG shall determine the Current K-6 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:
- (A) The Estimated K-6 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-6 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(e)(ii)C below.
- (B) The amounts determined in Section 24.2(e)(i)A above will be divided by the Estimated K-6 Boil Off Compressor Volumes.
- (ii) K-6 Boil Off Compressor Electric Power Deferred Account (K-6 Account)
- Southern LNG shall maintain the K-6 Account for the Deferral Period in accordance with the following procedures:
- (A) Southern LNG shall determine each month the Actual K-6 Boil Off Compressor Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of K-6 Boil Off Compressor Electric Power Costs by multiplying the Actual K-6 Boil Off Compressor Volumes by the Current K-6 Boil Off Compressor Electric Power Cost Charge.
- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(e)(ii)A and 24.2(e)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-6 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-6 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (f) Ship Loading Electric Power Cost Charge
- (i) Determination of the Current Ship Loading Electric Power Cost Charge
- Southern LNG shall determine the Current Ship Loading Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:
- (A) The Estimated Ship Loading Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Ship Loading Electric Power Deferred Account as determined in accordance with Section 24.2(f)(ii)C below.
- (B) The amounts determined in Section 24.2(f)(i)A above will be divided by the Estimated Ship Loading Delivery Volumes.

(ii) Ship Loading Electric Power Deferred Account (SL Account)

Southern LNG shall maintain the SL Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual Ship Loading Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of Ship Loading Electric Power Costs by multiplying the Actual Ship Loading Delivery Volumes by the Current Ship Loading Electric Power Cost Charge.
- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(f)(ii)A and 24.2(f)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the Ship Loading Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's Ship Loading Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (D) If during a Deferral Period there are no Actual Ship Loading Delivery Volumes, then the Actual Ship Loading Electric Power Costs incurred will be billed on a prorata basis as determined by dividing each Customer's MDLQ by the total amount of MDLQ for all Firm Ship Loading Service Customers at the Terminal.

(g) K-7 Boil Off Compressor Electric Power Cost Charge

(i) Determination of the Current K-7 Boil Off Compressor Electric Power Cost Charge

Southern LNG shall determine the Current K-7 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

- (A) The Estimated K-7 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-7 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(g)(ii)C below.
- (B) The amounts determined in Section 24.2(g)(i)A above will be divided by the Estimated K-7 Boil Off Compressor Volumes.

(ii) K-7 Boil Off Compressor Electric Power Deferred Account (K-7 Account)

Southern LNG shall maintain the K-7 Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual K-7 Boil Off Compressor Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of K-7 Boil Off Compressor Electric Power Costs by multiplying the Actual K-7 Boil Off Compressor Volumes by the Current K-7 Boil Off Compressor Electric Power Cost Charge.

- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(g)(ii)A and 24.2(g)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-7 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-7 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.

24.3 Maintenance Dredging Cost Adjustment

This section of the GT&C sets forth the procedures to reflect changes in the amounts incurred by Southern LNG for maintenance dredging of the turning basin at the Elba Island Terminal.

- (a) Definitions
 - (i) Maintenance Dredging – The work required to maintain the required depth and integrity of the turning basin, channel and berths at the Elba Island Terminal, including the costs of disposing of spoil associated with such work.
 - (ii) Maintenance Dredging Annual Period – The annual period beginning on March 1, 2002, and each annual period thereafter.
 - (iii) Maintenance Dredging Costs – The cost for Maintenance Dredging.
 - (iv) Actual Maintenance Dredging Costs – The actual cost incurred by Southern LNG for Maintenance Dredging. Such actual cost shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.3, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (v) Estimated Maintenance Dredging Costs – The projected Maintenance Dredging Costs for the Maintenance Dredging Annual Period.
 - (vi) Estimated MSQ Reservation Charge Billing Determinants – The projected annual reservation charge billing determinants, which shall not be less than the total aggregate MSQ subscribed by all Firm Service Customers at the time of the calculation.
 - (vii) Deferral Period – The period of 12 months ending December 31 prior to the beginning of each Maintenance Dredging Annual Period.
 - (viii) Affected Rate Schedules – Affected Rate Schedules shall be Rate Schedules LNG-1, LNG-2, and LNG-3.
- (b) Filing Procedure
 - (i) The Dredging Surcharge set forth on the rate sheets of Southern LNG's Tariff shall be increased or be decreased as set forth in this Section 24.3.
 - (ii) Southern LNG shall file with the Commission an Annual Maintenance Dredging Cost Filing within at least thirty (30) days prior to the beginning date for each Maintenance Dredging Annual Period. The Annual Maintenance Dredging Cost Filing shall provide for the reconciliation under Section 24.3(c)(iv) below.
- (c) Maintenance Dredging Deferred Account (Account)

Southern LNG shall maintain the Account for the Deferral Period in accordance with the following procedures:

- (i) Each month, Southern LNG shall determine the Actual Maintenance Dredging Costs.
 - (ii) Each month, Southern LNG shall multiply the currently effective Dredging Surcharge by the Reservation Charge Billing Determinants for the month.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.3(c)(i) and 24.3(c)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as a Maintenance Dredging Deferred Account. Interest shall be computed on the balance in the Maintenance Dredging Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.
 - (iv) In each Annual Maintenance Dredging Cost Filing, Southern LNG shall adjust its Dredging Surcharge, as described in Section 24.3(d) below, either positively or negatively to recover or return the balances in the applicable FERC Account No. 186 sub-account.
- (d) Determination of the Dredging Surcharge
- (i) Southern LNG shall determine the Estimated Maintenance Dredging Costs for the upcoming Maintenance Dredging Annual Period.
 - (ii) The Estimated Maintenance Dredging Costs shall be offset against or added to, as appropriate, the balance accumulated at the end of the Deferral Period in the Maintenance Dredging Deferred Account, as determined in accordance with Section 24.3(c).
 - (iii) The amounts determined in Section 24.3(d)(ii) above shall be divided by the Estimated MSQ Reservation Charge Billing Determinants.

Service Agreement No. _____

EXHIBIT A

Storage	MSQ	MDVQ	Start	Primary	Primary	Evergreen	Evergreen	Terminal	MDLQ	MDRQ
Point	(Dth) (1)	Dth) (2)	Date	Term	Term	Term	Term	Outlet	(GPM) (3)	(GPM) (4)
					Notice		Notice	Pressure		

Southern LNG's marine terminal facilities located on Elba Island in Chatham County, Georgia

Total Maximum Storage Quantity: _____ Dth

- (1) The quantity available for receipt by Southern LNG shall be subject to adjustment each day based on Customer's LNG Balance, as set forth in the applicable Firm Rate Schedule.
- (2) The quantity available for delivery by Southern LNG may be subject to adjustment each day, as set forth in the applicable Firm Rate Schedule.
- (3) The maximum quantity of LNG for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer.
- (4) The maximum quantity of LNG that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility.
- (5) Customer may elect to extend the Primary Term for an additional five (5) years ("Primary Term Extension") if it gives written notice to Southern LNG prior to Southern LNG posting the capacity for bid under Section 15 of the General Terms and Conditions to Southern LNG's Tariff, but in no event later than the end of the Primary Term In the event Southern LNG does not make such posting.
- (6) [If Applicable] In lieu of the option in footnote (5) above, Customer may elect to extend the Primary Term by the Primary Term Notice date specified above ("Primary Term Extension") to coincide with the expiration of the Primary Term or Extended Primary Term set forth in a Liquefaction Services Agreement ("LSA") dated _____, between Customer and a Liquefaction Facility; provided, however, in no event shall this election to extend be construed to mean that the Primary Term set forth above may be shortened or reduced in the event the LSA is terminated prior to the Primary Term thereof for any reason or the Primary Term of the LSA is modified or amended to be less than twenty (20) years from the Start Date defined therein.
- (7) MDLQ and MDRQ may be converted to dth/d for purposes of defining contract entitlement in accordance with Section 13.5 of the General Terms and Conditions (GPM x 123.9 = dth/d)

K-6 Capacity Entitlement: _____ Mcf/day
 K-7 Capacity Entitlement: _____ Mcf/day

 (CUSTOMER)

 SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____

Marked Version of Option B Tendered Tariff Records

Section 3.3

RATE SCHEDULE LNG-3
Firm Terminal Service - Elba III
(Chatham County, Georgia)

1. AVAILABILITY

1.1 Southern LNG will make service for the receipt, storage, vaporization of LNG and delivery of Vaporized LNG under Rate Schedule LNG-3 available to any party (Customer) who requests Firm Service under this Rate Schedule from Southern LNG Company, L.L.C. (Southern LNG) under the following conditions:

- (i) Southern LNG has sufficient capacity and is able to provide the services;
- (ii) Customer has complied with the requirements of Section 2 of the General Terms and Conditions (GT&C) of this Tariff; and
- (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-3 (Service Agreement).
- (iv) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to deliver LNG to the Terminal.

1.2 Southern LNG will make terminal-to-vessel transfers of LNG (Ship Loading Service) under Rate Schedule LNG-3 available to any party (Customer) who requests Ship Loading Service under this Rate Schedule from Southern LNG provided that:

- (i) Southern LNG has sufficient capacity and is able to provide the Ship Loading Service requested;
- (ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff;
- (iii) Customer currently has a sufficient LNG Balance as defined below;
- (iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-3; and
- (v) Customer has obtained proper authorization from the Department of Energy's Office of Fossil Energy to receive LNG from the Terminal.

1.3 Southern LNG shall not be obligated to construct, modify, expand or acquire facilities to perform Terminal Service under this Rate Schedule, except to the extent required pursuant to certification by the Commission. Southern LNG shall obtain abandonment authority for capacity under firm contract that is no longer available for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

The provisions of this Rate Schedule apply to the Terminal Service, including Ship Loading Service, rendered by Southern LNG for Customer pursuant to Subpart 284(G) of the Commission's Regulations (18 C.F.R. § § 284.221 et seq.), Part 153 of the Commission's Regulations (18 C.F.R. § 153), and the Service Agreement.

This Firm Service is not subject to interruption or prior claim by another Customer or another class of service and receives the same priority as any other class of Firm Service; provided, however, that GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity.

3. DEFINITIONS

3.1 Maximum Storage Quantity:

The Maximum Storage Quantity (MSQ) shall be the maximum quantity of LNG that Southern LNG is obligated to store for Customer's account at any time. Customer's MSQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.2 Maximum Daily Vaporization Quantity:

The Maximum Daily Vaporization Quantity (MDVQ) shall be the maximum quantity of Vaporized LNG for any day that Southern LNG shall be obligated to deliver for Customer or Customer's account. Customer's MDVQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.3 Liquefied Natural Gas Balance:

(a) The Liquefied Natural Gas Balance (LNG Balance) shall be the quantity of gas held in storage in liquid form for Customer's account at the Terminal at the time Southern LNG confirms Customer's nomination. Each Customer's LNG Balance shall be increased or decreased as provided in § 5.9 of this Rate Schedule. As stated in §§ 5.8(c), 6.1(d), and 6.2(b) of this Rate Schedule, Customer has the obligation to manage its LNG Balance to accommodate receipts or deliveries of Gas for Customer's account.

In order to maintain an operational cryogenic state in each Southern LNG storage tank to maintain Customer's LNG Balance, Southern LNG may maintain a residual amount of LNG in each Southern LNG storage tank at the Terminal as recommended by the tank manufacturer or consistent with accepted industry practice for such purpose. Such residual volume will be defined as the Southern LNG storage tank "Heel" and will be considered a part of the plant's working capital. It is understood and expected that the Heel shall be left in place in the Southern LNG storage tanks as part of the plant facilities unless for Southern LNG's operational reasons it is vaporized and removed. For purposes of calculating each Customer's LNG Balance or proportionate share of Boil-Off Gas as provided in Section 3.3(b) below, the Heel will not be considered or calculated. From time to time if minimal customer inventory exists in the Southern LNG storage tanks such that portions of the Heel gas begin to boil off, Southern LNG may replenish the Heel by taking receipts of LNG from the Liquefaction Facilities.

(b) Boil-Off Gas:

(i) Definitions:

Boil-Off Gas includes gas (1) boiling off from Southern LNG's unloading, loading, and storage facilities, (2) flashing from the liquid phase to the gaseous phase during unloading LNG from Customer's Vessel(s), during loading LNG to Customer's Vessel(s), and during cool down, (3) returning to Customer's Vessel(s) during unloading and cool down, and (4) boiling off during the operation of Southern LNG's process equipment.

(ii) Disposal:

(x) Customer must arrange for the delivery on each day of Customer's share of Boil-Off Gas (except Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG). Disposition of a Customer's proportionate share provided in (iii) below shall occur in the following order:

(1) Customer will be allocated a proportionate share of K-5 Capacity based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day plus

(2) Customer will then be allocated a portion of the K-6 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.5(d) plus

(3) Customer will then be allocated a portion of the K-7 Capacity elected by such Customer and confirmed by Southern LNG in accordance with the priorities specified in GT&C Section 12.7(c) plus

(4) at any time (i) when Southern LNG is receiving delivery of LNG for Customer's account such that Boil-Off Gas levels are elevated, (ii) that Customer elects not to use all or a portion of Customer's share of the K-6 Capacity as provided in (2) above; (iii) that Customer elects not to use all or a portion of Customer's share of the K-7 Capacity as provided in (3) above; or (iv) that an event of Force Majeure or Operating Condition as defined in Section 8.3 of these General Terms and Conditions occurs such that any portion of the K-5 Capacity, K-6 Capacity, or K-7 Capacity is unavailable, for any of Customer's Boil-Off Gas remaining in excess of that handled by (1), (2), and (3) Customer shall nominate sufficient LNG send out to permit such excess boil off to be handled through the Terminal's recondenser facilities.

(y) If all necessary arrangements (including nomination and confirmation) are not complete, then Southern LNG shall take title to the Boil-Off Gas. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Customer shall indemnify Southern LNG against any claim, demand, or action arising from Customer's failure under this paragraph; provided, however, that Southern LNG shall not take title to, and will allocate to Customer's Service Agreement, boil-off that enters the downstream pipeline.

(iii) Allocation:

(x) Except for the Boil-Off Gas associated with loading and unloading Customer's Vessel, as provided in (y) below, Customer's share of Boil-Off Gas on any day shall equal a proportionate share based on the ratio of Customer's LNG Balance to the total LNG Balance at the Facilities on that day.

(y) At any time when Southern LNG is receiving or delivering LNG from or to a vessel, the Customer for whom or to whom Southern LNG receives or delivers the LNG shall be responsible for the incremental quantities of Boil-Off Gas associated with Southern LNG receiving or delivering such LNG to or from a vessel at the Terminal.

3.4 Maximum Daily Loading Quantity:

The Maximum Daily Loading Quantity (MDLQ) shall be the maximum quantity of LNG in gallons per minute for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer. Customer's MDLQ shall be specified in the Service Agreement between Customer and Southern LNG.

3.5 Maximum Daily Receipt Quantity:

The Maximum Daily Receipt Quantity (MDRQ) shall be the maximum quantity of LNG in gallons per minute that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility. Customer's MDRQ shall be specified in the Service Agreement between Customer and Southern LNG.

4. RATES AND FUEL

- 4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-3 of this Tariff. Customer will pay the maximum rate or a negotiated rate for service unless Southern LNG, in its reasonable judgment, offers to discount from the maximum rate to Customer. Any discount to which Southern LNG agrees, and the effective period, shall be stated on Exhibit C to the Service Agreement. Any negotiated rate to which Southern LNG agrees, and the effective period, shall be stated on Exhibit F to the Service Agreement.
- 4.2 For service rendered to Customer under Rate Schedule LNG-3, Customer shall pay Southern LNG each month (i) a Reservation Charge per Dth of Customer's MSQ plus a Monthly Storage Charge calculated under Rate Schedule LNG-2 for any Dth in excess of Customer's MSQ; (ii) a Reservation Charge per Dth of Customer's MDVQ; (iii) a Commodity Rate per Dth of the aggregate quantities delivered for Customer's account (both for firm vaporized quantities scheduled up to and including Customer's MDVQ and, if any, for vaporized quantities scheduled in excess of Customer's MDVQ) pursuant to the nomination procedures on each day during the month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Commodity Rate; (iv) a Reservation Charge per Dth of Customer's MDLQ as converted per Section 13.5 of the General Terms and Conditions; or, in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement, an MDLQ Overrun Rate per Dth of quantities delivered to Customer's account.
- 4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a pro rata share of Gas as compensation for GRO and LAUF or charge an equivalent monetary amount if there are insufficient deliveries, as provided in GT&C § 24.1. Southern LNG shall adjust Customer's LNG Balance accordingly; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged for GRO and LAUF.
- 4.4 Customer shall also pay any other effective charges and surcharges, as applicable, including an HMC, Electric Power Cost Charge, Dredging Surcharge, K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, and Ship Loading Electric Power Cost Charge as more particularly described in Sections 24.1, 24.2 and 24.3 of this Tariff, and, if applicable, a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule, and a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of Gas compressed in excess of a Customer's firm K-6 or K-7 Capacity entitlement; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be charged the Electric Power Cost Charge or ACA Surcharge.
- 4.5 Force Majeure Relief for Firm Service:
- Customers under this Rate Schedule may under Section 4.5 thereof receive one of the following two forms of relief from a complete and extended force majeure at the Elba Terminal as provided below. Unless Southern LNG, in a not unduly discriminatory manner, agrees to consider a later election, a Customer desiring to make the buyout election in Section 4.5.2 below ("Buyout Election") in lieu of the demand charge crediting mechanism under Section 4.5.1 below ("Crediting Election") shall so notify Southern LNG as follows:
- (i) in the event of a request for new service (whether in an open season or otherwise) under Section 2 of the GT&C after the effective date of this provision, then no later than the request for service;
 - (ii) in the event Customer has an existing, effective Service Agreement as of the effective date of this provision, then no later than the later of ten (10) days after the effective date of this provision or January 1, 2010; and
 - (iii) in the event Customer has subscribed to new service that has not yet commenced as of the effectiveness of this provision, then no later than ten (10) days after the in-service of the facilities associated with the service agreement for such subscription.

Such election shall be irrevocable and noted in Customer's Service Agreement and shall survive Customer's termination of the Service Agreement. If Customer does not make a timely Buyout Election, then Customer shall be deemed as of the effectiveness of the Service Agreement to have elected the Crediting Election, which shall apply to that Service Agreement. A Customer whose Buyout Election is noted in its Service Agreement shall not, unless Southern LNG agrees otherwise, in a separate discounted or negotiated rate agreement, receive relief under the Crediting Election.

4.5.1 Crediting Election:

(a) Applicability:

The following demand charge crediting mechanism shall apply to Customer's Service Agreement under this Rate Schedule only if:

- (i) Customer has not made the Buyout Election as provided above, and
- (ii) Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable, during a period that exceeds thirty consecutive days, to make available at least eighty percent (80%) of the aggregate MSQ, MDVQ, or MDLQ for all firm Customers ("Southern LNG Force Majeure").

(b) Customer's Crediting Ratio:

Each Customer shall receive its pro rata share of the BI Credit or ROE Credit defined below based on the following ratio for each firm rate schedule ("Customer's Crediting Ratio"). Customer's Crediting Ratio equals the product of (1) the maximum reservation rates set forth on the rate sheet(s) of this Tariff for the MSQ, MDVQ, and MDLQ, as applicable, under each firm rate schedule multiplied by (2) the MSQ, MDVQ, and MDLQ specified in Customer's Service Agreement under such rate schedule [(1) X (2)] ("Customers' Recourse Revenues") divided by the sum of all Customers' Recourse Revenues for all firm reservation billing determinants under such rate schedule ("Total Recourse Revenues").

(c) Crediting:

The highest of the MSQ, MDVQ, or MDLQ percentage not made available, greater than twenty percent (20%), shall be the "Firm Shortfall."

For the period extending beyond the thirtieth day of the Southern LNG Force Majeure there shall be deducted from each Customer's monthly invoice the greater of either the BI Credit or ROE Credit amount, as defined below, multiplied by Customer's Crediting Ratio:

- (1) an amount equal to any insurance proceeds for business interruption of Southern LNG (the premiums for which are included in the cost of service underlying Southern LNG's rates under the applicable rate schedule) paid to Southern LNG ("BI Credit"); or
- (2) an amount equal to the portion of the Total Recourse Revenues attributable to the FERC-approved cost of common equity and associated income taxes under the applicable rate schedule multiplied by the Firm Shortfall ("ROE Credit").

[[BI Credit or ROE Credit] * Customer's Crediting Ratio]

In no event, however, shall the amount to be paid by a discounted or negotiated rate Customer under this subsection (c) above result in less than the amount that would be paid for a maximum recourse rate Customer having the same MSQ, MDVQ, and MDLQ. If the proceeds for business interruption are subsequently determined to be greater than the ROE Credit provided to

Customers or less than the BI Credit provided to Customers, then Southern LNG shall refund or invoice the difference (pro rate for each Customer) to true up such difference.

4.5.2 Buyout Election:

(a) Qualifications.

In order to qualify to make a Buyout Election, Customer must so elect for its Service Agreements, and the Service Agreements to which the election applies must each, unless Southern LNG agrees otherwise:

- (1) have a primary term of no less than nineteen (19) years; and
- (2) obligate Customer to pay either the maximum recourse reservation rate or a negotiated reservation rate;

(b) General Terms and Conditions.

Section 8.6 of the GT&C to this FERC Gas Tariff shall govern the applicability of, conditions on, and limitations to the Buyout Election.

4.5.3 Exclusivity

Customer's entitlement to demand charge reductions under the Crediting Election or entitlement to terminate its Service Agreement under the Buyout Election shall constitute Customer's sole and exclusive remedy for the event of force majeure to which the Crediting Election or Buyout Election is applicable, without prejudice to Southern LNG's obligation to restore service in the event Customer does not terminate its Service Agreement under either Section 8.6(b)(1)(C) or Section 8.6(b)(2)(B) of the GT&C of Southern LNG's tariff.

5. RECEIPT and DELIVERY OF LNG FROM and TO CUSTOMERS' VESSEL(S)

Southern LNG receives and delivers LNG at the vessel unloading/loading facilities on Elba Island, Georgia.

5.1 Customer shall give, or cause to be given, to Southern LNG notice by electronic mail prior to each arrival of a vessel. Southern LNG will provide Customer(s) with the manner in which Southern LNG must receive notice. The notice shall identify Customer(s) Vessel (LNG Tanker Name, Register, Register Number, Flag, LNG Cargo Capacity, and LNG Tanker Owner/Operator/Manager or as otherwise required by the DOE) and state the date and hour of arrival at the terminal, the transaction type of the vessel (import or export), and the quantity of LNG to be received or delivered, as applicable, by Southern LNG. Southern LNG reserves the right to reject, in a manner not unduly discriminatory, the receipt of any Customer vessel that does not meet the requirements of Southern LNG.

Customer shall send notice as follows:

- (a) first notice 48 hours before Customer's Vessel departs the port of origin. At that time Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that Customer must nominate for vaporization and delivery in order to accommodate the quantities of LNG stated in Customer's notice for receipt by Southern LNG.
- (b) second notice when Customer's Vessel departs the port or origin;
- (c) third notice for receipt by Southern LNG 96 hours before estimated arrival;
- (d) fourth notice for receipt by Southern LNG 72 hours before estimated arrival;

- (e) fifth notice for receipt by Southern LNG 48 hours before estimated arrival;
- (f) sixth notice for receipt by Southern LNG 24 hours before estimated arrival;
- (g) seventh notice for receipt by Southern LNG 5 hours before estimated arrival;
- (h) final notice when Customer's Vessel enters the channel of the Savannah River.

Notwithstanding the foregoing, for the Ship Loading Service, Customer shall not be obligated to provide the notice required in Sections 5.1(a) and 5.1(b) above. When Customer gives or causes to be given its first notice of a request for Ship Loading Service under Section 5.1(c), Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vessel, then Southern LNG will issue a scheduling notice to Customer stating the quantity of Customer's LNG Balance that should be available for delivery to the Vessel for ship loading. If applicable, Customer shall specify whether it requires vessel cool down services as well. To the extent operational conditions permit, including, but not limited to, plant loading equipment, pumping equipment, boil off equipment, LNG Balance and any lay restrictions imposed by government agencies at the Terminal, and subject to Southern LNG's cool down procedures and consistent with standard industry practices, Southern LNG will provide cool down services according to such procedures for a vessel when it arrives at the dock in a non-cryogenic state or partially cryogenic state. In the event that Customer's vessel requires more than forty (40) hours for the completion of such cool down in order to enable the vessel to reach a cryogenic state suitable to load a full LNG cargo, Customer will pay Southern LNG a Ship Cool Down Excess Lay Charge per day for each 24-hour period in which the vessel remains at the dock in excess of the forty (40) hours. Notwithstanding the above, Southern LNG shall waive the Ship Cool Down Excess Lay Charge in the event that no other vessel under a firm service is scheduled to arrive during the day in which the Ship Cool Down Excess Lay Charge applies or for any day for which the delay is caused by Southern LNG's operations or any lay restrictions imposed by government agencies at the Terminal. In the event that such governmental lay restrictions do exist, the time for measuring cool down services shall toll and Customer shall not be deemed to be utilizing cool down services as long as such restrictions are in place. Upon receipt of Customer's first notice for Ship Loading Service, Southern LNG will issue a scheduling notice to Customer if Southern LNG may schedule the arrival of Customer's Vessel at the date and hour stated in Customer's notice.

5.2 Scheduling Priorities for the Receipt or Delivery of LNG at the Elba Island Terminal:

If all requests for the receipt or delivery of LNG from or to Customers' Vessel(s) cannot be scheduled, and all conflicts in the arrival of Customers' vessels cannot be resolved by mutual agreement among Southern LNG and the affected Customers, then Southern LNG shall schedule service in the following order:

- (i) Firm Service in sequence starting with the highest rate for service, provided that Customers paying the maximum rate for Firm Service shall be treated as having equal priority regardless of the Firm Rate Schedule or service under such Rate Schedule, and Customers paying the maximum rate for Firm Service shall be treated as having equal priority with Customers paying a negotiated rate that is equal to or exceeds the maximum rate;
- (ii) Ship Loading Service for Customers that hold Firm Service but do not hold MDLQ; and
- (iii) Interruptible Service not included in (ii) above in sequence starting with the highest rate for service;

If two or more Customers have the same priority using the above criteria, service will be scheduled in sequence starting with the earliest executed Service Agreement currently in effect.

5.3 Unscheduled Arrival:

If Customer's Vessel does not arrive as scheduled pursuant to Section 5.1(a) , or Section 5.1(c) in the case of Ship Loading Service, of this Rate Schedule, then Southern LNG shall receive the LNG

from or deliver the LNG to the unscheduled vessel at the first time available without causing detriment to any scheduled Firm Service, without regard for whether the unscheduled arrival is the result of Customer's force majeure. Customer agrees to reimburse Southern LNG for all costs incurred as a result of the vessel's failure to arrive as scheduled.

- 5.4 Southern LNG shall have no obligation to carry out receipts or deliveries of LNG that are not in complete compliance with applicable safety regulations.
- 5.5 Customer assumes all responsibility for ensuring that Customer's Vessel shall conform to the details and specifications for interfacing facilities provided by Southern LNG.
- 5.6 Customer shall secure proper insurance and shall provide Southern LNG with a certificate of insurance, satisfactory to Southern LNG, prior to berthing of Customer's Vessel at the Terminal. Customer shall cause Customer's Vessel(s) to be adequately covered by marine insurance policies in amounts and at levels customarily maintained by first-class operators.
- 5.7 Southern LNG shall provide only the following facilities, to be reasonably safe for navigation, berthing, unloading/loading, and departure of Customer's Vessel(s):
- (a) A vapor return line system of sufficient capacity to return to Customer's vessel(s) quantities of natural gas necessary for the unloading/loading thereof;
 - (b) Access to Customer's Vessel(s) for all reasonable purposes;
 - (c) A berth and pier sufficient to accommodate vehicles required for service and maintenance of Customer's Vessel(s);
 - (d) Unloading/loading arms and pipes for unloading/loading LNG from/to Customer's Vessel.

Southern LNG shall provide no other facilities or services for the navigation, berthing, unloading/loading, and departure of Customer's Vessel(s).

- 5.8 Maximum LNG Balance; Management of LNG Balance:
- (a) Southern LNG shall be obligated to receive LNG from Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to unload, Customer's (i) LNG Balance plus (ii) the quantity to be received does not exceed Customer's MSQ.
 - (b) Southern LNG shall be obligated to deliver LNG to Customer's Vessel(s), only if, at the time Customer's Vessel notifies Southern LNG that it is prepared to load, the quantity to be delivered to the Vessel does not exceed Customer's LNG Balance. In the event Customer gives notice to Southern LNG under Section 5.1(c) of the arrival of a vessel for ship loading service and Southern LNG schedules such vessel, but such vessel will require LNG in excess of Customer's LNG Balance, Southern LNG shall notify Customer at the time for the notice set forth in Section 5.1(e) above that its LNG Balance is inadequate to meet Customer's scheduling notice and Southern LNG shall not be required to deliver to Customer its full LNG Balance, unless Customer nominates adequate volumes of LNG from the Liquefaction Facilities after the notice is provided pursuant to Section 5.1(e) above and prior to the notice provided pursuant to Section 5.1(h) above.
 - (c) Customer shall have the obligation to manage Customer's LNG Balance to accommodate any receipts or deliveries for Customer's account. In order to permit unloading of Customer's Vessel, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG in sufficient quantities for LNG to be received from Customer's Vessel to accommodate Boil-Off Gas. In addition, in order to enable loading of Customer's Vessel and accommodate the return of Boil-Off Gas from such loading to the vapor handling system at the Terminal, Southern LNG may, in its sole discretion, issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of Vaporized LNG to any interconnected pipeline or redeliveries to the Liquefaction Facility in sufficient quantities to accommodate such Boil-Off Gas.
- 5.9 Increase or Decrease in LNG Balance

Customer's LNG Balance will be increased or decreased for each nomination cycle set out in the GT&C by the quantity of LNG received or delivered by Southern LNG for Customer's account by that nomination cycle. The quantity received or delivered by Southern LNG for Customer's account shall not include the amount of Boil-Off Gas returning to Customer's Vessel(s) during unloading of LNG or returning to the vapor handling system at the Terminal during loading of LNG. Furthermore, Customer's LNG Balance shall be decreased by Customer's pro rata share of GRO and LAUF, as provided in § 24.1 of the GT&C.

6. STORAGE WITHDRAWALS AND DELIVERIES

Southern LNG shall receive Gas and deliver Vaporized LNG or LNG at the Receipt and Delivery Points described in Section 6 of the GT&C.

6.1 Delivery of Vaporized LNG:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to schedule deliveries of Vaporized LNG on any day, excluding Boil-Off Gas allocated under Section 3.3(b) above, unless aggregate nominations by all Customers for delivery on that day exceed 75,000 Dth.

Nothing in this Tariff shall obligate Southern LNG to deliver Vaporized LNG when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Vaporization Quantity:

For service under this Rate Schedule LNG-3, Customer shall be entitled to its MDVQ unless Southern LNG declares a force majeure event or an operating condition as provided in GT&C § 8.3. If, however, on any day, the total of all Customers' nominations exceeds vaporization capacity, then the nominations for that day shall be scheduled according to GT&C § 8.4(c).

(c) Uniform Hourly Vaporization Quantity:

Subject to GT&C §§ 8.3 and 8.4, Southern LNG shall withdraw, vaporize, and deliver Customer's MDVQ at a uniform hourly rate up to one-twenty-fourth (1/24) of its MDVQ.

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver Vaporized LNG at greater than the uniform hourly rate. Southern LNG will effect such deliveries on an interruptible basis.

(d) Minimum LNG Balance; Management of LNG Balance:

(i) Southern LNG shall have no obligation to schedule deliveries for Customer's account unless Customer's (i) LNG Balance at the time of scheduling minus (ii) scheduled deliveries equals zero or greater.

(ii) In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating deliveries of Vaporized LNG without having arranged for timely receipt by Southern LNG of additional LNG for storage.

6.2 Delivery of LNG to Customer's Vessel:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to deliver LNG to Customer's Vessel when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below Heel.

(b) Maximum Daily Loading Quantity: The MDLQ shall be limited as follows:

(i) Loading Rate:

To the extent operationally possible and pursuant to the vessel scheduling procedures set forth in Sections 5.2 and 5.3 above, Southern LNG shall permit more than one Customer to use the ship loading facilities simultaneously. The Customers shall be allowed to do any combination of loading and vaporization send out deliveries, provided that each Customer's combined total of nominated loading deliveries (expressed in gallons per minute (GPM)) plus nominated vaporization deliveries (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)), if any, shall not exceed the quantity of 52,000 GPM minus the other Customer(s) confirmed vaporization send out nomination deliveries in equivalent GPM; provided, however, such rate may be adjusted by Southern LNG, if necessary, to handle any Boil-Off Gas generated as a result of such deliveries. Notwithstanding the above, a Customer's loading deliveries must be at a rate less than 46,230 GPM up to its MDLQ and a Customer's vaporization rate shall be consistent with the terms of Section 6.1(c) above up to its MDVQ.

(ii) Minimum LNG Balance; Management of LNG Balance:

Upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall be obligated to deliver LNG as nominated by Customer at a rate consistent with Section 6.2(b)(i) above, but not to exceed Customer's LNG Balance.

In order to preserve prudent operating conditions on Southern LNG's facilities, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 prohibiting Customer from nominating receipts of LNG from the Liquefaction Facility without having arranged for additional storage capacity if Customer's LNG Balance is equal to its MSQ.

7. REQUEST FOR SERVICE

Requests for service hereunder shall be considered acceptable only if Customer has completed and returned Southern LNG's service request form (which is available to all Customers and potential Customers on Southern LNG's Interactive Website) to the address specified on such form:

Customer's request shall contain the information specified in the service request form, as revised from time to time, and the following:

- (a) either with the request for service or at the time of execution of a service agreement, such other information, in writing, as is required to comply with regulatory reporting or filing requirements;
- (b) sufficient information to determine Customer's creditworthiness in accordance with GT&C § 2.1(a); and
- (c) sufficient information to determine the compatibility of Customer's Vessel(s) with the interfacing facilities of Southern LNG.

8. CAPACITY RELEASE

Customers may release capacity under this Rate Schedule according to the capacity release provisions in GT&C § 16.

9. TRANSFER OF LNG BALANCE

Any Customer (Transferor) may agree to transfer all or any portion of its LNG Balance to another Customer (Transferee), using the storage transfer form provided by Southern LNG on its Interactive Website; provided, however, that such transfer shall not cause either (a) the Transferee to exceed its MSQ specified in its Service Agreement, unless the Transferee, before such transfer occurs, enters into a capacity release arrangement providing for the excess capacity in accordance with GT&C § 16; or (b) the Transferor's LNG Balance to equal less than zero. Such transfer is irrevocable once Southern LNG receives notice and confirmation.

10. WITHDRAWAL OF LNG BALANCE

10.1 Withdrawal by Customer:

Customer shall withdraw its LNG Balance when and in the amount that any one of the following circumstances requires:

- (a) Available storage capacity declines according to GT&C § 8.4(a);
- (b) Customer releases, or the Releasing Customer recalls, capacity under GT&C § 16;
- (c) Customer's Service Agreement terminates; or
- (d) Southern LNG issues an OFO pursuant to GT&C § 23.

Customer shall have completed the withdrawal of its LNG Balance by the following times:

- (a) if constrained capacity under Section 10.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;
- (b) if capacity release or recall under Section 10.1(b) above, then the time the release takes effect or the time specified for recall in the recall notice;
- (c) if termination under Section 10.1(c) above, then the time the Service Agreement terminates; or
- (d) if ordered under Section 10.1(d) above, then the time specified in the OFO.

10.2 Withdrawal by Southern LNG:

If any Customer fails to withdraw LNG pursuant to this Section 10, then Customer agrees that Southern LNG may, free and clear of any adverse claim, (i) take title to the LNG in Customer's LNG Balance and (ii) dispose of the LNG. Customer shall indemnify Southern LNG and hold Southern LNG harmless from all costs, damages, and liabilities that result from Southern LNG's disposing of the LNG. Neither Customer's failure to withdraw Gas nor Southern LNG's disposal of the Gas, as provided above, shall be a basis for a claim that Southern LNG breached any duty imposed by this Rate Schedule, the GT&C of this Tariff, or the Service Agreement. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

11. GENERAL TERMS AND CONDITIONS & SERVICE AGREEMENTS

All of the GT&C of this Tariff apply to and are hereby made a part of this Rate Schedule. If any inconsistencies exist between the GT&C and this Rate Schedule, the terms and conditions of the Rate Schedule shall control. This Rate Schedule also incorporates Customer's Service Agreement with Southern LNG. If any inconsistencies exist between this Rate Schedule and the Service Agreement, the terms and conditions of the Service Agreement shall control.

To the extent Southern LNG and Customer have executed one or more Service Agreements under this Rate Schedule that are in effect on the date Southern LNG converts to its new Interactive Website on April 1, 2016, the firm contract quantities under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract MSQ and MDVQ in Mcf times 1.021 Dth/Mcf. Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on

such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by Customer.

1. DEFINITIONS

When used in this Tariff or any document to which the Tariff refers, the following terms shall have the meanings defined below unless indicated otherwise:

- (a) Btu – A British thermal unit defined as the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees (59°) to sixty degrees (60°) Fahrenheit at a constant pressure of fourteen and six hundred ninety-six thousandths (14.696) pounds per square inch absolute. The abbreviation "Btu" may be either singular or plural depending on the context in which used in this Tariff.
- (b) Business Day - Monday through Friday, excluding Federal Banking holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
- (c) Central Clock Time (CCT) - 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. "Birmingham, Alabama time" shall mean Central Clock Time.
- (d) Commission or FERC - The Federal Energy Regulatory Commission or a successor regulatory agency.
- (e) Critical Notices - Those notices issued by Southern LNG which contain information about conditions that affect scheduling of service by Southern LNG or adversely affect scheduled gas flow.
- (f) Cubic Foot - The quantity of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.73 pounds per square inch and at a temperature of 60 degrees Fahrenheit on a dry basis. (For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees Celsius, and dry.)
- (g) Customer or Customers – A person or persons with whom Southern LNG has executed an effective Service Agreement for service under a Rate Schedule in this Tariff.
- (h) Customer's Vessel(s) or Vessel - A vessel or vessels used by Customer, or which Customer causes to be used, to transport LNG for receipt or delivery by Southern LNG for or from Customer's account. This term includes, without limitation, all vessels owned, operated, leased, or chartered by Customer or by any person from whom Southern LNG receives or delivers LNG for or from Customer's account.
- (i) Dekatherm (Dth) - The standard quantity for purposes of contracting, nominations, confirmation, scheduling, capacity release, invoicing, balancing and rates in the United States. One Dth is equivalent to one MMBtu. The abbreviation "Dth" may be either singular or plural depending on the context in which used in this Tariff.
- (j) Elba Island Terminal or Facilities - The facilities owned and operated by Southern LNG and used to provide Terminal Service to Customers.
- (k) Gas - LNG and/or Vaporized LNG or other gas at the Terminal, depending on the context.
- (l) Gas Day or Day - A period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Clock Time. The date of a day shall be that of its beginning.
- (m) NAESB - The North American Energy Standards Board.
- (n) NAESB Standard - The standards issued by NAESB and adopted by the Federal Energy Regulatory Commission in its regulations governing interstate natural gas companies.
- (o) Gross Heating Value (GHV) - The quantity of heat produced by the combustion in air under constant pressure or one cubic meter of anhydrous gas, the air being at the same temperature and the same pressure as the gas, after the cooling of the products of combustion to the initial

- temperature of the gas and the air and after condensation of the water created by the combustion. Appropriate corrections will be made if the initial conditions of the air and the gas do not equal 0°C and 1.01325 bars.
- (p) LNG or Liquefied Natural Gas - Natural gas in liquid state at or below its boiling point and at or near atmospheric pressure.
 - (q) Mcf - 1,000 cubic feet of natural gas.
 - (r) MMBtu - 1,000,000 Btu. One MMBtu is equivalent to one dekatherm (Dth).
 - (s) Month - A period beginning on the first day of the calendar month and ending on the commencement of the first day of the next succeeding calendar month.
 - (t) Operational Flow Orders (OFO) - An order issued either to alleviate conditions that, among other things, threaten the safe operations or system integrity of Southern LNG's system or to maintain operations required to provide efficient and reliable firm service. Whenever Southern LNG experiences these conditions, any pertinent order shall be referred to as an OFO. An illustrative list of Southern LNG's current types of OFOs is set forth in GT&C § 23.2.
 - (u) Party - Southern LNG or Customer.
 - (v) Parties - Southern LNG and Customer.
 - (w) 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.
 - (x) 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.
 - (y) Psia - Pounds per square inch absolute. Pressure measured relative to absolute zero.
 - (z) Psig - Pounds per square inch gauge. Pressure measured relative to atmospheric pressure.
 - (aa) 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.
 - (bb) Interactive Website - Any computer system used by Southern LNG to communicate with customers, as described in GT&C § 20.
 - (cc) 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 contract, is designated as the "swing." All other scheduled line items are allocated the scheduled quantity. The line items 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 items(s)/contract is not permitted to be allocated a quantity which would result in a negative number, therefore any negative quantity is allocated to the remaining scheduled line items on a pro rata basis.
 - (dd) Tariff - Southern LNG's effective FERC Gas Tariff, as revised from time to time.
 - (ee) Terminal - The facilities owned and operated by Southern LNG on Elba Island, Georgia for the receipt, storage, and vaporization of LNG and the (a) delivery of Vaporized LNG and/or (b) ship loading of LNG on behalf of Customers.

- (ff) Terminal Service or Service - The receipt, storage, vaporization, delivery of Vaporized LNG, and/or loading of LNG on behalf of Customers.
- (gg) Thermie - One thousand kilocalories, or one million calories. Two hundred and fifty-two (252) Thermies equal one Dth.
- (hh) Vaporized LNG - Liquefied natural gas that has been converted from its liquid state to a gaseous state in preparation for delivery by Southern LNG for Customer's account at the Downstream Pipeline Interconnect, as defined in Section 6.2 below.
- (ii) Gigacalorie - 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/cm² at 15.6 degrees C and dry.
- (jj) Gigajoule - The standard quantity for nominations, confirmations and scheduling per Gas Day in Canada. One gigajoule is equivalent to 1,000,000,000 joules. For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm. The standard joule is the joule specified in the SI System of Units.
- (kk) Firm Rate Schedule(s) - Either Rate Schedule LNG-1, Rate Schedule LNG-3, or both, as the context requires.
- (ll) Firm Service(s) - Service provided by Southern LNG to Customer as specified in either a Service Agreement under Rate Schedule LNG-1, a Service Agreement under Rate Schedule LNG-3, or both, as the context requires.
- (mm) Interruptible Service(s) - Any service provided by Southern LNG to Customer under Rate Schedule LNG-2.
- (nn) Point Identification Number (PIN) - The number assigned to each point of receipt and delivery, including receipt and/or delivery for storage and vaporization, which shall be specified on Southern LNG's Interactive Website and in Customer's Service Agreement where Customer may be entitled to service. A PIN may also be referred to as a Receipt Point, Delivery Point, Storage Point, or Vaporization Point in this Tariff.
- (oo) Rate Default - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.
- (pp) Rate Floor - Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Southern LNG's minimum reservation rate or zero cents when there is no stated minimum reservation rate.
- (qq) K-5 Capacity - The available compression of 9,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's electric powered K-5 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-5 Capacity is part of the Terminal Service.
- (rr) K-6 Capacity - The available compression of 12,000 Mcf of Boil-Off Gas per Gas Day by Southern LNG's K-6 compressor used to compress Boil-Off Gas to be delivered into the downstream pipeline as part of the Terminal Service ("K-6 Boil-Off Compressor"). A Customer's K-6 Capacity Entitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (ss) Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-1 or LNG-3.
- (tt) Interruptible Ship Loading Service - The terminal-to-vessel transfer of LNG by Southern LNG to Customer under Rate Schedule LNG-2.

- (uu) K-7 Capacity - The available compression of 40,800 Mcf of Boil-Off Gas per Gas Day by Southern LNG's two compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline as part of the Ship Loading Service ("K-7 Boil-Off Compressors"). A Customer's K-7 Capacity Entitlement shall be designated on Customer's Exhibit "A" to their Service Agreement.
- (vv) Liquefaction Facility shall mean a liquefaction facility directly connected to the Elba Island LNG Terminal, whether owned by Southern LNG or a third party.
- (ww) MDLQ Overrun Rate shall mean the rate to be paid on a volumetric basis per dth of LNG delivered to Customer's Vessel in the event Customer does not have any MDLQ subscribed under its Firm Service Agreement.

24. FUEL & ELECTRIC POWER COST CHARGES/ADJUSTMENTS

24.1 CUSTOMER'S PRO RATA SHARE OF FUEL AND LOST AND UNACCOUNTED FOR GAS AND HEEL MAINTENANCE COSTS

(a) Delivery of Equivalent Volume for the Account of Customer:

Subject to the applicable Rate Schedule and Customer's Service Agreement, Southern LNG shall be obligated to deliver only an equivalent volume of Vaporized LNG and/or LNG, as applicable, for Customer's account. As used in the preceding sentence, an "equivalent volume" shall mean the sum of the quantities of LNG expressed in Dth delivered to or on behalf of Customer during a given billing month reduced by Customer's pro rata share of (i) gas required for operations (GRO) and (ii) gas otherwise lost and unaccounted for (LAUF), collectively referred to as Fuel.

(b) Definitions:

As used in this subsection, these terms shall have the following meaning:

- (i) Pro rata share - The term "pro rata share" shall mean the ratio that Gas delivered by Southern LNG for the account of Customer for a month bears to the total monthly volume of Gas delivered for all Customers during such month; provided, however, quantities deemed delivered by Southern LNG at the interconnect between the Terminal and a downstream pipeline on a displacement basis shall not be included as Gas delivered during a month under this definition of pro rata share.
 - (ii) GRO - The term "GRO" shall consist of Gas used as fuel for compression, vaporization, and power generation and Gas otherwise used and accounted for in operations.
 - (iii) LAUF - The term "LAUF" shall mean the difference between the sum of all receipts and the sum of all output volumes, as adjusted for changes in inventory during the month; provided, however, that LAUF shall not include Gas losses (i) incurred by Southern LNG as a result of its failure to act as a reasonable and prudent operator or (ii) for which insurance proceeds are recovered by Southern LNG.
 - (iv) HMC - The Heel maintenance costs, or "HMC" shall mean costs reasonably incurred, during periods when all Customers' inventory has been reduced to zero, for the purchase of liquefaction services to re-liquefy Boil-Off Gas from Heel.
- (c) If during a given billing month GRO and LAUF exceed deliveries, then in the next billing month with sufficient deliveries, the equivalent volume shall be reduced by the unrecovered GRO and LAUF. In the event there are insufficient deliveries to recover GRO and LAUF for three (3) consecutive months, then the unrecovered GRO and LAUF over such three month period will be converted to a monetary amount by multiplying the unrecovered monthly GRO and LAUF by a monthly price equal to the average of the weekly prices published by Natural Gas Intelligence Weekly Gas Price Index during the month and indicated as Cash Market Prices, "Alabama/Mississippi," "Transco Zone 4". The resulting dollar amount will then be charged to Customers on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal. Such method will continue on a monthly basis until deliveries exceed GRO and LAUF during a billing month.

- (d) HMC shall be billed to Customers on a prorata basis as determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) Southern LNG shall provide to Customer reasonable access to data in Southern LNG's possession regarding GRO, LAUF, and HMC.

24.2 Electric Power Cost Charges

This section of the GT&C sets forth the procedures to reflect in Southern LNG's rates changes in the amounts payable by Southern LNG for electric power costs incurred at the Elba Island Terminal.

- (a) Filing Procedure
 - (i) The Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost Charges set forth on the rate sheets of Southern LNG's Tariff may be increased to reflect a net positive change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost and shall be decreased to reflect a net negative change in Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and/or the K-7 Boil Off Compressor Electric Power Cost.
 - (ii) Southern LNG shall file with the Commission to reflect net changes in the Electric Power Cost, Ship Loading Electric Power Cost, K-6 Boil Off Compressor Electric Power Cost and K-7 Boil Off Compressor Electric Power Cost charges at least thirty (30) days prior to each anniversary of the beginning date for the Electric Power Annual Period.
- (b) Definitions
 - (i) Electric Power Annual Period - The annual period beginning on the in-service date for the recommissioned Elba Island Terminal and each annual period thereafter.
 - (ii) Actual Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal less any electric power costs associated with the K-6 Boil Off Compressor, K-7 Boil Off Compressors or Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iii) Actual K-6 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-6 Boil Off Compressor. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (iv) Actual K-7 Boil Off Compressor Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the K-7 Boil Off Compressors. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.

- (v) Actual Ship Loading Electric Power Costs - The cost incurred by Southern LNG for electric power used at the Elba Island Terminal associated with the Ship Loading Service. Such actual electric power costs shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.2, including all refunds, surcharges, billing adjustments and interest, positive or negative.
- (vi) Estimated Electric Power Costs - The projected electric power costs for the Electric Power Annual Period less any costs associated with the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service.
- (vii) Estimated K-6 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-6 Boil Off Compressor.
- (viii) Estimated K-7 Boil Off Compressor Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the K-7 Boil Off Compressors.
- (ix) Estimated Ship Loading Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the Ship Loading Service.
- (x) Estimated Delivery Volumes - The projected annual volume in Dth per month of Vaporized LNG delivered out of the Elba Island Terminal.
- (xi) Estimated K-6 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-6 Boil Off Compressor.
- (xii) Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 Boil Off Compressors.
- (xiii) Estimated Ship Loading Delivery Volumes - The projected annual volume in Dth of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xiv) Actual Delivery Volumes - The actual volumes of Vaporized LNG delivered out of the Elba Island Terminal per month.
- (xv) Actual K-6 Boil Off Compressor Volumes- The actual volumes of Gas compressed at the K-6 Boil Off Compressor per month.
- (xvi) Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 Boil Off Compressors per month.
- (xvii) Actual Ship Loading Delivery Volumes - The actual volume in Dth per month of LNG delivered out of Elba Island Terminal to Customers' Vessels under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service.
- (xviii) Deferral Period - The period of twelve (12) months ending two (2) months prior to the effective date of a change in charges filed pursuant to this Section 24.2; provided, however, with respect to the K-6 Boil Off Compressor Electric Power Cost, the K-7 Boil Off Compressor Electric Power Cost and the Ship Loading Electric Power Cost, the first period may be prorated for the first Deferral Period to reflect the number of months in the Deferral Period that the K-6 Boil Off Compressor, the K-7 Boil Off Compressors or the Ship Loading Service goes in service.

- (xix) Electric Power Deferred Account- The account by which Southern LNG determines the actual recovery of Actual Electric Power Costs and records the difference between the Actual Electric Power Costs and the product of the Actual Delivery Volumes times the Current Electric Power Cost Charge and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (xx) K-6 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-6 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-6 Boil Off Compressor Electric Power Costs and the product of the Actual K-6 Boil Off Compressor Volumes times the Current K-6 Boil Off Compressor Electric Power Cost Charge.
 - (xxi) K-7 Boil Off Compressor Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual K-7 Boil Off Compressor Electric Power Costs and records the difference between the Actual K-7 Boil Off Compressor Electric Power Costs and the product of the Actual K-7 Boil Off Compressor Volumes times the Current K-7 Boil Off Compressor Electric Power Cost Charge.
 - (xxii) Ship Loading Electric Power Deferred Account - The account by which Southern LNG determines the actual recovery of the Actual Ship Loading Electric Power Costs and records the difference between the Actual Ship Loading Electric Power Costs and the product of the Actual Ship Loading Volumes times the Current Ship Loading Electric Power Cost Charge.
- (c) Determination of the Current Electric Power Cost Charge
- Southern LNG shall determine the Current Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:
- (i) The Estimated Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Electric Power Deferred Account as determined in accordance with Section 24.2(d) below.
 - (ii) The amounts determined in Section 24.2(c)(i) above will be divided by the Estimated Delivery Volumes.
- (d) Electric Power Deferred Account (Account)
- Southern LNG shall maintain the Account for Deferral Period in accordance with the following procedures:
- (i) Southern LNG shall determine each month the Actual Electric Power Costs.
 - (ii) Southern LNG shall determine each month the actual recovery of Electric Power Costs by multiplying the Actual Delivery Volumes in Dth by the Current Electric Power Cost Charge, and shall also include any recovery under Section 24.2 (d)(iv) of these General Terms and Conditions.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(d)(i) and 24.2(d)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as an Electric Power Deferred Account. Interest shall be computed on the balance in the Electric Power Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.

- (iv) If during a Deferral Period there are no Actual Delivery Volumes, then the Actual Electric Power Costs incurred during such Deferral Period will be charged on a pro rata basis determined by dividing each Customer's MSQ by the total amount of MSQ for all Firm Service Customers at the Terminal.
- (e) K-6 Boil Off Compressor Electric Power Cost Charge
 - (i) Determination of the Current K-6 Boil Off Compressor Electric Power Cost Charge

Southern LNG shall determine the Current K-6 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

 - (A) The Estimated K-6 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-6 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(e)(ii)C below.
 - (B) The amounts determined in Section 24.2(e)(i)A above will be divided by the Estimated K-6 Boil Off Compressor Volumes.
 - (ii) K-6 Boil Off Compressor Electric Power Deferred Account (K-6 Account)

Southern LNG shall maintain the K-6 Account for the Deferral Period in accordance with the following procedures:

 - (A) Southern LNG shall determine each month the Actual K-6 Boil Off Compressor Electric Power Costs.
 - (B) Southern LNG shall determine each month the actual recovery of K-6 Boil Off Compressor Electric Power Costs by multiplying the Actual K-6 Boil Off Compressor Volumes by the Current K-6 Boil Off Compressor Electric Power Cost Charge.
 - (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(e)(ii)A and 24.2(e)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-6 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-6 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (f) Ship Loading Electric Power Cost Charge
 - (i) Determination of the Current Ship Loading Electric Power Cost Charge

Southern LNG shall determine the Current Ship Loading Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

 - (A) The Estimated Ship Loading Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the Ship Loading Electric Power Deferred Account as determined in accordance with Section 24.2(f)(ii)C below.
 - (B) The amounts determined in Section 24.2(f)(i)A above will be divided by the Estimated Ship Loading Delivery Volumes.

(ii) Ship Loading Electric Power Deferred Account (SL Account)

Southern LNG shall maintain the SL Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual Ship Loading Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of Ship Loading Electric Power Costs by multiplying the Actual Ship Loading Delivery Volumes by the Current Ship Loading Electric Power Cost Charge.
- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(f)(ii)A and 24.2(f)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the Ship Loading Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's Ship Loading Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.
- (D) If during a Deferral Period there are no Actual Ship Loading Delivery Volumes, then the Actual Ship Loading Electric Power Costs incurred will be billed on a prorata basis as determined by dividing each Customer's MDLQ by the total amount of MDLQ for all Firm Ship Loading Service Customers at the Terminal.

(g) K-7 Boil Off Compressor Electric Power Cost Charge

(i) Determination of the Current K-7 Boil Off Compressor Electric Power Cost Charge

Southern LNG shall determine the Current K-7 Boil Off Compressor Electric Power Cost Charge for each Electric Power Annual Period by the following procedures:

- (A) The Estimated K-7 Boil Off Compressor Electric Power Costs shall be summed with the balance accumulated at the end of the Deferral Period in the K-7 Boil Off Compressor Electric Power Deferred Account as determined in accordance with Section 24.2(g)(ii)C below.
- (B) The amounts determined in Section 24.2(g)(i)A above will be divided by the Estimated K-7 Boil Off Compressor Volumes.

(ii) K-7 Boil Off Compressor Electric Power Deferred Account (K-7 Account)

Southern LNG shall maintain the K-7 Account for the Deferral Period in accordance with the following procedures:

- (A) Southern LNG shall determine each month the Actual K-7 Boil Off Compressor Electric Power Costs.
- (B) Southern LNG shall determine each month the actual recovery of K-7 Boil Off Compressor Electric Power Costs by multiplying the Actual K-7 Boil Off Compressor Volumes by the Current K-7 Boil Off Compressor Electric Power Cost Charge.

- (C) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.2(g)(ii)A and 24.2(g)(ii)B and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as the K-7 Boil Off Compressor Electric Power Deferred Account. Interest shall be computed on the balance in Southern LNG's K-7 Boil Off Compressor Electric Power Account, positive or negative, based on the method prescribed in the Commission's Regulations.

24.3 Maintenance Dredging Cost Adjustment

This section of the GT&C sets forth the procedures to reflect changes in the amounts incurred by Southern LNG for maintenance dredging of the turning basin at the Elba Island Terminal.

- (a) Definitions
 - (i) Maintenance Dredging – The work required to maintain the required depth and integrity of the turning basin, channel and berths at the Elba Island Terminal, including the costs of disposing of spoil associated with such work.
 - (ii) Maintenance Dredging Annual Period – The annual period beginning on March 1, 2002, and each annual period thereafter.
 - (iii) Maintenance Dredging Costs – The cost for Maintenance Dredging.
 - (iv) Actual Maintenance Dredging Costs – The actual cost incurred by Southern LNG for Maintenance Dredging. Such actual cost shall include all charges attributable to any period encompassed by the effectiveness of this Section 24.3, including all refunds, surcharges, billing adjustments and interest, positive or negative.
 - (v) Estimated Maintenance Dredging Costs – The projected Maintenance Dredging Costs for the Maintenance Dredging Annual Period.
 - (vi) Estimated MSQ Reservation Charge Billing Determinants – The projected annual reservation charge billing determinants, which shall not be less than the total aggregate MSQ subscribed by all Firm Service Customers at the time of the calculation.
 - (vii) Deferral Period – The period of 12 months ending December 31 prior to the beginning of each Maintenance Dredging Annual Period.
 - (viii) Affected Rate Schedules – Affected Rate Schedules shall be Rate Schedules LNG-1, LNG-2, and LNG-3.
- (b) Filing Procedure
 - (i) The Dredging Surcharge set forth on the rate sheets of Southern LNG's Tariff shall be increased or be decreased as set forth in this Section 24.3.
 - (ii) Southern LNG shall file with the Commission an Annual Maintenance Dredging Cost Filing within at least thirty (30) days prior to the beginning date for each Maintenance Dredging Annual Period. The Annual Maintenance Dredging Cost Filing shall provide for the reconciliation under Section 24.3(c)(iv) below.
- (c) Maintenance Dredging Deferred Account (Account)

Southern LNG shall maintain the Account for the Deferral Period in accordance with the following procedures:

- (i) Each month, Southern LNG shall determine the Actual Maintenance Dredging Costs.
 - (ii) Each month, Southern LNG shall multiply the currently effective Dredging Surcharge by the Reservation Charge Billing Determinants for the month.
 - (iii) Each month, Southern LNG shall determine the difference, positive or negative, between the amount computed in Section 24.3(c)(i) and 24.3(c)(ii) and record such difference in a subaccount acceptable to FERC under the Uniform System of Accounts, which Southern LNG shall designate as a Maintenance Dredging Deferred Account. Interest shall be computed on the balance in the Maintenance Dredging Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.
 - (iv) In each Annual Maintenance Dredging Cost Filing, Southern LNG shall adjust its Dredging Surcharge, as described in Section 24.3(d) below, either positively or negatively to recover or return the balances in the applicable FERC Account No. 186 sub-account.
- (d) Determination of the Dredging Surcharge
- (i) Southern LNG shall determine the Estimated Maintenance Dredging Costs for the upcoming Maintenance Dredging Annual Period.
 - (ii) The Estimated Maintenance Dredging Costs shall be offset against or added to, as appropriate, the balance accumulated at the end of the Deferral Period in the Maintenance Dredging Deferred Account, as determined in accordance with Section 24.3(c).
 - (iii) The amounts determined in Section 24.3(d)(ii) above shall be divided by the Estimated MSQ Reservation Charge Billing Determinants.

Service Agreement No. _____

EXHIBIT A

Storage	MSQ	MDVQ	Start	Primary	Primary	Evergreen	Evergreen	Terminal	MDLQ	MDRQ
Point	(Dth) (1)	Dth) (2)	Date	Term	Term	Term	Term	Outlet	(GPM) (3)	(GPM) (4)
					Notice		Notice	Pressure		

Southern LNG's marine terminal facilities located on Elba Island in Chatham County, Georgia

Total Maximum Storage Quantity: _____ Dth

- (1) The quantity available for receipt by Southern LNG shall be subject to adjustment each day based on Customer's LNG Balance, as set forth in the applicable Firm Rate Schedule.
- (2) The quantity available for delivery by Southern LNG may be subject to adjustment each day, as set forth in the applicable Firm Rate Schedule.
- (3) The maximum quantity of LNG for terminal-to-vessel loading under Southern LNG's Ship Loading Service that Southern LNG is obligated to deliver for Customer.
- (4) The maximum quantity of LNG that Southern LNG shall be obligated to receive for Customer or Customer's account from a Liquefaction Facility.
- (5) Customer may elect to extend the Primary Term for an additional five (5) years ("Primary Term Extension") if it gives written notice to Southern LNG prior to Southern LNG posting the capacity for bid under Section 15 of the General Terms and Conditions to Southern LNG's Tariff, but in no event later than the end of the Primary Term In the event Southern LNG does not make such posting.
- (6) [If Applicable] In lieu of the option in footnote (5) above, Customer may elect to extend the Primary Term by the Primary Term Notice date specified above ("Primary Term Extension") to coincide with the expiration of the Primary Term or Extended Primary Term set forth in a Liquefaction Services Agreement ("LSA") dated _____, between Customer and a Liquefaction Facility; provided, however, in no event shall this election to extend be construed to mean that the Primary Term set forth above may be shortened or reduced in the event the LSA is terminated prior to the Primary Term thereof for any reason or the Primary Term of the LSA is modified or amended to be less than twenty (20) years from the Start Date defined therein.
- (7) MDLQ and MDRQ may be converted to dth/d for purposes of defining contract entitlement in accordance with Section 13.5 of the General Terms and Conditions (GPM x 123.9 = dth/d)

K-6 Capacity Entitlement: _____ Mcf/day
 K-7 Capacity Entitlement: _____ Mcf/day

 (CUSTOMER)

 SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____