



March 18, 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-_____
Compliance Filing

Dear Ms. Bose:

Pursuant to Part 154 of the Federal Energy Regulatory Commission's ("Commission") Regulations, Southern LNG Company, L.L.C. ("Southern LNG") hereby submits for filing the tariff sections of its FERC Gas Tariff ("Tariff") listed in Appendix A to be effective within 60 days of this filing to implement ship loading service. The expected in-service date of the new service associated with the tariff sections is currently April 23, 2019; however, Southern LNG will update the Commission if such date changes due to commissioning of the new facilities associated with the ship loading service. Therefore, Southern LNG requests that the Commission accept this tariff filing and permit the proposed tariff sections to become effective when the corresponding new facilities are placed in-service.

Nature, Basis and Reasons for the Proposed Tariff Changes

On March 10, 2014 in Docket No. CP14-103-000, Elba Liquefaction Company, L.L.C. ("ELC") and Southern LNG filed a joint application under Section 3 of the Natural Gas Act ("NGA") and Part 153 of the Commission's regulations requesting authorization to construct and operate new natural gas liquefaction and export facilities at Southern LNG's existing liquefied natural gas ("LNG") terminal located on Elba Island, Chatham County, Georgia ("Elba Liquefaction Project" or simply the "Project"). As part of the Project, Southern LNG is to provide a new service to load LNG onto ships to be exported ("Ship Loading Service"). Additionally, pursuant to section 7(b) of the NGA and Part 157 of the Commission's regulations, Southern LNG requested authorization to abandon its LNG Truck Loading Facilities at the terminal.

The March 10, 2014 filing contained *pro forma* tariff sections and recourse rates proposed by Southern LNG to allow Southern LNG to provide the Ship Loading Service. The proposed Tariff changes/additions to accommodate the Ship Loading Service included modifications to (i) the Preliminary Statement, (ii) Rate Schedules LNG-1, LNG-2, and LNG-3, (iii) Rate Sections LNG-1, LNG-2, and LNG-3, (iv) several sections of the General Terms and Conditions and (v) the Forms of Service Agreements.

On June 1, 2016, the Commission issued an Order granting Section 3 and Section 7 Authorizations¹ approving the Project and directing Southern LNG to file actual tariff records as conditioned and approved by the Commission (“Order”) no sooner than 60 days but no later than 30 days prior to commencement of service to place the rates and tariff records into effect. Accordingly, Southern LNG hereby submits the actual tariff sections listed in Appendix A to be effective April 23, 2019, the expected in service date, or the actual date on which the facilities associated with the Ship Loading Service are placed into service.

In the Order the Commission directed Southern LNG to remove from its Tariff all references to the LNG truck loading facilities. Southern LNG represents that it has checked the contents of its Tariff and that it no longer has any references to the LNG truck loading facilities in its Tariff and, thus, there is no tariff language or tariff provision that needs to be deleted to comply with the terms of the Order.

In the Order the Commission directed Southern LNG to revise its proposed Interruptible Ship Loading Commodity Rate under Rate Schedule LNG-2 and its MDLQ Overrun Rate under Rate Schedule LNG-1 and LNG-3 to be a 100% load factor charge. This recalculation is detailed in Appendix C and reflected in the attached proposed tariff sheets.

In the Order the Commission directed Southern LNG to include in section 5.1 of Rate Schedule LNG-1 a provision similar to section 5.1 of Rate Schedules LNG-2 and LNG-3 describing the Ship Cool Down Excess Lay Charge procedures. Southern LNG unintentionally omitted adding this provision to *pro forma* Rate Schedule LNG-1 and therefore, as directed by the Commission, has added it to section 5.1 of Rate Schedule LNG-1 in this filing.

There have been a few updates to some of the pro-forma sheets that were filed on March 10, 2014. A summary of these updates are provided in Appendix B and are reflected in the attached proposed tariff sheets.

The pro forma tariff sections were approved by the Order on June 1, 2016. Since then, the Tax Cuts and Jobs Act of 2017² lowered the federal income tax rate (“FITR”) from 35% to 21% effective January 1, 2018. Therefore, to reflect this 21% FITR, Southern LNG has recalculated the following rates in Appendix D: MDLQ Monthly Reservation Charge, MDLQ Overrun Rate, Interruptible Ship Loading Commodity Rate, and the K-7 Boil Off Compressor Usage Surcharge. The other new proposed rates (Ship Loading Electric Power Cost Charge, K-7 Boil Off Compressor Electric Power Cost Charge, and the Ship Cool Down Excess Lay Charge) are not affected by the change to the FITR. In this compliance filing, Southern LNG is filing two sets of tariff records. Appendix E contains the clean version Option A tariff records reflecting rates calculated using the 21% FITR. Appendix F contains the marked version Option A tariff records reflecting rates calculated using the 21% FITR. Appendix G contains the clean version Option B tariff records reflecting rates as filed in the pro forma tariff sections in CP14-103-000 (using a 35% FITR with the update to the Interruptible Ship Loading Commodity Rate and the MDLQ

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

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

Overrun Rate to reflect a 100% load factor charge). Appendix H contains the marked version Option B tariff records reflecting rates as filed in the pro forma tariff sections in CP14-103-000 (using a 35% FITR). The only difference between Option A and Option B is the change in the rates that are affected by going from a 35% FITR to a 21% FITR. Southern LNG respectfully requests the Commission to accept the tariff sections and revised rates as reflected in Appendix E and Appendix F (i.e. Option A reflecting the 21% FITR) and place them into effect on the in service date for the facilities associated with the Ship Loading Service (which is currently expected to be April 23, 2019, but could be changed as described above).

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:

1. This transmittal letter; and
2. Appendix A, containing a list of the tendered tariff sections; and
3. Appendix B, containing a reference table of tariff changes reflecting updates to Southern LNG tariff sections vs. what was initially filed on March 10, 2014; and
4. Appendix C, containing an updated rate derivation utilizing a 100% load factor for the Interruptible Ship Loading Commodity Rate and the MDLQ Overrun Rate (utilizing a 35% FITR); and
5. Appendix D, containing a summary of updated rates utilizing the 21% FITR (with supporting work papers); and
6. Appendix E, containing the clean version Option A tariff sections in PDF format (utilizing the 21% FITR); and
7. Appendix F, containing the marked version Option A tariff sections in PDF format; and
8. Appendix G, containing the clean version Option B tariff sections in PDF format (utilizing a 35% FITR); and
9. Appendix H, containing the marked version Option B tariff sections in PDF format (The only marked changes in Option B are the changes in the rates that reflect a 35% FITR in this Option B).

Ms. Kimberly D. Bose

March 18, 2019

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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
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 18th day of March 2019.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates and Regulatory
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APPENDIX A
SOUTHERN LNG COMPANY, L.L.C.

Tariff Sections Proposed to be effective April 23, 2019

Section 1.1	Version 3.0.0
Section 1.2	Version 1.0.0
Section 2.1	Version 22.0.0
Section 2.2	Version 22.0.0
Section 2.3	Version 23.0.0
Section 2.4	Version 3.0.0
Section 3.1	Version 4.0.0
Section 3.2	Version 4.0.0
Section 3.3	Version 4.0.0
Section 4.1	Version 6.0.0
Section 4.2	Version 2.0.0
Section 4.3	Version 2.0.0
Section 4.4	Version 1.0.0
Section 4.6	Version 1.0.0
Section 4.7	Version 1.0.0
Section 4.8	Version 1.0.0
Section 4.9	Version 1.0.0
Section 4.10	Version 1.0.0
Section 4.12	Version 5.0.0
Section 4.13	Version 3.0.0
Section 4.16	Version 6.0.0
Section 4.23	Version 2.0.0
Section 4.24	Version 3.0.0
Section 4.26	Version 3.0.0
Section 6.1	Version 3.0.0
Section 6.1.1	Version 4.0.0
Section 6.1.2	Version 2.0.0
Section 6.2	Version 2.0.0
Section 6.2.1	Version 2.0.0

APPENDIX B
SOUTHERN LNG COMPANY, L.L.C.

**TABLE OF TARIFF CHANGES REFLECTING UPDATES VS. INITIAL
MARCH 10, 2014 FILING**

Section Number	Description
Section 1.1 Table of Contents Section 6.1.2 Exhibit B to SA Under Rate Schedule LNG-1 or LNG-3	Reserved designation removed since Exhibit B to SA Under Rate Schedule LNG-1 or LNG-3 will now be used for Customer DOE Certification form.
Section 1.1 Table of Contents Section 6.1.2.1 Appendix A to Exhibit B under Rate Schedule LNG-1 or LNG-3	Appendix A to Exhibit B to SA Under Rate Sched LNG-1 or LNG-3 - Cust Vessel Info no longer needed since Exhibit B to SA Under Rate Schedule LNG-1 or LNG-3 will now be used for Customer DOE Certification form.
Section 1.1 Table of Contents Section 6.2.1 Exhibit A to SA Under Rate Schedule LNG-2	Reserved designation removed since Exhibit A to SA Under Rate Schedule LNG-2 will now be used for Customer DOE Certification form.
Section 1.1 Table of Contents Section 6.2.2.1 Appendix A to Exhibit B to SA Under Rate Schedule LNG-2	Appendix A to Exhibit B to SA Under Rate Sched LNG-2 – Neg Rate Info no longer needed since Exhibit A to SA Under Rate Sched LNG-2 will now be used for Customer DOE Certification form.
Section 2.1 Rate Section LNG-1 Firm Terminal Service Rates	Revises, as directed by the Commission, the MDLQ Overrun Rate to be a 100% load factor charge.
Section 2.2 Rate Section LNG-2 Interruptible Terminal Service Rates	Revises, as directed by the Commission, the Interruptible Ship Loading Commodity Rate to be a 100% load factor charge.
Section 2.3 Rate Section LNG-3 Firm Terminal Service Elba III Rates	Revises, as directed by the Commission, the MDLQ Overrun Rate to be a 100% load factor charge.
Section 2.4 Rate Section Negotiated Rates	Adds various Negotiated Rate/Formula provisions for Ship Loading Service to Shell NA LNG LLC contract # 450011-LNG3SLNG.
Section 3.1 Rate Schedule LNG-1 Firm Terminal Service	Adds, as directed by the Commission, a provision for Ship Cool Down Excess Lay Charge procedures in section 5.1 of Rate Schedule LNG-1.
Section 4.1 GT&C Definitions	Modified definition of Customer's Vessel(s). This resulted in deletion of definition for Vessel and subsequent renumbering of definitions "tt" through "ww".
Section 4.1 GT&C Definitions	Added "or other gas at the Terminal" to the definition of Gas.
Section 4.1 GT&C Definitions	Updated K-7 Capacity definition to correct available amount of compression and note that it pertains to two compressors.
Section 4.4 GT&C Measurement	Added "or natural gas" to Section 4.2 heading.
Section 4.16 GT&C Customer Release of Firm Capacity	Updated 16.2 wording to change Acquiring Shipper to Replacement Customer and to change Releasing Shipper to Releasing Customer to be consistent with other tariff language.
Section 4.24 Fuel & Electric Power Adj	Added "collectively referred to as Fuel" to last sentence in 24.1(a).
Section 6.1 Form of Service Agreement Under Rate Schedule LNG-1 or LNG-3	Added new section 2.7 stating "Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit B to the Service Agreement under Rate Schedule LNG-1 or LNG-3".

Section 6.1.2 Exhibit B to SA Under Rate Schedule LNG-1 or LNG-3	Changed from “Reserved” to “Customer DOE Certification” form.
Section 6.2 Form of Service Agreement Under Rate Schedule LNG-2	Added new section 2.6 stating “Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit A to the Service Agreement under Rate Schedule LNG-2”.
Section 6.2.1 Exhibit A to SA Under Rate Schedule LNG-2	Changed from “Reserved” to “Customer DOE Certification” form.
Multiple Sections	Corrected typos throughout multiple sections where in the Defined Term Vaporized LNG the “v” in vaporized was not capitalized.
Multiple Sections	Corrected typos throughout multiple sections where in the Defined Term Gas the “g” was not capitalized.
Multiple Sections	Corrected typos throughout multiple sections where “Fuel or fuel ” was replaced with Defined Term “GRO”.
Multiple Sections	Corrected typos throughout multiple sections where “fuel and gas otherwise used or lost and unaccounted for” was replaced with Defined Terms “GRO” and “LAUF”.

Southern LNG Company, L.L.C.
Updated Rate Derivation For Interruptible Ship Loading Commodity Rate Under LNG-2 Rate Schedule
And MDLQ Overrun Rate Under LNG-1 and LNG-3 Rate Schedules

Line No.

1	MDLQ Cost Of Service	\$70,833,517 1/
2	Billing Units	2,090,155,938 2/
3	Interruptible Ship Loading Service Under LNG-2 Rate Schedule And MDLQ Overrun Rate Under LNG-1 and LNG-2 Rate Schedules	\$0.0339 per dth

1/ Reflects MDLQ cost of service as reflected on Sheet 2 of Exhibit P in the CP14-103 certificate filing filed 3/10/14. Under Section 26 of SLNG's pro forma tariff, 100% of any interruptible revenues, including MDLQ Overrun revenues, will be credited to SLNG's customers. Therefore, SLNG does not propose to allocate any cost to these interruptible services.

2/ The maximum physical capacity of the ship loading service is based on the capacity to load liquid on to ships which, like SLNG's firm ship loading contract quantities under its pro forma service agreement, is expressed in gallons of LNG per minute. In order that SLNG's rate be expressed in \$ per Dth/day, the following conversion is applied: 46,230 gallons per minute x .08602 dth/gallon x 1,440 minutes in a day x 365 days = 2,090,155,938 Dth (similar to conversion used for the firm ship loading service rate calculation).

Southern LNG Company, L.L.C.
Summary Of Rates Utilizing 21% Federal Income Tax Rate 4/

MDLQ Overrun Rate		Initial	Rate Utilizing
<u>Line No.</u>		<u>Rate</u>	<u>21% Federal Income Tax</u>
1	MDLQ Monthly Reservation Charge	\$1.0308	\$0.9245 1/
2	MDLQ Overrun Rate	\$0.0339	\$0.0304 2/
3	Interruptible Ship Loading Commodity Rate	\$0.0339	\$0.0304 2/
4	K-7 Boil Off Compressor Usage Surcharge	\$2.0624	\$1.8496 3/

1/ See Appendix D, Sheets 2, 3 and 4 for support.

2/ See Appendix D, Sheet 5 for support.

3/ See Appendix D, Sheets 6 and 7 for support.

4/ Ship Loading Electric Power Cost Charge, K-7 Boil-Off Compressor Electric Power Cost Charge, and Ship Cool Down Excess Lay Charge are not affected by the change to the 21% federal income tax rate.

Southern LNG Company, L.L.C.
Rate Derivation For Maximum Daily Loading Quantity (MDLQ) Monthly Reservation Charge

<u>Line No.</u>	<u>Description</u>	<u>Cost of Service</u>
1	Depreciation Expense (1.76%)	\$5,955,799
2	Operations and Maintenance Expenses	\$9,856,712
3	Taxes Other Than Income Taxes	\$3,398,866
4	Federal and State Income Taxes	\$8,819,436 1/
5	Return	<u>\$35,495,649</u> 1/
6	Total Cost of Service	\$63,526,462
<u>Rate Design For Maximum Daily Loading Quantity (MDLQ) Monthly Reservation Charge</u>		
7	Cost of Service	\$63,526,462
8	MDLQ Reservation Billing Units	68,717,455 2/
9	MDLQ Monthly Reservation Charge	\$0.9245

1/ See Sheet 3 of this Appendix D for support

2/ The maximum physical capacity of the ship loading service is based on the capacity to load liquid on to ships which, like SLNG's firm ship loading contract quantities under its pro forma service agreement, is expressed in gallons of LNG per minute. In order that SLNG's rate be expressed in \$ per Dth/day, the following conversion is applied:
 $46,230 \text{ gallons per minute} \times .08602 \text{ dth/gallon} \times 1,440 \text{ minutes in a day} \times 12 \text{ months} = 68,717,455$

Southern LNG Company, L.L.C.
Derivation of Rate Base, Return & Income Taxes
For MDLQ Monthly Reservation Charge

Line No.	Description		
1	Gas Plant In Service		\$338,397,655
2	Less Reserve for Depreciation		
3	Beginning Balance		\$0
4	Ending Balance		\$5,955,799
5	Average Balance		\$2,977,899
6	Net Plant		\$335,419,756
7	Less Deferred Income Taxes		
8	Beginning Balance		\$0
9	Ending Balance		\$2,822,155
10	Average Balance		\$1,411,078
11	Working Capital		\$1,488,950
12	Average Rate Base For Year 1		\$335,497,628
13	Return and Income Tax Computation		
14	Return at	10.58% 1/	\$35,495,649
15	Less Interest Expense at	3.20% 1/	<u>\$10,735,924</u>
16	Equity Portion of Return		\$24,759,725
17	Add Amortization of Equity AFUDC		<u>\$684,383</u>
18	Total Tax Base		\$25,444,108
19	Income Taxes	<u>Gross Up %</u>	
20	Federal Income Tax	26.58228%	\$6,763,624 2/
21	State Income Tax	8.07972%	<u>\$2,055,813</u> 3/
22	Total Income Taxes		\$8,819,436

1/ See Sheet 4 of this Appendix D for support

2/ Reflects 21% federal income tax rate

3/ Reflects 21% federal income tax rate and 6.0% state income tax rate

Southern LNG Company, L.L.C.
Capitalization and Rate of Return

<u>Line No.</u>	<u>Description</u>	<u>Capitalization Percentage</u>	<u>Cost</u>	<u>Weighted Average Cost</u>
1	Long Term Debt	41.00%	7.81%	3.20%
2	Equity	59.00%	12.50%	7.38%
3	Total			10.58%

Southern LNG Company, L.L.C.
Rate Derivation For Interruptible Ship Loading Commodity Rate Under LNG-2 Rate Schedule
And MDLQ Overrun Rate Under LNG-1 and LNG-3 Rate Schedules

<u>Line No.</u>		
1	MDLQ Cost Of Service	\$63,526,462 1/
2	Billing Units	2,090,155,938 2/
3	Interruptible Ship Loading Service Under LNG-2 Rate Schedule And MDLQ Overrun Rate Under LNG-1 and LNG-2 Rate Schedules	\$0.0304 per dth

1/ Reflects MDLQ cost of service as reflected on Sheet 2 of this Appendix D (reflects 21% federal income tax rate). Under Section 26 of SLNG's pro forma tariff, 100% of any interruptible revenues, including MDLQ Overrun revenues, will be credited to SLNG's customers. Therefore, SLNG does not propose to allocate any cost to these interruptible services.

2/ The maximum physical capacity of the ship loading service is based on the capacity to load liquid on to ships which, like SLNG's firm ship loading contract quantities under its pro forma service agreement, is expressed in gallons of LNG per minute. In order that SLNG's rate be expressed in \$ per Dth/day, the following conversion is applied:
 $46,230 \text{ gallons per minute} \times .08602 \text{ dth/gallon} \times 1,440 \text{ minutes in a day} \times 365 \text{ days} = 2,090,155,938 \text{ Dth}$ (similar to conversion used for the firm ship loading service rate calculation).

Southern LNG Company, L.L.C.
Rate Derivation For K-7 Boil Off Compressor Usage Surcharge

<u>Line No.</u>	<u>Description</u>	<u>Cost of Service</u>
1	Depreciation Expense (1.76%)	\$1,000,052
2	Operations and Maintenance Expenses	\$1,655,063
3	Taxes Other Than Income Taxes	\$570,712
4	Federal and State Income Taxes	\$1,480,892 1/
5	Return	<u>\$5,960,157</u> 1/
6	Total Cost of Service	\$10,666,876
 <u>Rate Design For K-7 Boil Off Compressor Usage Surcharge</u>		
7	Cost of Service	\$10,666,876
8	Billing Units (annual dth of gas compressed)	5,767,000
9	K-7 Boil-Off Compressor Usage Cost Charge	\$1.8496

1/ See Sheet 7 of this Appendix D for support

Southern LNG Company, L.L.C.
Derivation of Rate Base, Return & Income Taxes
For K-7 Boil Off Compressor Usage Surcharge

Line No.	Description	
1	Gas Plant In Service	\$56,821,137
2	Less Reserve for Depreciation	
3	Beginning Balance	\$0
4	Ending Balance	\$1,000,052
5	Average Balance	\$500,026
6	Net Plant	\$56,321,111
7	Less Deferred Income Taxes	
8	Beginning Balance	\$0
9	Ending Balance	\$473,875
10	Average Balance	\$236,938
11	Working Capital	\$250,013
12	Average Rate Base For Year 1	\$56,334,186
13	Return and Income Tax Computation	
14	Return at 10.58% 1/	\$5,960,157
15	Less Interest Expense at 3.20% 1/	<u>\$1,802,694</u>
16	Equity Portion of Return	\$4,157,463
17	Add Amortization of Equity AFUDC	<u>\$114,916</u>
18	Total Tax Base	\$4,272,379
19	Income Taxes	<u>Gross Up %</u>
20	Federal Income Tax	26.58228% \$1,135,696 2/
21	State Income Tax	8.07972% <u>\$345,196</u> 3/
22	Total Income Taxes	\$1,480,892

1/ See Sheet 4 of this Appendix D for support

2/ Reflects 21% federal income tax rate

3/ Reflects 21% federal income tax rate and 6.0% state income tax rate

APPENDIX E

Clean Version of Option A Tendered Tariff Records

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SECTION 1.2

PRELIMINARY STATEMENT

Southern LNG Company, L.L.C. (Southern LNG) is a natural gas company principally engaged in the business of receiving and storing liquefied natural gas (LNG) and (a) delivering Vaporized LNG in interstate commerce and/or (b) ship loading of LNG (collectively, Terminal Service) under authorization granted by, and subject to the jurisdiction of, the Federal Energy Regulatory Commission (Commission or FERC). Southern LNG owns and operates a marine terminal located on Elba Island, near Savannah, Georgia (Terminal). Southern LNG uses the Terminal to provide open-access Terminal Service pursuant to this FERC Gas Tariff (Tariff).

The location of the Terminal is shown on the following general system map.

Southern LNG provides Terminal Service only under executed and effective agreements for service, entered after Southern LNG considers existing commitments, available capacity, and other factors that Southern LNG deems pertinent as set forth in this Tariff.

SECTION 2.1

LNG-1 RATES
FIRM TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-1 (Firm Terminal Service)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.6712	\$0.00
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825 /Dth of Gas compressed	\$0.0825/Dth of Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Monthly Reservation Charge per Dth of MDLQ	\$0.9245	\$0
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section	See GT&C Section

	21	21
6. K-7 Boil Off Compressor Usage Surcharge	\$1.8496/Dth of Gas compressed	\$0/Dth of Gas compressed
7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
8. MDLQ Overrun Rate	\$0.0304/Dth of exports	\$0/Dth of exports
Total Charges and Surcharges per Dth (excluding items 2, 3, 4, 5, 6, 7 and 8 above)	\$0.0019/Dth of exports	\$0.0019/Dth of exports

SECTION 2.2

LNG-2 RATES
INTERRUPTIBLE TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-2 (Interruptible Terminal Service)</u>		
Monthly Storage Charge per Dth	\$0.6712	\$0.00
Dredging Surcharge per Dth	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of Gas compressed	\$0.0825/Dth of Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Interruptible Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Commodity Rate	\$0.0304/Dth of exports	\$0/Dth of exports
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section 21	See GT&C Section 21

6. K-7 Boil Off Compressor Usage Surcharge	\$1.8496/Dth of Gas compressed	\$0/Dth of Gas compressed
7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
Total Charges and Surcharges per Dth (excluding items 2, 4, 5, 6, and 7 above)	\$0.0323/Dth of export deliveries	\$0.0019/Dth of export deliveries

SECTION 2.3

LNG-3 RATES

FIRM TERMINAL SERVICE – ELBA III

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-3 (Firm Terminal Service – Elba III)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.7532	\$0.0000
Monthly Reservation Charge per Dth of MDVQ	\$2.4920	\$0.0000
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.0000
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
1a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of Gas compressed	\$0.0825/Dth of Gas compressed
2. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
3. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 1a, 3, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Monthly Reservation Charge per Dth of MDLQ	\$0.9245	\$0
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section 21	See GT&C Section 21

6. K-7 Boil Off Compressor Usage Surcharge	\$1.8496/Dth of Gas compressed	\$0/Dth of Gas compressed
7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
8. MDLQ Overrun Rate	\$0.0304/Dth of exports	\$0/Dth of exports
Total Charges and Surcharges per Dth (excluding items 2, 3, 4, 5, 6, 7, and 8 above)	\$0.0019/Dth of exports	\$0.0019/Dth of exports

SECTION 2.4

Negotiated RatesFIRM RATE SCHEDULE

Shipper	Contract #	MDVQ	Term
BG LNG Services, LLC	450002-LNG1SLNG	643,230 Dth	4/30/2027

Negotiated Rate/Formula: In addition to the Reservation Charge, Dredging Surcharge, and all other applicable Charges and Surcharges set forth in Rate Schedule LNG-1, as amended by FERC Order from time to time, Customer shall pay to Southern LNG the following additional Commodity Charges per month: (1) A variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of LNG treated with nitrogen for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the Southern LNG GHV tariff specifications, regardless of the amount of treatment required; and (2) A variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

In addition to the charges set forth above, during the period from the date the facilities associated with the K-6 Capacity are placed in service until the earlier of the fourteenth (14th) anniversary of such date or the date on which recourse rates are placed in effect that include the costs of the compression facilities associated with the K-6 Capacity, Customer shall pay an additional Reservation Charge per month equal to the result of multiplying Customer's firm K-6 Capacity entitlement by a unit rate equal to the result of dividing (i) the product of multiplying the reasonably incurred actual cost of installing the K-6 capacity stated in dollars by 0.0152, by (ii) 12,000 Mcf, provided that the unit rate shall not be less than \$13.8067 per MMBtu nor greater than \$16.4667 per MMBtu. Customer's firm K-6 Capacity entitlement shall be 12,000 Mcf/d from the date the K-6 Facilities are placed in service through the expiration date above or termination of Contract #SLNG9. Subsequent to the fourteenth anniversary of the in-service date of the K-6 Capacity, Customer shall pay the K-6 Boil Off Compressor Usage Surcharge; provided, however, if any cost of service associated with the initial capital costs of the K-6 compression facilities associated with the K-6 Capacity for which Customer has already paid through the reservation charge above are included in the K-6 Boil Off Compressor Usage Surcharge, the K-6 Boil Off Compressor Usage Surcharge paid by Customer shall be reduced to reflect the elimination of such cost of service associated with the initial costs of the compression facilities attributable to the K-6

Capacity. During the initial fourteen year or less period described above in this paragraph, Customer shall pay the reservation charge set forth in this paragraph in lieu of paying the K-6 Boil Off Compressor Usage Surcharge set forth in Southern LNG's Tariff.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450010-LNG1SLNG	551,340 Dth	1/31/2036

Negotiated Rate/Formula:

1. Customer shall pay to Southern LNG a daily rate of \$110,268.00, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.

2. For billing purposes, Customer's reservation charge in a month shall be calculated by using a rate of \$0.20 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-1.

3. LAUF and GRO charges shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-1 and shall not be included in the differential set forth in 1. and 2. above. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ shall be assessed in accordance with Southern LNG's Tariff and not included in the differential set forth in 1. and 2. above.

4. In addition to the charges set forth in Paragraphs 1. through 3. above, Customer shall pay to Southern LNG the following: (a) A variable charge per month equal to the product of (i) \$0.003/Dth and (ii) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required); and (b) A variable charge per month equal to the product of (i) a Wobbe Spread Unit Cost ("WSUC") times (ii) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (i) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (ii) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450011-LNG3SLNG	413,505 Dth	6/30/2035

Negotiated Rate/Formula:

1. Until December 31, 2013, Customer shall pay to Southern LNG a daily rate of \$256,373.00, inclusive of any and all commodity charges and surcharges and other charges and fees, except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.
2. For billing purposes, Customer's reservation charge in a month applicable to the period set forth in paragraph 1. above shall be calculated by using a rate of \$0.62 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 2. and the terms of paragraph 1. above, the terms of paragraph 1. shall govern.
3. During the period from January 1, 2014 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG a daily rate of \$246,725, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.
4. For billing purposes, Customer's reservation charge set forth in paragraph 3. above shall be calculated by using a rate of \$0.5967 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 4. and the terms of paragraph 3. above, the terms of paragraph 3. shall govern.
5. In addition to the reservation charge paid by Customer under Section 3. above, Customer shall pay to Southern LNG an additional reservation charge equal to a daily rate of \$209,049.75, designed and formulated in connection with the incremental costs associated with the Ship Loading Service to be performed by Southern LNG under this Service Agreement for the remainder of the Primary Term to commence on the date that the Ship Loading Expansion Facilities ("Expansion Facilities") and authorizations are placed in service.
6. LAUF and GRO charges and Electric Power Charges associated with the Ship Loading Service or K-7 Boil Off Compressor Usage shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-3 and shall not be included in the daily rate set forth above in paragraphs 1 through 5.

7. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ or any charges or surcharges associated with ship loading service shall be assessed in accordance with Southern LNG's Tariff and not included in the daily rate set forth above in paragraphs 1 through 5.

8. In addition to the charges set forth in Paragraphs 1. through 7. above, during the period from September 18, 2010 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG as follows: (1) a reservation charge per month equal to \$35,153 for the first three years and \$2,528 for the remainder of the term and (2) a variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications for LNG to be unloaded exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required) and (3) a variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

For any nitrogen injection service associated with weathering, the Customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on the Elba Island Terminal as may be adjusted to reflect any actual over or under collection of such costs from the previous calendar year. For the first calendar year of such service, SLNG may estimate such costs based on the market cost for nitrogen in such year.

Section 3.1

RATE SCHEDULE LNG-1
Firm Terminal Service
(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-1 available to any party (Customer) who requests Firm Service under this Rate Schedule from 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;
- (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-1 (Service Agreement); and
- (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-1 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-1; 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 of LNG from Customer's Vessel(s), during loading of 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 and loading 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 for the Boil-Off Gas as provided in (x) above (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-1 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-1, 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 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; (iii) 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, Ship Loading Electric Power Cost Charge, Dredging Surcharge and K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, as more particularly described in Section 24.1, 24.2, and 24.3 of this Tariff, 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, if applicable and, if applicable, a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule; 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 CUSTOMER'S 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 event 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-1, 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 the 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 on Southern LNG's 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.

Section 3.2

RATE SCHEDULE LNG-2
Interruptible Terminal Service
(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-2 available to any party (Customer) who requests interruptible service 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 without any detriment to Firm Service Customers;
 - (ii) Customer has complied with the requirements of Section 2 of the General Terms and Conditions (GT&C) of this Tariff;
 - (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-2 (Service Agreement); and
 - (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 (Interruptible Ship Loading Service) under Rate Schedule LNG-2 available to any party (Customer) who requests such services under this Rate Schedule from Southern LNG provided that:
- (i) Southern LNG has sufficient capacity and is able to provide the Interruptible Ship Loading Service requested;
 - (ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff; and
 - (iii) for Interruptible Ship Loading Service, Customer currently has a sufficient LNG Balance as defined below;
 - (iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-2; 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 Interruptible 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 service is subject to interruption and prior claim by another Customer or another class of service. GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity. Service under this Rate Schedule LNG-2 shall also be interrupted upon notice to Customer whenever Southern LNG, in its sole judgment, deems the interruption necessary due to operating conditions or system requirements, or to maintain the integrity of the system or to assure that Southern LNG can render service to higher priority customers.

Services provided under this Rate Schedule LNG-2 shall have a priority subordinate to any and all Firm Services provided by Southern LNG.

3. DEFINITIONS

3.1 Liquefied Natural Gas Balance (Customer Account Balance):

- (a) The Liquefied Natural Gas Balance (LNG Balance or Customer Account 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, 6.1(c), and 6.2(c) of this Rate Schedule, Customer shall have the obligation to manage Customer's 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 of LNG from Customer's Vessel(s), during loading of 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 or loading 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 Customer fails to make all necessary arrangements (including nomination and confirmation), 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 brought as a result of 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 Southern LNG receives 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.

4. RATES AND FUEL

4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-2 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 B to the Service Agreement.

4.2 For service rendered to Customer under Rate Schedule LNG-2, Customer shall pay Southern LNG each month (i) a Monthly Storage Charge equal to the applicable rate multiplied by the average for the month of Customer's maximum daily LNG Balance and (ii) a Commodity Rate per Dth of the aggregate quantities delivered for Customer's account (both for vaporized quantities scheduled and for LNG quantities delivered under Southern LNG's Interruptible Ship Loading Service) 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.

4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a percentage of Gas as compensation for GRO and LAUF or charge an equivalent monetary amount if there are insufficient deliveries, as described in GT&C § 24. 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, Ship Loading Electric Power Cost Charge, Dredging Surcharge, K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, 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, if applicable, a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of Gas compressed; 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.

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

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

- 5.1 Customer shall give 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, for Customer. 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, delivery or transfer of LNG from or to Customers' Vessel(s) cannot be accommodated 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 Scheduled Firm; Unscheduled Arrival:

If a Customer under Rate Schedule LNG-2 has scheduled a receipt or delivery for the date and hour subsequently requested by a Customer under a Firm Rate Schedule, then Southern LNG shall preserve the priority of Firm Service by scheduling the Customer under a Firm Rate Schedule at that date and hour and rescheduling the Customer under Rate Schedule LNG-2 for the first available time without causing detriment to any Firm Service. If Customer's Vessel does not arrive as scheduled pursuant to § 5.1(a) to this Rate Schedule, then Southern LNG shall receive or deliver the LNG at the first time available without causing detriment to any other scheduled 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/unloading, 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 Management of LNG Balance:

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 3.1(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 the tank heel.

- (b) Uniform Hourly Vaporization Quantity:

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

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver Vaporized LNG at greater than the uniform hourly rate.

- (c) 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 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 the tank Heel.
- (b) Loading Rates:
 - (i) With regard to Interruptible Ship Loading Service, the Loading Rate for loading LNG onto Customer's Vessel(s) shall be a maximum of 46,230 gallons per minute ("GPM") from the LNG Storage tanks of the Elba Island Terminal.
 - (ii) The Customer will be allowed to do any combination of ship loading and vaporization send out deliveries provided that such Customer's combined total of nominated ship loading (expressed in gallons per minute (GPM)) plus nominated vaporization (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)) does not impair the ability of Rate Schedule LNG-1 and Rate Schedule LNG-3 Customers to utilize their full MDLQ and MDVQ rights, plus any firm overrun rights available to such Customers, for such day.
- (c) Minimum LNG Balance; Management of LNG Balance:

With regard to Interruptible Ship Loading Service, upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall 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.

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. 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.

9. WITHDRAWAL OF LNG BALANCE

9.1 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's Service Agreement terminates;
- (c) Southern LNG issues an OFO pursuant to GT&C § 23; or
- (d) Interruption of service under this Rate Schedule.

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

- (a) if constrained capacity under Section 9.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;
- (b) if termination under Section 9.1(b) above, then the time the Service Agreement terminates;
- (c) if ordered under Section 9.1(c) above, then the time specified in the OFO; or
- (d) if interrupted service under Section 9.1(d) above, then within the time permitted by the available vaporization and delivery capacity at the time of Southern LNG's notice.

9.2 Withdrawal by Southern LNG:

(a) General Rule:

If any Customer fails to withdraw LNG pursuant to this Section 9, 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.

10. 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. In the event of any inconsistencies 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. In the event of 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, Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

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").

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

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 item(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 part of the Terminal Service. 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 K-7 compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-7 Capacity is a part of the Ship Loading Service. 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.

2. INQUIRIES AND CONDITIONS FOR SERVICE; ALLOCATION OF CAPACITY

2.1 Any inquiries regarding the availability of service and the rates charged for such service should be directed to Southern LNG's Marketing Department. Southern LNG shall inform each potential Customer inquiring about service as to the availability of and rates applicable to a particular service. Any potential Customer interested in service may obtain a copy of Southern LNG's Tariff from Southern LNG's Interactive Website. The procedures for submitting valid requests for service are as follows.

- (a) Requests for service shall be provided to Southern LNG in the format provided by COMPANY on its Interactive Website.

The request shall contain all of the following information to be deemed a valid request.

- (i) Full legal name of potential Customer; identity of the potential Customer; DUN & BRADSTREET number; address; contact person(s), including 24-hour telephone number and email address, type of legal entity and, if a corporation, state of incorporation;
- (ii) For Firm Service, the maximum storage quantity (MSQ) requested;
- (iii) For Firm Service, the requested term (duration) of service, including proposed commencement and termination dates;
- (iv) A certification by potential Customer that potential Customer has entered into or will enter into those arrangements necessary to assure that all downstream transportation will be in place prior to the commencement of service under a Service Agreement with Southern LNG;
- (v) A certification by potential Customer that potential Customer has received from the United States Government all necessary authorizations for the lawful import or export, as applicable, of all volumes that Southern LNG will receive for potential Customer or, in the event potential Customer intends to rely on Southern LNG's export license from the Department of Energy, potential Customer shall provide a certification that potential Customer will comply with the registration and reporting obligations specified in the Department of Energy's order granting the Southern LNG export license on which potential Customer intends to rely;
- (vi) A certification by potential Customer that potential Customer has title or a current contractual right to acquire title to LNG to be received for potential Customer by Southern LNG;
- (vii) Certification that Customer's vessel will meet the specifications of Southern LNG's unloading facilities;
- (viii) Most recent audited financial statements, annual report, Form 10-K (or other filings with regulatory agencies that discuss potential Customers financial status), a list of affiliates, and three (3) credit references and the names of two representatives who are authorized to receive notices regarding potential Customer's creditworthiness, including the e-mail addresses of such representatives, in order to enable Southern LNG to evaluate potential Customers creditworthiness. Written requests and response for this credit information should be provided by e-mail, unless other forms of communication are otherwise agreed upon by Southern LNG and potential Customer. The obligation of Southern LNG to provide creditworthiness notification is waived until potential Customer provides Southern LNG with e-mail addresses. The potential customer shall manage internal distribution of any such confirmations (NAESB 0.3.7 & 0.3.10);

- (ix) The affiliation, if any, of potential Customer with Southern LNG; and
 - (x) The source and quality of LNG, including heat content in Btu/scf, expected to be received.
- (b) Allocation of Capacity: Firm capacity that is or becomes available from Southern LNG from time to time shall be allocated pursuant to the following procedures:
- (i) Subject to all requirements for submitting a valid request for Firm Service herein, firm capacity will be allocated to the request(s) that on an aggregate basis generate the highest net present value to Southern LNG. Requests for service shall be considered together under the same criteria. Net present value will be determined based on the discounted cash flow of revenues to Southern LNG produced, lost, or affected by the request(s) for service. In determining the highest net present value, Southern LNG will consider objective criteria only. Such criteria may include, without limitation, the MSQ requested, the duration of the service requested, the date on which the requested service would commence, the applicable rate, and such other factors available based on the requests for service received by Southern LNG. The net present value discount factor used by Southern LNG will be applied consistently to all requests for capacity being evaluated at the same time.
 - (ii) If Southern LNG receives two (2) or more requests for service that produce comparable net present values, whether during an open season or otherwise, then available capacity will be allocated to the completed request submitted first in time. If capacity remains available, then Southern LNG will offer the remaining capacity to the requester next in time.
 - (iii) If capacity is not available to satisfy a request, then the request for service will be maintained, if such potential Customer or potential Customer desires, for future allocations. If capacity subsequently becomes available, then such capacity will be allocated to pending requests, on the date such capacity becomes available, based on the highest net present value of the pending requests as provided above, unless Southern LNG elects to conduct an open season. If an open season is conducted, Customers or potential Customers with pending requests shall be individually notified and given an opportunity to participate in such open season. If such Customer or potential Customer elects not to participate in the open season, then, at the end of the open season, its pending requests shall be deemed null and void.
 - (iv) Southern LNG may, in its sole discretion, hold open seasons from time to time for potential expansion projects or for capacity that has become available. During any such open season, Southern LNG will allocate capacity subject to the open season on the basis of the highest net present value to Southern LNG. To the extent Southern LNG has available unsubscribed capacity, Southern LNG shall have the right, but not the obligation, to reserve that capacity for any open seasons that are to be held within the next twelve (12) months. All requests received during an open season remain binding on the requesting Customer through the end of the open season unless withdrawn by the requesting Customer; provided, however, a requesting Customer may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting Customer nor an affiliate thereof may submit a request with a lower net present value during the open season. At the end of the open season, all requests either withdrawn or not accepted shall be deemed null and void. If the Customer awarded capacity does not execute a Service Agreement within the time period described in Section 2.1(c) below, then Southern LNG may elect to offer the capacity to other Customers on the basis of the next highest net present value.
 - (v) Notwithstanding the net present value determination, Southern LNG reserves the right to decline requests for service (i) that offer less than the maximum rate; (ii) that may detrimentally impact the operational integrity of Southern

LNG's system; (iii) that do not satisfy all the terms of a specific open season; (iv) that do not demonstrate creditworthiness; or (v) that contain terms and conditions other than those set forth in the Tariff.

- (c) Within five (5) business days (or a mutually agreed-upon time) after accepting the request, subject to the other provisions of this section, Southern LNG shall prepare and tender to Customer for execution a Service Agreement under the applicable Rate Schedule in the pro forma format attached to this Tariff. If Customer fails to execute or return to Southern LNG the Service Agreement within thirty (30) days of the date tendered, then Southern LNG may deem the request for service null and void, and the available capacity then will be reallocated according to Section 2.1(b) above.
- (d) Southern LNG shall not be required to perform services under a Service Agreement for any Customer who
 - (i) is or has become insolvent,
 - (ii) fails to demonstrate creditworthiness either before initiation of service or on an ongoing basis after initiation of service, or
 - (iii) fails to make payments pursuant to GT&C § 13 (except if Customer has disputed a bill and made provision for partial payment in accordance with GT&C § 13). If during the ongoing credit evaluation process following initiation of service, Southern LNG should desire additional credit information from Customer, Southern LNG will provide the reason(s) to Customer for requesting such additional information unless Southern LNG and Customer have mutually agreed to waive this requirement. Southern LNG and Customer shall comply with the following guidelines for credit evaluation (NAESB 0.3.3):
 - (A) Southern LNG shall designate on its Interactive Website or by written notice two representatives who are authorized to receive notice and information regarding Customer's creditworthiness, and Southern LNG shall manage internal distribution of any such information (NAESB 0.3.7);
 - (B) Southern LNG shall designate a date that the credit information is due from Customer (NAESB 0.3.5);
 - (C) Upon receipt of either an initial or follow-up request from Southern LNG for credit evaluation information, Customer's authorized representatives should acknowledge receipt of Southern LNG's request unless Southern LNG and Customer have mutually agreed to waive this requirement. The Customer's obligation to provide confirmation of receipt is met by sending such confirmation to the representatives described in Section 2.1(d)(A) above (NAESB 0.3.4);
 - (D) Customer shall provide Southern LNG with all the credit information requested by Southern LNG's designated due date, or provide to Southern LNG the reason(s) why the information cannot be provided (NAESB 0.3.5); and
 - (E) Once Southern LNG receives all required credit information from Customer, Southern LNG will notify Customer's authorized representative(s) of such receipt unless Southern LNG and Customer have mutually agreed to waive this requirement (NAESB 0.3.6);
 - (F) If Customer is determined to be non-creditworthy by Southern LNG, Customer may initiate with Southern LNG a re-evaluation of its credit. As part of this re-evaluation process Customer should either update or confirm in writing or electronically in the manner the prior information provided to Southern LNG related to Customer's creditworthiness.

This update should include any event(s) that Customer believes could lead to a material change in its creditworthiness (NAESB 0.3.8);

- (G) After Southern LNG receives Customer's request for re-evaluation, including the information in (F) above, Southern LNG will provide Customer with a response in writing or via email within five (5) Business Days, which will include either a determination of Customer's creditworthiness status clearly stating the reason(s) for Southern LNG's decision, or will provide Customer with an explanation supporting a future date when a re-evaluation determination will be made. This re-evaluation process will not exceed twenty (20) Business Days from the date of the receipt of Customer's request, unless Southern LNG and Customer mutually agree to some later date (NAESB 0.3.9).

In lieu of the above credit requirements such Customer may receive or continue to receive service if Customer provides (i) where the service is associated with a permanent release of capacity associated with the original construction of Southern LNG's facilities or an expansion of Southern LNG's facilities, either (x) the proposed Acquiring Customer, at the time of such permanent release has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement customer or assignee), or (y) the proposed Acquiring Customer provides a guarantee from a credit provider that, at the time of such permanent release or assignment, has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement credit support provider), and in all cases (z) the credit support is equivalent in amount for the portion of capacity being permanently released, the duration, and any other material applicable terms as the credit support previously agreed to in the Releasing Customer's precedent agreement related to such capacity being released or (ii) where service is not associated with a permanent release, the greater of the credit support agreed to for its Service Agreement or the following:

- (x) security deposit in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, or of any extension, of the Service Agreement and a three (3) month period;
 - (y) good and sufficient surety, as determined by Southern LNG in its reasonable discretion, in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, as may be extended, of the Service Agreement and a three (3) month period;
 - (z) a guaranty in a form agreed to between Southern LNG and Customer from a creditworthy party and such creditworthy party will be responsible for payment of all charges and penalties assessed by Southern LNG but not paid by Customer.
- (e) Subject to other provisions of the Rate Schedule and the GT&C, the term of any Service Agreement may be extended wherein the parties have agreed to an "evergreen" or "rollover" provision. Also, a Customer having more than one firm Service Agreement each with a primary term of at least nineteen (19) years, unless Southern LNG agrees otherwise, shall have the right, to be exercised by written notice to Southern LNG only once and no later than the tenth (10th) anniversary of the effectiveness of the earlier Service Agreement, to enter into an amendment to such Service Agreement to extend the primary term to end no later than the end of the primary term of the later Service Agreement and to specify the same evergreen extension provisions as the later Service Agreement, in exchange for which extension period Customer agrees in the amendment to pay the higher of (i) the rate agreed to in the Service Agreement being extended, or (ii) the maximum recourse rate on file for service under such Rate Schedule. The right provided Customer in the preceding sentence shall not, however, prohibit Southern LNG and any Customer from otherwise agreeing to amendments of the primary term or other

provisions of any Service Agreement. Such changes shall not affect Customer's priority of service. To request any changes to a Service Agreement, Customer shall submit a request in writing or electronically in the manner set forth in Section 2.1(a) above, provided that electronic copies shall be equivalent to original writings.

- (f) Southern LNG shall not be obligated to accept any request for service unless adequate firm capacity is available without the construction of (or contribution for) additional facilities (including Receipt and Delivery Point(s)) by Southern LNG.

3. QUALITY

- 3.1 In order to permit delivery into downstream facilities and Customer's Vessel(s), the LNG received and delivered by and from Southern LNG under any Service Agreement shall be merchantable and shall have in its gaseous state:
- (a) A Wobbe Index with an upper limit of 1,396 and a gross heating value (GHV) of not less than 1,000 Btu and not more than 1,100 Btu after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; provided, however, with respect to LNG in its gaseous state to be delivered into downstream facilities until such time that the two Conditions Precedent specified in the settlement in Docket No. RP10-829-000 are satisfied, the Wobbe Index multiplied by 1.667, plus the GHV, of such LNG in its gaseous state to be delivered into downstream facilities shall not be greater than 3412 (*i.e.*, $\text{Wobbe Index} \times 1.667 + \text{GHV} \leq 3412$) after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; and
 - (b) Constituent elements conforming to the following:
 - (i) free of objectionable liquids and solids and be commercially free from dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of vaporization or transportation through any downstream pipeline;
 - (ii) not contain more than 200 grains of total sulphur or 10 grains of hydrogen sulphide, or 0.30 gallons of isopentane and heavier hydrocarbons, per Mcf;
 - (iii) not contain by volume more than 1% of carbon dioxide, 2% nitrogen or 0.2% oxygen;
 - (iv) not contain any water; and
 - (v) free of liquids at 800 psig and 50° F.
- 3.2 The gas delivered by Southern LNG will be merchantable gas.
- 3.3 All LNG received by Southern LNG shall conform to the specifications set forth in this section, and Customer agrees to analyze or caused to be analyzed each cargo or delivery of LNG as provided in this section. Customer agrees to test each LNG cargo or delivery in the manner prescribed.
- (a) Hydrogen Sulfide:

The LNG received by Southern LNG shall contain not more than the specified volume of hydrogen sulfide as determined by methods presented in Standards for Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide if a strip of white filter paper, moistened with a solution containing five per cent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution after the first paper has been exposed to the Vaporized LNG for one (1) minute in an apparatus of approved form, through which the Vaporized LNG is flowing at the rate of approximately five (5) standard cubic feet per hour, the Vaporized LNG not impinging directly from a jet upon the test paper.
 - (b) Total Sulfur:

The LNG received by Southern LNG shall contain not more than the specified total sulfur as determined by the method prescribed in American Society for Testing and Materials, Standard Method of Test for Total Sulphur in Fuel Gases, No. D 1072-56.
- 3.4 For all Ship Loading Service and Interruptible Ship Loading Service, at the time Customer provides Southern LNG with its first notice under Section 5.1 of the applicable Rate Schedule, Southern LNG shall provide Customer with notice of the projected quality of LNG inventory stored in the

Southern LNG storage tanks at Elba Island that will be loaded onto Customer's vessel under Rate Schedules LNG-1 and LNG-3 or under the Interruptible Ship Loading Service under Rate Schedule LNG-2.

- 3.5 Should any LNG for receipt by Southern LNG fail at any time to conform to any of the specifications provided for in this Section 3, Southern LNG may, at its option, suspend all or a portion of the receipt of any such LNG. Southern LNG shall be relieved of any of its obligations for the duration of such suspension. Upon receipt of Southern LNG's notice of such a failure, Customer shall make a diligent effort to correct the failure by treatment or dehydration or nitrogen injection consistent with prudent operation so as to tender LNG conforming to the specifications provided for in this Section 3.

Notwithstanding the above, Southern LNG agrees to grant a waiver of the GHV specification set forth above in Section 3.1(a) for receipts and deliveries of LNG the heating value of which, when blended with the total projected LNG inventory stored in the tanks at Elba Island at the anticipated time of ship unloading, will (i) achieve a gross heating value of not more than the GHV specification based on a blending calculation, and (ii) conform to all of the other specifications provided for in this Section 3. Such blending calculation performed by Southern LNG will take into account estimated receipt and delivery volumes, storage inventory, projected heat content of the LNG in storage and being shipped or delivered, nitrogen injection, the heat content of LNG from the Liquefaction Facility, and the ship arrival dates and whether such ships will be for receipts or deliveries. Any deviations or changes in the estimated data points used in the blending calculation which result in a blended LNG with GHV higher than the GHV specification set forth in Section 3.1(a) above, may result in partial acceptance of the receipt or delivery and/or limitation of delivery or receipt nominations from the Receipt Point or Delivery Point causing the deviations or changes from the GHV specification until such time that the actual LNG volumes when blended achieve the GHV specification. Customer agrees to assist Southern LNG in updating the blending calculation by providing Southern LNG with the necessary information to arrive at the blending calculation and with any changes from the estimated heating values up to and through the time the cargo unloading or delivery commences. Notwithstanding the above, nothing contained herein will limit any Customer's right to deliver LNG from the Liquefaction Facility or bring in cargos for receipt or delivery of LNG that meet the GHV specification without blending or obligate any Customer to in any way alter their shipping schedule, unloading or loading schedule, or send-out schedule to accommodate blending of out-of-spec receipts and deliveries and all receipts and deliveries will continue to be scheduled pursuant to Section 5 of the applicable rate schedule in Southern LNG's Tariff, provided that it meets the GHV specifications in Section 3.1(a) above.

To the extent blended volumes in the LNG tanks exceed the Btu or GHV limits established in Section 3.1(a) above as a result of weathering due to extended inventory latency periods, then the Customer requesting delivery of volumes may request that Southern LNG treat such LNG volumes using existing nitrogen injection facilities (to the extent practical adhering to the equipment's physical injection limitations and not to exceed the maximum volumetric nitrogen specifications set forth in the tariff) to blend such weathered LNG which is out of specification with nitrogen in order to allow such LNG to meet the GHV and Btu specifications. For such nitrogen injection service associated with weathering the customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on Elba Island as may adjusted to reflect any actual over or under collection of such costs from the previous calendar year. For the first calendar year of such service SLNG may estimate such costs based on the market cost for nitrogen in such year.

- 3.6 Noncompliance with Specifications:
- (a) Should Customer tender for Southern LNG's receipt any LNG that causes the composite gas stream in Southern LNG's facilities to fail the requirements of the downstream pipeline, Southern LNG may take whatever action necessary on Southern LNG's own accord or use of a third party, as solely determined by Southern LNG, at Customer's sole cost and expense, to treat and/or process the gas stream such that the gas stream can be delivered to the downstream pipeline. Until remedial action is taken to make gas acceptable to the downstream pipeline, Southern LNG may refuse to accept receipt of any gas, in Southern LNG's sole discretion, which prevents Southern LNG from making deliveries into the downstream pipeline. Any reduction in the energy content of the gas treated and/or processed shall be determined and deducted from Southern LNG's transportation volumes tendered for delivery to the downstream pipeline.

- (b) No waiver by Southern LNG of any default by Customer in any of the specifications set forth above or in any other provision of this Tariff shall operate as a continuing waiver of such specification or as a waiver of any subsequent default whether of a like or different character.

4. MEASUREMENT

4.1 Measurement of Quantity of LNG Received from or transferred to Customer's Vessel(s):

- (a) The volume of LNG received by Southern LNG from Customer's Vessel(s) or delivered by Southern LNG to Customer's Vessel(s) and reflected as a net change in Customer's LNG Balance shall exclude the amount of vapor transferred between Southern LNG and Customer's Vessel during loading and/or unloading of LNG. Southern LNG shall have no obligation to receive quantities that cause Customer to exceed the volume equivalent of its MSQ (or that part of its MSQ allocated to Customer during periods of constrained capacity) or deliver quantities that cause Customer to exceed the volume equivalent LNG that is shown in Customer's LNG Balance.
- (b) The volume expressed in units of cubic meters of LNG received at the Receipt Point, as defined in Section 6.1 below, or delivered to Customer's Vessel(s) shall be measured in metric units by gauging of the liquid in the tanks of Customer's Vessel(s). Customer shall cause the first gauging to be made after the Captain of Customer's Vessel has given his notice of readiness to unload/load LNG and before starting the pumps. A second gauging shall take place immediately after completion of the transfer of LNG. Representatives of Customer and Southern LNG shall have the right to be present at such gaugings, but the absence of a representative shall not prohibit any gauging.
- (c) Customer shall send or cause to be sent to Southern LNG a certified copy of the gauging standards, in metric units approved by the United States Bureau of Standards in Washington, D.C., as well as correction charts (list, trim, contraction, etc.), for each tank of each of Customer's Vessels. Such standards and charts shall be used throughout the term of the Service Agreement, except in the case of physical change in the tanks, in which case new standards and charts shall be sent to Southern LNG. LNG measuring devices shall be approved by both Southern LNG and Customer. Each tank shall be equipped with two level-measuring devices of different types.
- (d) The density of the LNG shall be calculated using the revised Klosek and McKinley method and density coefficients as defined in ISO 6578, "Refrigerated hydrocarbon liquids – Static measurement – Calculation procedure", First Edition, 1991.
- (e) The temperature of the LNG contained in the tanks of any of Customer's Vessels shall be determined by using the arithmetic average of the temperature indicated by special thermo-couples or resistance thermometers spaced at various locations from top to bottom of each tank with an accuracy of plus or minus two-tenths of a degree centigrade. Such temperatures shall be either logged or printed at each gauging.
- (f) Samples of the LNG shall be taken with a frequency adequate to assure a representative analysis of the LNG being transferred, at a suitable point near the Receipt Point or at Customer's Vessel. The sampling device shall be such as to permit the total and continuous vaporization of a quantity of LNG sufficient for the taking of a gaseous sample representative for the LNG then being transferred. Such samples shall be analyzed by means of a suitable gas chromatograph. An analysis or the average of such analyses shall determine the molecular composition of the LNG. A calibration of the chromatograph utilized shall be performed before the analysis of the samples taken from each transfer. Representatives of Customer and Southern LNG shall have the right to be present at such calibrations, but the absence of a representative shall not prohibit any calibration. Such calibration shall be effected with the aid of a gaseous mixture having a known composition closely similar to the Vaporized LNG being measured.
- (g) The Gross Heating Value (GHV) of LNG shall be calculated using an enthalpy equivalent of 60 degrees Fahrenheit as computed from its molecular composition and the GHV of each of its components. The values of physical constants to be used for such calculations shall conform to those contained in the most current publication of the Gas Processor's Association Report, GPA 2145.
- (h) The quantity of energy transferred, expressed in dekatherms (Dth), between Southern LNG and Customer's Vessel(s) shall be calculated on the basis of the following formula:

$$Q = V \times M \times P_c$$

where:

Q = the number of Dth transferred

V = the volume of LNG transferred, in m³, as determined in accordance with GT&C § 4.1(b)

M = the density of the LNG in kg/m³ calculated in accordance with GT&C § 4.1(d)

P_c = the GHV of LNG per unit of mass, in Dth/kg calculated in accordance with GT&C § 4.1(g)

Alternatively, the volume and density may also be expressed in customary United States imperial units of measure.

- (i) Gauging equipment:
 - (1) Customer shall cause to be supplied, operated, and maintained equipment for accurately gauging the level of liquid and liquid temperature in the tanks of Customer's Vessel(s). Southern LNG shall supply, operate and maintain all equipment, instruments, and devices used for the sampling of and for the density, quality, and composition of the LNG transferred.
 - (2) All measurements and calculations relating to gauging and determination of the density of the LNG and the testing of the quality and composition of the LNG shall be performed by Southern LNG. Representatives of Customer shall have the right to be present, but the absence of a representative shall not prohibit any measurement, calculations, or testing.
 - (3) Both parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information shall be made available to the parties and preserved for a period of not less than three years.
- (j) Verification of accuracy:
 - (1) The accuracy of the instruments used shall be verified at the request of either Southern LNG or Customer. Such verifications shall be made in the presence of the Party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
 - (2) If, at any time of verification, a measuring instrument is found to produce errors of one percent or less of transferred LNG, then such instrument's previous measurements shall be considered accurate for purposes of delivery calculations. Such instrument shall be adjusted as necessary. If, at the time of verification, a measuring instrument is found to produce errors of more than one percent, then such instrument's previous measurements shall be brought to a zero difference by comparison with calibration results for any period known definitely or agreed to have been affected the error, and the calculation of LNG transferred during this period shall be corrected accordingly. If the period that the error affected is not definitely known or agreed upon, correction shall be made for those quantities transferred during the last half of the period since the date of the last calibration of the instrument.
- (k) The installation and operation of devices for measuring the level of LNG and temperature in the tanks of Customer's Vessel(s), as well as chromatographs, shall be carried out according to the manufacturers' specifications.

- (l) All instruments and gauges used for computing the quantity of LNG transferred shall be calibrated in the following manner:
 - (1) in cubic meters (m³);
 - (2) in degrees Celsius (°C); and
 - (3) on a dual scale calibrated in bars or millibars on one side and psig on the other.
- 4.2 Measurement for Delivery of Vaporized LNG or natural gas:
- (a) Unit of Volume:

The unit of volume shall be a cubic foot.
 - (b) Measurement of Volume:
 - (1) When gas is delivered at a pressure different from 14.73 psia, then for the purpose of measurement hereunder, such volumes of gas shall be corrected to a pressure of 14.73 psia. It is assumed that the atmospheric pressure is 14.4 pounds per square inch or such other pressure as agreed upon by Southern LNG and Customer. The measurement of gas volumes shall be adjusted for deviation from Boyle's Law in accordance with generally accepted engineering practice; provided, however, that where gas is delivered through positive displacement meters at a pressure not in excess of 20 psig, the gas may be assumed to obey Boyle's Law.
 - (2) Where orifice meters are used, volumes delivered shall be computed in accordance with formulae, tables, and methods prescribed in Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, AGA Report No. 3 -- ANSI/API 2530, as revised September 1985, and as such report may hereafter be further revised. Exact measurements of inside diameters of meter tubes shall be obtained by means of a micrometer to the nearest one-thousandth inch. Volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of paragraphs (3) and (4) below.
 - (3) The flowing temperature of the gas shall be determined for the purpose of measured volume correction. Volume shall be corrected for variation in the flowing temperature from 60 degrees Fahrenheit. The flowing temperature will be measured by RTD's, thermocouples, thermometers, etc. and shall be either (1) recorded using charts, digital recorders, etc., in which case the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time during which gas was flowing; or (2) used for on-site flow computations in electronic flow computers in which case the instantaneous measurement of temperature will be used in such computations. Where no temperature measuring device is installed, the temperature of the gas shall be assumed to be 60 degrees Fahrenheit.
 - (4) A specific gravity correction shall be applied to measured volumes. The specific gravity to be used for such correction shall be determined at an appropriate location by a gravimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the specific gravity recorder) of such record shall be the specific gravity of the gas being measured; or (2) used for flow computations in electronic flow computers in which case the value of the specific gravity being measured will be used as appropriate in such computations. If a specific gravity measuring device is not installed or available at an appropriate location, then specific gravity shall be determined by a mutually agreeable method.

- (5) The gross heating value shall be determined at an appropriate location by a calorimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the gross heating value recorder) of such record shall be the gross heating value of the gas being measured; or (2) entered as an input to electronic flow computers in which case the gross heating value being measured will be used in the computation of the Btu content of the gas. If a gross heating value measuring device is not installed or available at an appropriate location, then the gross heating value shall be determined by a mutually agreeable method.

6. RECEIPT AND DELIVERY POINTS

6.1 Receipt Point:

The Receipt Point shall be (a) for all LNG unloaded from Customer's Vessel(s) at the point, whether one or more, at which the flange at the outlet of the unloading piping of Customer's Vessel joins the flange at the entry of the receiving LNG pipeline at Southern LNG's marine terminal or (b) for all other LNG, at the point at the outlet of the meter station interconnecting with any liquefaction facility whether owned by SLNG or a third party liquefaction facility ("Liquefaction Facility"). Southern LNG shall receive natural gas only in a liquefied state.

6.2 Delivery Point:

The Delivery Point shall be (a) an interconnection between the Terminal and a downstream pipeline for Vaporized LNG delivered by Southern LNG to Customer ("Downstream Pipeline Interconnect") or (b) an interconnect between the Terminal and Vessel for LNG delivered by Southern LNG to Customer.

6.3 Facilities:

Pursuant to Section 154.109(b) of the Commission's Regulations (18 C.F.R. § 154.109(b)), Southern LNG states as follows:

(a) Facilities Owned and Operating by Southern LNG:

(i) Reimbursement by Customer:

If Customer requests the installation or modification of the facilities necessary to perform Firm Service that Customer requests under the applicable Rate Schedule and agrees to reimburse Southern LNG for the full cost of that installation or modification, and if Southern LNG agrees to install the facilities or to modify existing facilities, then Customer and Southern LNG agree that Southern LNG will construct and install (or cause to be constructed and installed) the facilities, or will modify (or cause to be modified) its existing facilities. Southern LNG will own and operate these and all appurtenant facilities.

(ii) No Reimbursement by Customer:

If Customer does not agree to reimburse Southern LNG for the full cost of those facilities, then Southern LNG may agree to construct or modify facilities if Southern LNG has constructed or modified similar facilities for similarly situated Customers. Southern LNG will own and operate these and all appurtenant facilities.

(b) Facilities Owned and Operated by Customer; Contributions in Aid of Construction:

If conditions favor Customer's constructing, owning, and operating facilities at or near the Receipt or Delivery Point, then Southern LNG may provide to Customer a contribution in aid of construction (CIAC). Southern LNG will provide CIACs in a manner not unduly discriminatory to similarly situated Customers.

7. PRESSURE

7.1 Receipt Point:

The receipt of LNG from Customer's Vessel under GT&C Section 6.1 (a) shall be carried out by use of pumps and other equipment on Customer's Vessel(s) at an hourly rate of approximately one-twelfth (1/12) of the maximum cargo capacity of Customer's Vessel and at an average pressure of forty (40) psig at the Receipt Point; provided, however, that the hourly rate shall not exceed an hourly rate of one-tenth (1/10) of the cargo capacity of Customer's Vessel. Southern LNG shall not be obligated to receive LNG at a rate or pressure that exceeds prudent operating conditions under conditions that exist at that time.

All LNG delivered to Southern LNG under GT&C Section 6.1 (b) shall be delivered at pressures sufficient to enter Southern LNG's facilities at such working pressures maintained by Southern LNG at each Receipt Point; provided, however, that such pressures shall not exceed Southern LNG's maximum allowable operating pressures at each such Receipt Point. Southern LNG and Customer may on a case-by-case basis agree that scheduled receipts may, subject to applicable regulatory requirements, be made at a lower pressure if such lower pressure may be accommodated by Southern LNG's facilities.

7.2 Delivery Point:

Southern LNG shall deliver LNG and/or Vaporized LNG at the pressure psig stated in the Service Agreement; however, Southern LNG shall not be obligated to deliver LNG and/or Vaporized LNG at a rate or pressure in excess of the Loading Rate or that exceeds prudent operating conditions under conditions that exist at that time.

8. LIABILITY OF CUSTOMER AND SOUTHERN LNG; ALLOCATION OF CONSTRAINED CAPACITY

8.1 Risk of Loss

(a) Control and Possession of Gas:

For the purpose of determining the liability of Southern LNG and Customer, respectively, Customer shall be deemed to be in exclusive control and possession of any Gas until actually received by Southern LNG at the Receipt Point, and after the Gas has been delivered to the account of Customer by Southern LNG at the Delivery Point. Southern LNG shall be deemed to be in exclusive control and possession of any Gas only while it is in Southern LNG's facilities. Title to that share of Gas deemed to be (i) used as GRO, (ii) disposed of pursuant to the take-title provision of this Tariff, and (iii) LAUF shall pass to Southern LNG at the Receipt Point.

(b) Control and Responsibility:

The party deemed to be in control and possession of the Gas in accordance with GT&C § 8.1 shall exclusively bear all risk of loss therefor. For all matters within Customer's control, Customer warrants that service from Southern LNG and all incidental arrangements conform to applicable regulations and agrees to indemnify and save Southern LNG harmless against any actions, suits, or proceedings concerning service and arrangements that are brought before or instituted by any authority having jurisdiction.

Customer assumes responsibility for all port or wharfage fees, pilotage fees, agent fees, duties, taxes, levies or charges imposed on Customer's Vessels, any actions associated therewith, or the Gas Customer tenders for receipt by Southern LNG.

Customer agrees to indemnify, defend, and save Southern LNG harmless against any loss, damage, cost, expense, claim, or action resulting from performance or nonperformance by Customer; customer's agents, affiliates, or contractors; Customer's Vessels; or the owners or operators of those vessels; in connection with this Tariff.

8.2 Insurance

In addition to the other requirements of the Rate Schedule, Southern LNG and Customer shall maintain insurance adequate to cover losses that may reasonably arise during the course of service under this Tariff.

8.3 Force Majeure & Operating Condition:

If Southern LNG or Customer becomes unable, wholly or in part, by either force majeure or operating condition, as applicable, to carry out its obligations under the Service Agreement (other than to make payments due thereunder) it is agreed that, on such party's giving notice and full particulars in writing of such force majeure or operating condition, by telephone (followed by written confirmation) to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party giving such notice (other than to make payments due under the Service Agreement), so far as they are affected by the force majeure or operating condition, shall be suspended during the continuance of any inability so caused but for no longer period; and the cause shall as far as possible be remedied with all reasonable dispatch.

The term "force majeure" means, with respect to either Southern LNG or Customer, any event or circumstance beyond the reasonable control of a party while acting and having acted as a Reasonable and Prudent Operator, defined below, and that results in or causes the failure by the party affected to perform any one or more of its obligations under the Service Agreement and applicable Rate Schedule and GT&C. Events or circumstances of force majeure include without limitation acts of God, acts of government agents, hurricanes, storms, fires, explosions, and unplanned outages and repairs to Southern LNG's facilities. Southern LNG shall also be excused for failure to carry out its obligations under this Tariff to the extent that the event of force majeure relates to the downstream facilities or equipment of Southern Natural Gas Company

(Southern Natural) that enable Gas delivered by Southern LNG to enter the mainline facilities of Southern Natural or other downstream pipeline.

For the purposes of the definition of "force majeure," a Reasonable and Prudent Operator shall mean a person acting in good faith with the intention of performing its contractual obligations, and who in so doing and in the general conduct of its undertaking exercised the degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances and conditions. Southern LNG shall provide to Customer, or to a third party designated by Customer, reasonable access to data in Southern LNG's possession regarding the operation and maintenance of the Terminal.

A party shall be excused for failure to carry out its obligations only to the extent that and only for the period during which it is rendered unable to carry out such obligations by reason of force majeure, provided, however, that such party shall:

- (i) promptly notify the other party of the invocation of force majeure and the reasons therefor;
- (ii) thereafter provide interim reports of the force majeure event, reasons for continued invocation of force majeure, and an estimate of the anticipated time of the force majeure period;
- (iii) use reasonable endeavors to overcome and minimize the effects of any such force majeure and resume performance of obligations as soon as practicable after removal of the force majeure;
- (iv) not be excused by reason of force majeure from an obligation to indemnify or to make any payments due;
- (v) upon request in writing by the other party, give or procure access insofar as is reasonably practicable to do so for a reasonable number of representatives of that other party at that other party's sole risk and cost, to examine the scene of the relevant event of circumstances of force majeure.

The term "operating condition" means the necessity to make scheduled repairs to or tests, inspections, or modifications of, Southern LNG's facilities. Southern LNG will exercise reasonable diligence to minimize disruptions of service to Customers.

8.4 Allocation of Constrained Capacity:

If a constraint in receipt, delivery, or working storage capacity occurs such that Southern LNG cannot meet the requirements of Customers, then the available capacity shall be allocated as follows:

- (a) for a reduction in working storage capacity, the available working storage capacity shall be allocated (i) first to each firm Customer in a proportional share based on the ratio of each firm Customer's MSQ to the total MSQ contracted for by all firm Customers; and (ii) then, if any capacity remains available, to interruptible Customers based on the rate paid for service, higher rate first, and then pro rata among Customers paying the same rate. An interruptible Customer paying a discount or negotiated rate less than the maximum rate may elect to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise to allow for the Customer's interruptible service to be queued up with other maximum-rate interruptible services. Customer must make such election to pay the maximum rate by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section;

- (b) for a reduction in the capacity to receive LNG from Customer's Vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule;
- (c) for a reduction in vaporization capacity, the available vaporization capacity shall be allocated according to the priorities set forth in GT&C § 12.5; and
- (d) for a reduction in the capacity to deliver LNG to Customer's Vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule.

8.5 Odorization:

Except where otherwise required by law, Gas delivered by Southern LNG will be delivered in its natural state without the addition of any odorizing agent. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has not odorized such Gas prior to its delivery.

Southern LNG will add odorizing agents to Gas delivered by it where required by law. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has odorized such Gas prior to its delivery, nor does Southern LNG warrant the delivery of odorized Gas.

8.6 Buyout Election for Extended Force Majeure:

(a) Applicability:

The following provisions govern Customer's election to terminate a firm Service Agreements upon payment of the applicable buyout amounts set out below. The following provisions shall apply only to a firm Service Agreement for which a qualifying Buyout Election is noted therein. For purposes of this Section 8.6, a qualifying electing Customer shall be referred to as "Electing Customer."

(b) Evaluation Periods

(1) Initial Evaluation Period

If Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable to make available at least eighty percent (80%) of Customer's MDVQ, MSQ, or MDLQ under a Service Agreement for which the Buyout Election was made, then Southern LNG shall immediately begin consulting with Electing Customer and provide Electing Customer within one-hundred and eighty (180) days thereafter with a notice in writing of Southern LNG's initial report. The initial report shall include the estimated capital cost associated with restoring the capacity lost due to the event of force majeure, the availability of funds from both property damage insurance and a resolution of Southern LNG's governing board to fund such restoration (the sum of insurance proceeds and board resolution, the "Available Funds"), and the estimated duration of activities prior to restoring the capacity starting from satisfaction of any conditions precedent in Section 8.6(b)(1)(D) below (such initial report, the "Initial Restoration Report").

- (A) If the later of the Initial Restoration Report and the Initial Expert Decision, as defined in Section 8.6(c)(1) below, estimates both that (i) the duration of the force majeure event is no more than forty-eight (48) months and (ii) the capital cost to restore the capacity is no more than the Available Funds, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoring the capacity.

- (B) If the Initial Expert Decision either (i) estimates the duration of the force majeure event at more than forty-eight (48) months or (ii) estimates the capital cost to restore the capacity at more than the Available Funds, then Southern LNG may within sixty (60) days thereafter notify Electing Customer in writing of its intent to supplement the Available Funds to either shorten the estimated duration to within forty-eight (48) months, increase the Available Funds to cover the estimated capital cost, or both as applicable ("Supplemental Restoration Report"), which Supplemental Restoration Report the parties agree shall be referred to expert decision as provided below. If the Supplemental Expert Decision affirms the Supplemental Restoration Report, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoration.
 - (C) If either Southern LNG does not provide a Supplemental Restoration Report or the Supplemental Expert Decision does not affirm the Supplemental Restoration Report, then within thirty (30) days thereafter, Electing Customer may terminate its Service Agreement for which a Buyout Election was made. Termination shall occur upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations to pay the reservation charges applicable to such Service Agreement ("Initial Buyout Amount"), which Buyout Amount for each Service Agreement to be terminated shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the net present value at the Commission refund rate of the remaining monthly reservation charges for the MSQ, MDVQ, and MDLQ calculated at the higher of Customer's negotiated rate or the effective maximum recourse rate for such MSQ, MDVQ, and MDLQ for the duration of the primary term of the Service Agreement ("NPV Prepayment").
 - (D) If the estimated cost of restoration (from the later of the Initial Restoration Report, the Initial Expert Decision or the Supplemental Restoration Report) exceeds the available insurance funds stated in the Initial Restoration Report ("Cost Exceedance"), then Southern LNG's obligation to commence and continue restoration activities shall be subject to the following conditions precedent:
 - (I) Electing Customer enters into a negotiated rate agreement with Southern LNG providing for Customer' paying charges that recover the full cost of service of the Cost Exceedance and operating expenses to restore the capacity under its Service Agreements "Excess Negotiated Rate"; and
 - (II) Electing Customer provides credit support in the form of either a standby, irrevocable letter of credit issued by a financial institution having a long-term unsecured debt rating of either BBB from Moody's Investor Services or Baa from Standard and Poors or comparable credit support for an amount in U.S. dollars equal to the Cost Exceedance ("Excess Credit Support").
- (2) Interim Evaluation Period
- (A) If Southern LNG commences restoration under Section 8.6(b)(1) above, then starting at the end of every sixth (6th) month thereafter until restoration of firm capacity to serve at least eighty percent (80%) of each of Customer's MSQ, MDVQ, and MDLQ, Southern LNG shall provide to Electing Customer by notice in writing with an update to the Initial Restoration Report or, if affirmed, the Supplemental Restoration Report ("Interim Restoration Report"). The Interim Restoration Report

shall provide the estimated duration and cost of restoration based on information available to Southern LNG since the last report.

- (B) If the estimated duration in the later of the Interim Restoration Report and the Interim Expert Decision estimates that either (i) the duration will exceed sixty (60) months starting from satisfaction of the conditions precedent; or (ii) the cost will exceed the Available Funds, then within thirty (30) days thereafter Electing Customer may either direct Southern LNG to continue with restoration or terminate its Service Agreement upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations ("Interim Buyout Amount"), which Interim Buyout Amount shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the sum of (I) the NPV Prepayment plus (II) Customer's pro rata share of the Available Funds Southern LNG has expended or committed to expend during restoration (less proceeds Southern LNG has received for such restoration under property damage insurance). Customer's pro rata share for the preceding sentence shall equal the total amount multiplied by the ratio of Customer's total reservation charge obligations per month divided by the total reservation charges owed Southern LNG per month under currently effective Service Agreements.
- (C) If Electing Customer does not terminate its Service Agreements and pay the Interim Buyout Amount, then Southern LNG's obligation to continue with restoration shall be subject to the following conditions precedent:
 - (I) Electing Customer and Southern LNG's amending the Excess Negotiated Rate under Section 8.6(b)(1)(D)(I) above to provide for Customer's paying increased charges that recover the increased cost of service of the capital cost (less proceeds paid to Southern LNG from property damage insurance) and operating expenses to restore the capacity under its Service Agreements; and
 - (II) Electing Customer provides Excess Credit Support in addition to the amount provided pursuant to Section 8.6(b)(1)(D)(II) above equal to the estimated increase in cost to restore (from the later of the Interim Restoration Report or the Interim Expert Decision).

(c) Dispute Resolution:

- (1) Initial Restoration Report. If Electing Customer provides Southern LNG no later than thirty (30) days after receiving the Initial Restoration Report with notice in writing that Electing Customer disagrees with the cost and/or duration estimated in the Initial Restoration Report and believes either the estimated cost to be higher than the Available Funds or the estimated duration to be longer than sixty (60) months, such disagreement to be based on substantial evidence included with the notice along with Electing Customer's estimate of the cost and duration ("Electing Customer's Notice"), then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than sixty (60) days following the later of the Initial Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimate between the Initial Restoration Report and Electing Customer's Notice ("Initial Expert Decision").
- (2) Supplemental Restoration Report. Southern LNG and Electing Customer hereby agree to refer the Supplemental Restoration Report to a single, independent

expert qualified to review and dispose of issues with respect to the estimated cost and duration. If reasonably available, the expert issuing the Initial Expert Decision shall be used. No later than thirty (30) days following the later of the Supplemental Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer either affirming or denying the reasonableness of the Supplemental Restoration Report ("Supplemental Expert Decision").

- (3) Interim Restoration Report. If Electing Customer provides Southern LNG no later than fifteen (15) days after receiving an Interim Restoration Report with Electing Customer's Notice of disagreement, then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than thirty (30) days following the later of the Interim Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimates between the Interim Restoration Report and Electing Customer's Notice ("Interim Expert Decision"). Southern LNG and Electing Customer hereby agree to waive any and all challenges to the Interim Expert Decision, which shall be preclusive for purposes of the rights and obligations set out in Section 8.6(b)(2) above.

- (d) Abandonment

A Customer exercising its right herein to terminate its Service Agreement shall not challenge, directly or indirectly, any application by Southern LNG to abandon capacity associated with such firm service.

9. WARRANTY OF TITLE AND INDEMNIFICATION

Both Customer and Southern LNG warrant good title or good right to all Gas transferred by it to the other party. Unless otherwise provided in this Tariff, Customer shall retain title to Gas while in the control and possession of Southern LNG. Customer further represents and warrants that it will pay and satisfy, or make provision for the payment and satisfaction of, any and all claims of every nature to the title to all Gas received by Southern LNG. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all suits, judgments, claims, demands, causes of action, costs, losses, and expenses arising out of or in any way connected with any claims to the title to all Gas received by Southern LNG.

Southern LNG assumes no obligation whatever to any royalty owner or to the owner of any other interest of any kind in any Gas received by Southern LNG for the account of Customer, and Customer or its seller shall pay all such royalties or other interests upon or in respect to such Gas.

Customer warrants permission and any requisite licensing or certification from government agencies having jurisdiction for the receipt by Southern LNG of Gas for Customer's account. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all enforcement actions, penalties, and sanctions arising out of or in any way connected with any failure to obtain that permission, license, or certificate.

10. CYCLING

Within one hundred twenty (120) days after a quantity of LNG is received by Southern LNG at the Terminal for Customer's account, Customer shall have caused that quantity to have been (a) vaporized and delivered by Southern LNG or (b) delivered to Customer's Vessel(s), unless Southern LNG agrees otherwise. If Customer fails to so withdraw such LNG, then Southern LNG may, at its option, take title to such LNG free and clear of any adverse claims, in which case Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of Customer to remove such LNG and the disposal of such LNG by Southern LNG, including charges under the applicable rate schedule. Southern LNG shall credit any net proceeds from the sale of LNG to which it takes title hereunder. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Southern LNG shall extend the time available for Customer to remove its Gas from Storage by one Day for every Day that Customer has been unable to withdraw properly nominated quantities due to force majeure or operating conditions invoked by Southern LNG.

12. NOMINATIONS, SCHEDULING, AND DETERMINATION OF DELIVERIES

Section 12.1 through 12.6 shall govern the delivery by Southern LNG of Vaporized LNG for Customer's account. Section 12.7 shall govern the delivery by Southern LNG of LNG for Customer's account.

12.1 Nomination Procedures:

- (a) General: Customer, or its agent designated in an executed Agency Agreement, shall nominate Gas for all quantities for deliveries under any Service Agreement by notifying Southern LNG, pursuant to the provisions of this Section 12, of the daily quantity of Gas, expressed in Dth, that it has available for delivery.

Customer shall also specify the first date that the nomination is to be effective ("begin date") and the last date that the nomination is to be effective ("end date"). Customers may nominate for multiple days, up to six (6) months, provided the begin and end dates are within the term of Customer's Service Agreement with Southern LNG. All nominations, excluding intraday nominations, shall have roll-over options. Unless Customer wishes to change its nomination, Customer shall not be required to resubmit its nomination during the begin and end dates.

By submitting a nomination, Customer warrants that it has obtained all necessary regulatory approvals to deliver LNG to Southern LNG.

Southern LNG shall not be obligated to deliver quantities in excess of Customer's MDVQ.

With respect to the various deadlines set forth in this Section 12, the party receiving the information has the right to waive the deadline at its option. Southern LNG shall waive any such deadlines in a nondiscriminatory manner for similarly situated Customers.

- (b) Method of Submitting Nominations: Customer must submit its nomination through Southern LNG's Interactive Website. Customer's nominations shall be submitted to Southern LNG in the format set forth on Southern LNG's Interactive Website. If Southern LNG's Interactive Website is unavailable, nominations will be based on the most recent nominations submitted by Customer via Southern LNG's Interactive Website until Southern LNG's Interactive Website is restored. Southern LNG may waive the requirement for a Customer to submit its nomination electronically if Southern LNG determines, in its reasonable judgment, that Customer has experienced an event of force majeure that renders it incapable of transmitting such nomination electronically. Southern LNG will use its best efforts to work with Customer to enter nomination changes Customer provides in sufficient time prior to the nomination deadline under such limited circumstances.
- (c) Except as set forth in Section 12.2 below, the following nomination deadlines shall apply to nominations, confirmations and scheduling under this Section 12, including nominations from title transfer tracking (TTT) Service Providers. There will be two nomination cycles: timely and evening. For the timely and evening nomination cycles, scheduled quantities shall be effective at the start of the next Gas Day.

Timely (NAESB WGQ Standard 1.3.2(i))	Evening (NAESB WGQ Standard 1.3.2(ii))
1:00 p.m.	6:00 p.m. Nominations must leave control of Customer
1:15 p.m.	6:15 p.m. Nominations must be received by Southern LNG
1:30 p.m.	6:30 p.m. Southern LNG must issue quick response
4:30 p.m.	8:30 p.m. Receipt of all completed confirmations by transporters
5:00 p.m.	Receipt of scheduled quantities by Customer and point operator

9:00 p.m. Southern LNG to provide scheduled quantities to affected Customer and point operator, including bumped parties

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

In addition, Southern LNG will support three intraday nomination cycles on the current Gas Day (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17). In the first cycle (NAESB WGQ Standard 1.3.2(iii)), the intraday nomination shall leave the control of the nominating party by 10:00 a.m., and Southern LNG must receive such nomination no later than 10:15 a.m. Southern LNG will have until 10:30 a.m. to send a quick response, until 12:30 p.m. to complete confirmation and until 1:00 p.m. to provide scheduled quantities to affected customers and point operators, including bumped parties. Scheduled quantities resulting from this first intraday nomination cycle should be effective at 2:00 p.m. on the current Gas Day. In the second intraday nomination cycle (NAESB WGQ Standard 1.3.2(iv)), the intraday nomination shall leave the control of the nominating party by 2:30 p.m. and must be received by Southern LNG by 2:45 p.m. Southern LNG will have until 3:00 p.m. to send a quick response, until 5:00 p.m. to complete confirmations and until 5:30 p.m. to provide scheduled quantities to affected Customers and point operators, including bumped parties. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 6:00 p.m. on the current Gas Day. In the third intraday nomination cycle (NAESB WGQ Standard 1.3.2(v)), the intraday nomination shall leave the control of the nominating party by 7:00 p.m. and must be received by Southern LNG by 7:15 p.m. Southern LNG will have until 7:30 p.m. to send a quick response, until 9:30 p.m. to complete confirmations and until 10:00 p.m. to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the third intraday nomination cycle.

For intraday nominations under this Section, there is no limitation as to the number of intraday nominations which a service requestor may submit at any one standard nomination cycle or in total across all standard nomination cycles (NAESB WGQ Standard 1.3.32).

For purposes of NAESB WGQ Standard 1.3.2(ii), (iii), and (iv), "provides" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (d) Late Nominations: If, on any day, Southern LNG determines that it can extend the nomination deadline, pursuant to the waiver provisions of Section 12.1(a) above, without adversely affecting the processing of timely nominations, then all nominations received prior to the extended deadline shall be processed at the same time. Nominations for the next day submitted after the nomination deadline (as may be extended by Southern LNG) shall be processed on the next day as an intraday nomination submitted pursuant to Section 12.2 below.
- (e) Nomination Ranks: Rankings may be provided by the nominating party and, if so provided, shall be used to prioritize reductions to the corresponding requested quantities when such prioritization is not in conflict with other provisions of this Tariff (NAESB WGQ Standard 1.3.23). If rankings are not provided, prioritization will occur on a prorata basis.
- (f) Posting of Capacity Constraints Affecting Nominations: On a day when Southern LNG anticipates that requests for capacity for the following day of service will exceed the capacity of its facilities, Southern LNG shall post on its Interactive Website, the day

preceding the day on which service will commence, the available capacity on the segments of its facilities which Southern LNG anticipates will be affected.

- (g) Southern LNG shall have the right to refuse to deliver Vaporized LNG not timely or properly nominated in accordance with GT&C § 12. Southern LNG shall not be liable to Customer or any other person as a direct or indirect consequence of such refusal and Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal.
- (h) Reserved.
- (i) Payback Nominations: When making its nomination, Customer shall specify by Service Agreement which portion of the quantities to be received or delivered by Southern LNG is attributable to current service and which portion of the quantities is attributable to payback within the month of an estimated imbalance (either positive or negative). As between quantities of Gas received or delivered by Southern LNG for current service and Gas received or delivered by Southern LNG as payback of estimated imbalances, the Gas received or delivered as current service shall be deemed to be received or delivered prior to any payback Gas.
- (j) Package ID: A Package ID is a way to differentiate between discrete business transactions. Use of the Package ID is at the discretion of the service requester and, if sent, will be accepted and processed by Southern LNG. When used, Package IDs shall be supported for nominating, scheduling, and allocating, but not for invoicing unless mutually agreeable.
- (k) Additional Information Requirements:

Customer shall comply with requests by Southern LNG for additional information that Southern LNG believes is necessary to perform service hereunder or to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction. Customer shall notify Southern LNG immediately of any unexpected changes in quantities tendered for delivery, whether or not such notice conforms to the times set out herein. Customer shall cause the operator of each vessel or downstream pipeline designated in any nomination or changes to confirm all such nominations or changes to nominations electronically prior to implementation by Southern LNG.

12.2 Scheduling of Nominations:

Notice of Scheduled Quantities: After receiving notice of the next-day nominations requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantities of Gas for current service it will schedule at the Delivery Point under Customer's Service Agreement by 5:00 p.m. for the 1:00 p.m. nomination cycle and by 9:00 p.m. for the evening cycle on the day prior to the Gas Day for which Customer has made its nominations. In addition to making scheduled quantities information available by the times set forth above, Southern LNG shall also make available to Customer information containing scheduled quantities, including scheduled intraday nominations and any other scheduling changes.

At the end of each Gas Day, Southern LNG shall provide to Customers the final scheduled quantities for the just completed Gas Day. With respect to Customers using EDI, Southern LNG shall send by EDI an end of the day Scheduled Quantity document. Any Customer may waive the delivery of such end of the day Scheduled Quantity document.

After receiving notice of the intraday nomination changes requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantity of Gas for current service that it is able to schedule on an intraday basis prior to the effective time for such change. Southern LNG shall also notify any interruptible Customers of any interruption in service prior to such interruption being effective.

12.3 Confirmation:

(a) Customer's Responsibilities:

Southern LNG shall be entitled to rely conclusively on Customer's nomination as authorized for purchase or sale.

Customer shall not nominate for service in excess of (i) the quantities of LNG to be purchased/sold by Customer, or (ii) the quantities of Vaporized LNG that third-party transporter(s) have agreed to accept for transportation upon delivery by Southern LNG, or (iii) the quantities of Vaporized LNG that third-party transporter(s) have agreed to accept for delivery by Southern LNG, whichever is less. Customer shall be responsible for all dispatching notices to its seller(s) and third-party transporter(s), for notifying third-party transporter(s) of any changes in nominations, and for ensuring that third-party transporter(s) comply with such changes.

(b) Southern LNG's Procedures:

Prior to final scheduling of any nominations by Customer, Southern LNG shall make such inquiries as it deems necessary, including but not limited to contacting the responsible dispatching party at the Delivery Point, to determine that the portion of Customer's nomination that can be scheduled by Southern LNG will be implemented as stated by Customer ("Confirmation Request"). Absent mutual agreement by the dispatching party at the Delivery Point, the confirmation request provided by Southern LNG shall be at the entity level. All confirmation activities on Southern LNG's system for next-day Gas flow, both those confirmations received by Southern LNG and those given by Southern LNG at pipeline interconnects, must be completed no later than 4:30 p.m. for the timely nomination cycle and by 8:30 p.m. for the evening nomination cycle. The confirming party may relieve Southern LNG of its obligations to send a confirmation notice. If Southern LNG does not receive any communication from the confirming party, it will schedule the lesser of the nomination or the quantity Southern LNG determines will be implemented based on other available information.

12.4 Reserved.

12.5 Scheduling Priorities for Delivery Nominations of Vaporized LNG:

- (a) If, on any day, Southern LNG determines it has insufficient delivery capacity to vaporize all Customers' Firm and Interruptible Services for that day, then Southern LNG shall first allocate all of its available vaporization capacity to Firm Services.
- (b) If Southern LNG further determines that it has insufficient delivery capacity to provide services allocated under the preceding paragraph 12.5(a) on that day, then Southern LNG shall allocate all of its reduced capacity to the Firm Services based on the ratio of each Customer's total MDVQ to the total aggregate MDVQ of all firm Customers submitting nominations. Each firm Customer shall be allocated its proportionate share of the available capacity based on its percentage share calculated from this ratio.
- (c) If Southern LNG does not have to limit its firm delivery services on a day, Southern LNG shall allocate the remaining capacity on its system to Interruptible Services. If the remaining capacity is insufficient to satisfy all of the nominations for Interruptible Services, then the interruptible Customers shall be served on the basis of the rate paid for service, higher rate first, and pro rata among Customers paying the same rate based on each Customer's confirmed nomination relative to the total confirmed nominations by all Customers for such Interruptible Services. If an interruptible Customer receiving a discount or negotiated rate less than the maximum rate elects to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise, Customer's service will be queued up with other maximum-rate interruptible Customers. Customer must elect by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section.

- (d) If quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity to each Customer with a firm K-6 Capacity entitlement pro rata based on the ratio of Customer's firm K-6 Capacity entitlement to the K-6 Capacity. Customers that do not have a firm K-6 Capacity entitlement shall be treated as interruptible users of such K-6 Capacity and shall be allocated the remainder of any K-6 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.
- (e) If quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(3) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-7 Capacity, then Southern LNG shall first allocate all of the available K-7 Capacity to each Customer with a firm K-7 Capacity entitlement pro rata based on the ratio of Customer's firm K-7 Capacity entitlement to the K-7 Capacity. Customers that do not have a firm K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

12.6 Delivery Point Allocation of Vaporized LNG:

- (a) Use of PDAs:

On a daily basis at the Delivery Point, Southern LNG shall allocate the quantities of Gas metered at the point among the quantities of Gas scheduled at the point for the account of its Customers, based on the Pro Rata PDA method unless another PDA method is provided by the party that owns or operates the downstream facilities interconnecting with Southern LNG's facilities at the Delivery Point (the "downstream operator"). The alternative PDA methodologies from which the downstream operator may choose include the Swing PDA, a Ranked PDA, a Percentage PDA, or any other mutually agreeable allocation methodology. A new allocation detail may be needed when a nomination changes. The PDA shall be provided by the downstream operator for each nominating Customer to its Delivery Point. Southern LNG shall then allocate pro-rata to Customer's scheduled contracts, unless Customer has provided a ranking by contract, and then for each contract, use the downstream ranks provided by Customer in its nomination for applying the PDA to the downstream Package ID level at the Delivery Point. Customer agrees that Southern LNG shall have the right to rely conclusively on the PDA provided pursuant to this Section 12 for the purposes of determining the daily quantities of Gas delivered by Southern LNG for the account of Customer at each Delivery Point. Downstream operators should communicate to the other customers that their transaction(s) for allocation purposes are lowest ranked or swing, when such customers' transaction(s) are identified by the downstream operator in the PDA statement submitted to Southern LNG as being lowest ranked or swing (NAESB WGQ Standard 2.3.63).

- (b) PDA Deadlines:

Each PDA must be submitted to Southern LNG, through its Interactive Website, by 5:00 p.m. on the second business day after the calendar day on which the Gas Day ends. COMPANY shall extend the PDA deadline to no later than four (4) business days following the end of the month in which the Gas was delivered in the event all of the affected parties send notice to COMPANY through email that they are in agreement on the PDA to be used and have no objection to a change in the PDA.. The current PDA will stay in effect as submitted until it is changed pursuant to the foregoing procedures. A new allocation detail may be needed when a nomination changes. In the event Customer adds a nomination at the Delivery Point, then Southern LNG must provide, or cause to be provided, as set forth above, a PDA at the Delivery Point which recognizes Customer's nomination.

(c) Maximization:

To better maximize the use of Customer's Firm Services for which it is paying a Reservation Charge, Southern LNG shall maximize Customer's services as follows prior to billing Customer under its Service Agreements with Southern LNG. The total quantity allocated to Customer at the Delivery Point pursuant to the PDA in effect for the day shall be deemed to be allocated among Customer's various services in effect at the point on that day in the following order, as applicable: Firm Service, acquired capacity release charged on a reservation basis, interruptible service, then overrun.

(d) Application of NAESB Standards' Timelines:

The NAESB timelines applicable to standard NAESB predetermined allocation (PDA) methods shall also apply to any additional PDA methods offered by Southern LNG pursuant to the provisions of this Section 12.6.

(e) Time Limit on Disputes of Allocations:

If Customer disputes any of the allocations of Gas made to its agreements with Southern LNG under this Section 12.6, Customer must notify Southern LNG of such dispute, with supporting documentation, no later than six (6) months following the month of service being disputed. Southern LNG shall have three (3) months within which to resolve or rebut the dispute. These time limits do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

12.7 Nominations and Deliveries of LNG; Boil-Off Gas Allocation.

- (a) Customer may utilize Southern LNG's Ship Loading Service or Interruptible Ship Loading Service by nominating deliveries of LNG to a vessel from the LNG Storage tanks of the Elba Island Terminal up to its MDLQ as further defined in Sections 3.4 and 6.2 of the applicable Rate Schedule.
- (b) The Interruptible Ship Loading Service shall be secondary in nature to Southern LNG's firm Terminal Services, including Ship Loading Service; provided, however, Interruptible Ship Loading Service for Customers that have also subscribed to Firm Service shall have a priority over Interruptible Ship Loading Service for Customers that have only subscribed to Interruptible Service. To the extent that Southern LNG cannot schedule nominations or ship berthing associated with the Interruptible Ship Loading Service because they would prevent, hamper, impair or impede services under Southern LNG's firm Terminal Services, then the nominations or ship berthing for the firm services, including Ship Loading Service, shall have priority.
- (c) If the quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(x)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity or K-7 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity or K-7 Capacity to each Customer with a firm K-6 Capacity or K-7 Capacity entitlement, respectively, pro rata based on the ratio of Customer's firm K-6 Capacity or K-7 Capacity entitlement to the K-6 Capacity or K-7 Capacity. Customers that do not have a firm K-6 Capacity or K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-6 Capacity or K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

13. BILLING AND PAYMENT

13.1 Billing:

On or before the ninth (9th) business day of each calendar month, Southern LNG shall render to Customer a statement of the Reservation Charges for service for the preceding month and the amount due for firm or interruptible services rendered in the preceding month, which shall include any necessary adjustments, including capacity release, to the Reservation Charges. Rendered is defined as time-stamped and delivered (made available) to the site designated by Southern LNG on its Interactive Website or delivered to Customer by the U.S. Postal Service, a nationally reputable courier service, or electronically through e-mail. Southern LNG shall provide to Customer notice electronically when Customer's invoice is available on its Interactive Website. The invoice will be deemed rendered once Southern LNG sends such notice of invoice availability. Prior to rendering an invoice to Customer, Southern LNG shall offset the invoice by all amounts owed by Southern LNG to the Customer for that month; provided, however, that this offset shall not affect disputed amounts.

13.2 Payment:

Billing statement shall be deemed to be received by each Customer on the date of the postmark, timestamp or electronic delivery of the notice rendered by Southern LNG. Customer shall make payment to Southern LNG for the Reservation Charge levied and for the services performed or charges levied hereunder by electronic bank transfer (i.e. wire transfer, ACH transfer or other mutually acceptable transfer method), at such address as Southern LNG may hereafter designate, no later than ten (10) days after the Customer's receipt thereof. All payments made by Customer shall include Southern LNG's invoice number(s) for purposes of matching the payment to the invoice.

13.3 Invoice Disputes and Interest on Unpaid Amounts:

If Customer disputes, in good faith, the amount of any invoice from Southern LNG, it shall provide a description and supporting documentation of its position and timely submit payment of the amount it states is due to Southern LNG along with remittance detail. In the event Customer pays such invoice through a wire transfer of funds, then Customer shall provide Southern LNG with the remittance detail in writing within two days of payment. Southern LNG shall apply such payment in accordance with Customer's documentation. Customer agrees that Southern LNG's acceptance of a partial payment does not waive Southern LNG's right to full payment after resolution of the disputed invoice in the future.

Should Customer fail to pay any amount when due, interest on the unpaid amount shall accrue at the rate equal to the rate then set forth in section 154.501 of the Commission's Regulations (18 C.F.R. § 154.501) from the date payment was due until payment is made. Southern LNG agrees to waive interest charges on a late payment if such charge is not in excess of \$100.00 or if Customer, through no fault of its own, fails to receive its notice of invoice availability by the payment due date and notifies Southern LNG of such failure. If any such failure to make payment continues for twenty (20) days or more, Southern LNG may suspend further service upon ten (10) days' prior written notice to Customer, but the exercise of such right shall be in addition to any other remedy available to Southern LNG; provided, however, that if Customer, in good faith, has disputed the amount of any such bills or parts thereof and paid Southern LNG in a timely manner such amounts as it concedes to be correct and, at any time thereafter within thirty (30) days of a demand made by Southern LNG, shall furnish a good and sufficient surety bond in an amount and with sureties satisfactory to Southern LNG conditioned upon the payment of any amounts ultimately found due upon such bills after a final determination, which may be reached either by agreement or judgment of the courts, as the case may be, then Southern LNG shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions on such bond. In the event it is finally determined or agreed that no payments were due from Customer on such disputed bills, then Southern LNG will reimburse Customer for the cost of procuring the surety bond within ten (10) days after receipt of a detailed invoice therefor from Customer.

13.4 Prepayment in the Event of Default:

Upon default in payment for a period in excess of twenty (20) days, Southern LNG may require as a condition to the continuation or recommencement of services a deposit or other acceptable credit arrangement in an amount equal to not more than three estimated maximum monthly bills for services.

13.5 Conversion Factors:

Solely for purposes of billing reservation charges per dekatherm of service, any MDLQ expressed in Customer's Service Agreement in gallons per minute ("GPM") shall be converted to dekatherms by a conversion factor of 123.9. This adjustment in no manner changes Southern LNG's use of a different or actual conversion factor for other purposes.

16. CUSTOMER RELEASE OF FIRM CAPACITY

16.1 General:

This Section 16 sets forth the exclusive means by which a Customer for Firm Service (Releasing Customer) may, pursuant to Section 284.8 of the Commission's Regulations (18 C.F.R. § 284.8), release its capacity rights under a Service Agreement with Southern LNG under a Firm Rate Schedule to a Customer who is acquiring such capacity (Replacement Customer).

16.2 Capacity Eligible For Release:

A Customer with a Service Agreement with Southern LNG under any Firm Rate Schedule may release firm capacity for Terminal Service (in proportional quantities of storage and vaporization capacity). A Customer may not separately release capacity under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service (unless the Replacement Customer has firm storage demand or the Releasing Customer releases a proportionate amount of firm storage).

16.3 Types of Releases:

(a) Permanent Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, for the entire remaining term of the Service Agreement (Permanent Release) pursuant to the provisions of this Section 16.

A Permanent Release operates as an assignment of capacity. Therefore, the Replacement Customer must meet Southern LNG's requirements related to creditworthiness set forth in Section 2 of the GT&C or as applicable to the Releasing Customer's Service Agreement under the terms of a Precedent Agreement related to the expansion of Southern LNG's facilities. It will be necessary for Southern LNG to consent to the permanent release of the capacity, unless otherwise previously agreed under a precedent agreement for the construction of Southern LNG's facilities for an assignment to an Affiliate or Joint Venture Partner, or unless the credit support provided by the Releasing Customer remains in place to support the Replacement Customer's capacity, such consent not to be unreasonably withheld. In any event, Southern LNG shall allow a permanent release if the Replacement Customer meets the credit requirements in Section 2.1 (d) and all other applicable requirements of the GT&C. Upon the permanent release, Releasing Customer's credit support shall be proportionately decreased in relation to the capacity transferred to the Replacement Customer and the credit requirements associated with any such permanent release shall not result in an increase in value of the credit requirements associated with all such capacity. The Replacement Customer shall be required to execute a separate Service Agreement with Southern LNG for the released capacity (i) at the discounted, negotiated, or maximum rate applicable to Releasing Customer's Service Agreement (and attachments thereto) and (ii) for the primary term remaining under the Releasing Customer's Service Agreement with Southern LNG, unless Southern LNG agrees otherwise in a nondiscriminatory manner. Furthermore, the Replacement Customer must contract for the Receipt Point and Delivery Point specifically set forth in a Releasing Customer's Offer of firm capacity under Section 16.6 below.

The Replacement Customer then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 16. Upon the successful completion of a Permanent Release, the Releasing Customer shall be responsible only for those charges under its Service Agreement incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for capacity not released on a permanent basis; provided, however, that Releasing Customer shall, if reasonable given the circumstances of a particular permanent release, remain responsible for charges incurred after the effective date of the release.

(b) Temporary Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, on a temporary basis (i.e., for a term equal to or less than the remaining term) (Temporary Release), pursuant to one of the following methods and the further provisions of this Section 16.

(1) Firm Temporary Release:

A Releasing Customer may temporarily release capacity on a firm basis for a specified term without a right of recall, except as provided in Section 16.5 below. The minimum term for any Firm Temporary Release shall be one contract day. All Firm Temporary Releases exceeding one (1) contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(2) Temporary Release Subject to Recall:

Subject to the provisions of Section 16.3(b)(3), a Releasing Customer may temporarily release capacity subject to a right of recall by the Releasing Customer upon the occurrence of the condition precedent specified in the Releasing Customer's Offer under Section 16.6(c) below. The minimum term for any Temporary Release Subject to Recall shall be one contract day. Any Temporary Release Subject to Recall offered for more than one contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(3) Recall and Reput Rights:

A Releasing Customer has the right to define the condition(s) precedent which will result in a recall of the released firm capacity; provided, however, that the condition(s) shall not be inconsistent with the terms and conditions of the Releasing Customer's Service Agreement with Southern LNG nor with the provisions of Southern LNG's FERC Gas Tariff. Furthermore, the recall conditions specified by the Releasing Customer must be nondiscriminatory and identifiable events and should be specified at the time of the deal.

A Releasing Customer exercising its right to recall its capacity, may recall its capacity, i.e. reactivate its capacity, by giving notice to Southern LNG through its Interactive Website, however, the service flexibility available to either the Releasing Customer or the Replacement Customer(s) for the subject capacity should not be less as a result of the recall (NAESB WGQ Standard 5.1.3).

A Releasing Customer may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle, the Evening Nomination cycle, and recall unscheduled released capacity at the Intraday 1 and Intraday 2 and Intraday 3 Nomination cycles by providing notice to Southern LNG, and the first Replacement Customer, by the following times for each cycle: 8 a.m. for the Timely Nomination cycle on the day that Timely Nominations are due as set forth in GT&C Section 12.1(c); 3:00 p.m. as an Early Evening notification for the Evening Nomination cycle on the day that Evening Nominations are due; 5:00 p.m. for the Evening Nomination cycle on the day that the Evening Nominations are due; 7:00 a.m. for the Intraday 1 Nomination cycle on the day that the Intraday 1 Nominations are due, 12:00 p.m. for the Intraday 2 Nomination cycle on the day that the Intraday 2 Nominations are due, and 4:00 p.m. for the Intraday 3 Nomination cycle on the day that the Intraday 3 Nominations are due (NAESB WGQ Standard 5.3.44).

Notification to Replacement Customers will be provided by Southern LNG, pursuant to GT&C Section 14 above, within one hour of receipt of any recall notifications from Releasing Customer received between 7:00 a.m. and 5:00 p.m. For all recall notifications received between 5:00 p.m. and 7:00 a.m., notifications to Replacement Customers will be provided by Southern LNG no later than 8:00 a.m. (NAESB WGQ Standards 5.3.44 and 5.3.45). The recall notice shall specify the start date and nomination cycle for the specified effective Gas Day and an end date as well as any other information needed to uniquely identify the capacity being recalled. This notice should indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall (NAESB WGQ Standards 5.3.48 & 5.3.49). The obligation of Southern LNG to provide notification is waived until at least one functional e-mail address has been provided as set forth in GT&C Section 14.4 (NAESB WGQ Standard 5.3.47).

The Releasing Customer should provide in its notification to Southern LNG the quantity in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity (EPC) (NAESB WGQ Standard 5.3.55). The EPC shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity (NAESB WGQ Standard 5.2.3). In the event of an intraday capacity recall, Southern LNG should determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the EPC (NAESB WGQ Standard 5.3.56). Southern LNG is not obligated to deliver in excess of the total daily contract quantity of the release (NAESB WGQ Standard 5.3.57). The amount of capacity allocated to the Replacement Customer(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the EPC (NAESB WGQ Standard 5.3.58).

A Releasing Customer must notify, or cause to be notified, the first Replacement Customer at the same time it provides notice to Southern LNG as set forth above under the form of notification agreed upon by Releasing Customer and Replacement Customer (NAESB WGQ Standards 5.3.44(i)(a) & 5.1.2) in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions to avoid penalties (NAESB WGQ Standard 5.1.4). Affected Replacement Customer should manage internal distribution of modifications of recall received from Southern LNG (NAESB WGQ Standard 5.3.52). Southern LNG has the right to rely on a Releasing Customer's notice and a Releasing Customer shall defend and indemnify Southern LNG against any claims, losses, liabilities, or expenses resulting from claims by the Replacement Customer that it was not notified or that capacity was not recalled in accordance with the recall rights specified by the Releasing Customer in its Offer.

If, following the recall, time remains in the term for which the capacity as temporarily released, the capacity shall revert back to the last Replacement Customer at the end of the recall period, provided the offer either requires such reput or allows reput to be at the option of the Replacement Customer and such party elects for the capacity to be reput at the end of the recall period.. If following the recall no time remains in the term for which the capacity was temporarily released, the capacity rights shall remain with the Releasing Customer either for continued utilization by Releasing Customer or for release again pursuant to this Section 16. When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53). The deadline for notifying Southern LNG of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54).

(4) Secondary Release of Firm Capacity:

An Replacement Customer who has acquired capacity hereunder on a temporary basis may subsequently release the capacity it has acquired in accordance with the terms of this Section 16. The Replacement Customer thereby becomes a

Releasing Customer. A Secondary Release of capacity cannot operate to release greater capacity rights than the capacity acquired by the Releasing Customer. Furthermore, to the extent that a Releasing Customer acquired firm capacity subject to a right of recall, the capacity then released by the Releasing Customer, and any subsequent Secondary Release of the capacity, shall also be subject to the right of recall.

(c) Prearranged Release of Capacity:

A Releasing Customer who wishes to release its capacity to a prearranged bidder on a temporary basis may do so without posting an offer for its firm capacity, unless it elects to post its offer for competitive bidding, if the proposed capacity release is:

- (i) for a term of thirty-one (31) days or less,
- (ii) for a term of more than one (1) year for which customer has obtained a Prearranged Customer and the Prearranged Customer is paying the maximum rate and all other terms and conditions of the release are met,
- (iii) to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations, or
- (iv) to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

If such prearranged bid qualifies under (i)-(iv) above and the RELEASING Customer did not elect to post its offer for bidding, the release shall not be subject to the competitive bidding requirements of Section 16.6 below, but shall be subject to all other provisions of this Section 16.

Unless capacity is released pursuant to either an asset management arrangement or state-regulated retail access program, a Releasing Customer may not roll over, extend, or in any way continue the release to the same Replacement Customer using the thirty-one (31) days or less bidding exemption until twenty-eight (28) days after the first release period has ended. The twenty-eight (28)-day hiatus does not apply to any re-release to the same replacement Customer that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth herein.

The minimum term for a release of capacity for a period of thirty-one (31) days or less shall be one (1) contract day and the term must be for a consecutive number of days.

The timetables set forth in Section 16.6(a) shall not apply to the non-posted releases set forth above, except for those releases of thirty one (31) days or less which the Releasing Customer elects to post for competitive bidding.

Under any type of non-posted temporary release, the Releasing Customer and Replacement Customer shall notify Southern LNG electronically on its Interactive Website of the terms of the release at least one (1) hour prior to the applicable nomination deadline in which the release will go into effect so that the Replacement Customer may have the ability to nominate on the next available nomination cycle. The Replacement Customer must also be prequalified pursuant to the requirements of Section 16.6(e) below. Southern LNG shall post on its Interactive Website the terms of a prearranged release entered into under this Section 16.3(c) prior to or on the effective date of the release.

- (d) For purposes of bidding and awarding, any maximum and/or minimum rates specified by the Releasing Customer shall include the tariff reservation rate and all demand charges, specified as a total number or as stated separately. For temporary releases that become effective on or after July 30, 2008, the maximum and/or minimum rates specified by the Releasing Customer may exceed the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less. For purposes of applying any rate

cap applicable to temporary capacity releases with terms of more than one (1) year, the maximum rate shall be the maximum rate set forth in the applicable Rate Schedule.

16.4 Releasing Customer's and Replacement Customer's Obligations:

(a) Replacement Customer:

To bid on capacity for a Release under Section 16.3(a), Section 16.3(b), or Section 16.3(c) above, the bidder must be preapproved for credit as more particularly set forth in Section 16.6(e) below. Southern LNG will not award release offers to Customer until and unless Customer meets Southern LNG's creditworthiness requirements applicable to all services that it receives from Southern LNG, including the service requested by the capacity release (NAESB WGQ Standard 5.3.59).

Bids shall be binding until notice of written or electronic withdrawal is received by Southern LNG (NAESB WGQ Standard 5.3.13). Any bid submitted and not withdrawn by the end of the bid period will legally bind the bidder to the terms of the bid if Southern LNG chooses that bid as the "best bid" under Section 16.6(h) below. Once a bid on an Offer for a Permanent or Temporary Release of capacity is accepted, the Replacement Customer shall execute a Service Agreement with Southern LNG to utilize the capacity under the terms set forth in the accepted bid and the terms and conditions of Southern LNG's Tariff applicable to the capacity released, as more particularly set forth in Section 16.6(j) of these General Terms and Conditions. Before a Replacement Customer may execute an amendment to its Service Agreement with Southern LNG to utilize released capacity, the Replacement Customer must satisfy all of Southern LNG's requirements relating to the applicable Rate Schedule.

Once the Replacement Customer electronically executes its Service Agreement resulting from a Permanent Release or Southern LNG provides the Replacement Customer an electronic Service Agreement number and records pursuant to the provisions of Section 16.6(j) below, the Replacement Customer becomes an existing Customer with separate contract quantities like any other Customer and is subject to the applicable provisions of Southern LNG's Tariff, including but not limited to Southern LNG's billing, payment, and operational provisions.

(b) Releasing Customer:

The Releasing Customer shall remain fully liable on its existing Service Agreement with Southern LNG for the payment of all reservation charges for the contract quantity which has not been released permanently, associated surcharges, fixed charges, and direct bills owing to Southern LNG each month under the existing Service Agreement, as well as for services performed for the Releasing Customer under its firm Service Agreement with respect to any capacity not released.

16.5 Billing and Payment:

An Replacement Customer shall be billed by Southern LNG and shall make payments to Southern LNG in accordance with the terms of its executed Service Agreement.

On the Releasing Customer's bill for a month in which it released capacity on a temporary basis, Southern LNG shall credit all reservation charge revenues billed by Southern LNG to the Replacement Customer for the released capacity; provided, however, that in the event the Replacement Customer fails to pay Southern LNG for any part of the amount credited to the Releasing Customer's bill, Southern LNG reserves the right, after it exhausts any credit it has on file for the Replacement Customer, to reverse the credit on the Releasing Customer's bill in a later month up to the unpaid amount plus interest. If the Replacement Customer fails to pay its reservation charges pursuant to the provisions of GT&C § 15, then the Releasing Customer shall have the right to recall its capacity by notifying the Replacement Customer and Southern LNG pursuant to the provisions of Section 16.3(b)(3) above. Southern LNG shall provide Releasing Customer with e-mail notification within a reasonable time if Southern LNG sends any of the following formal notices to Replacement Customer:

- (1) Notice regarding the Replacement Customer's past due, deficiency, or default notice status pursuant to Section 15 hereof;
- (2) Notice regarding Replacement Customer's suspension of service notice;
- (3) Notice regarding Replacement Customer's contract termination notice due to default or credit-related issues; and
- (4) Notice that the Replacement Customer is no longer creditworthy and has not provided credit alternative(s) pursuant to Section 2.1(d) hereof (NAESB WGQ Standard 5.3.60).

All reservation charge credits to the Releasing Customer's bill shall be final and nonreversible upon Southern LNG's receipt of payment therefor from the Replacement Customer. To the extent Exhibit C or F, as applicable, of a Releasing Customer's firm Service Agreement provides for the following, Southern LNG shall not be required to credit all reservation charge revenues billed to the Replacement Customer when the Releasing Customer pays a discount or negotiated rate at less than the maximum recourse rate and would otherwise receive credits in excess of such discounted or negotiated rate.

The Replacement Customer shall be obligated to pay Southern LNG the Reservation Charge specified in the award, plus all surcharges and GRO and LAUF, applicable to the quantities that Southern LNG receives or delivers under the Replacement Customer's Service Agreement. Southern LNG will retain the charges, surcharges, and GRO and LAUF it receives from the Replacement Customer. If any of the maximum recourse rates billed to and paid by the Replacement Customer under its Service Agreement exceed the maximum recourse rate which the Commission determines to be just and reasonable, and if Southern LNG is ordered to make refunds, then the Replacement Customer shall be eligible to receive refunds to the extent of any payments it made in excess of the maximum recourse rates the Commission subsequently determines to be just and reasonable. For releases that become effective on or after July 30, 2008, the rate paid by the Replacement Customer in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund. For index-based capacity release when bidding is based upon a dollars and cents differential from the Rate Floor, the billed rate for the award will be calculated as the greater of (i) the result of the index-based formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed the maximum reservation charge, if applicable.

16.6 Offer and Bid Procedures:

(a) Offer/Bid Schedule:

As per NAESB Standard 5.3.2, the minimum days and times by which both offers and bids for releases of capacity must be electronically transmitted to Southern LNG in accordance with the procedures set forth in Section 16.6(c) and Section 16.6(f) below, as well as other minimum deadlines required by Southern LNG for successful completion of the bid/offer cycle, are set forth below. The timetables in this Section 16.6(a)(1), (2), and (3) below set forth the deadlines for standard offers to release capacity (i.e., those which contain no special terms and conditions). Offers which contain special terms and conditions, including but not limited to contingencies or best bid and tie breaker criteria other than those set forth in Sections 16.6(h) and (i) below, are deemed to be non-standard offers and shall require additional evaluation time. Releasing Customer must post its Offer in sufficient time to allow the release to occur on the date offered, given the schedule to be applied and any extensions of that schedule allowed by the Releasing Customer in its Offer (all times are CCT).

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season ends at 10:00 a.m. on the same or a subsequent Business Day; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is

posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(3) For non-biddable releases:

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

Timely Cycle – 12:00 pm

Evening Cycle – 5:00 pm

Intraday 1 Cycle – 9:00 am

Intraday 2 Cycle – 1:30 pm

Intraday 3 Cycle – 6:00 pm

The contract is issued within one hour of award posting (with a new contract number, when applicable). Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(4) The Releasing Customer may choose any bid period as long as it meets the minimum requirements in the applicable timetable set forth above in Section 16.6(a).

If the Releasing Customer allows contingent bids to be submitted, each bidder submitting a valid, contingent bid must notify Southern LNG, by the deadline set forth in the applicable timetable above in Section 16.6(a) unless the Releasing Customer specified another deadline pursuant to the foregoing procedures, that the contingency has been removed and that the bid is to remain eligible for processing.

(b) Offer of Capacity:

Pursuant to the applicable schedule established in Section 16.6(a) above, a Customer desiring to release capacity shall post on Southern LNG's Interactive Website, on the standard form provided by Southern LNG on its Interactive Website, an offer of capacity (Offer), except as provided otherwise in Section 16.3(c) above. Southern LNG shall date and time stamp all offers as they are received and shall post each Offer if it is complete, unless the Releasing Customer specifies a different time and date for its Offer to be posted. In that event, Southern LNG shall post the Offer at the time specified by the Releasing Customer, provided that such time does not conflict with the deadlines set forth above in Section 16.6(a).

The Releasing Customer agrees that its posted Offer specifically is subject to the following conditions:

- (1) Reserved.
- (2) Reserved.
- (3) Once a Releasing Customer's Offer is posted, the offer remains binding until withdrawn by the Releasing Customer at any time during the bid period when (i) unanticipated circumstances justify and (ii) no minimum bid has been made. (NAESB WGQ Standard Standard 5.3.14)
- (4) For releases that become effective on or after July 30, 2008, the release of firm capacity must commence within one (1) year of the date upon which Southern LNG is notified if the reservation charge requirement is in excess of the maximum tariff rate and the term of the proposed release is for one (1) year or less.

(c) Releasing Customer's Offer:

A Releasing Customer's Offer shall include, among other things, the following standard information, if applicable:

- (1) the name of the Releasing Customer;
- (2) the Rate Schedule under which Customer proposes to release capacity;
- (3) the contract number(s) of the Releasing Customer's Service Agreement(s);
- (4) whether the release is permanent or temporary;
- (5) if a temporary release:
 - (A) whether the release is firm or subject to a right of recall;
 - (B) if subject to recall, then the identifiable condition(s) precedent upon which the recall right will be asserted should be specified at the time of the deal;
 - (C) if subject to recall, then whether the reservation charge paid by the Replacement Customer is to be pro-rated for any days on which the capacity is actually recalled;
 - (D) (reserved for future use);
 - (E) if subject to recall, whether the release is recallable on a timely, early evening, evening, Intraday 1 or Intraday 2 or Intraday 3 recall notification period (NAESB WGQ Standard 5.3.50);
 - (F) if subject to recall, whether the recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51); and
 - (G) whether a Secondary Release may be made by the Replacement Customer (NAESB WGQ Standard 5.3.19).
- (6) the amount(s) of capacity, expressed as MSQ and MDVQ in proportional quantities of storage and vaporization capacity, to be released and whether bids for less than the full quantity offered are acceptable;
- (7) the proposed effective date of the release, term of the release and whether bids for less than the full term offered are acceptable;

- (8) whether the offer is subject to a Prearranged Bid and, if so, (i) the name of and DUNS number for the Prearranged Bidder;
- (9) whether the Releasing Customer desires bids in dollars, as a percentage of Southern LNG's reservation charge either daily or monthly (inclusive of reservation surcharges), or as an index-based formula (under one of the methods listed below) applicable to the capacity to be released;
 - (i) a percentage of the formula,
 - (ii) a dollars and cents differential from the formula, or
 - (iii) a dollars and cents differential from the Rate Floor;
- (10) any minimum reservation charge (inclusive of reservation surcharges) or percentage of the maximum reservation charge at which the bids must begin or whether the bids on the reservation charge (inclusive of reservation surcharges) should be submitted as an index-based formula; or, for releases that become effective on or after July 30, 2008, any minimum reservation charge requirement (inclusive of reservation surcharges) which is in excess of the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less;
- (11) reserved;
- (12) whether contingent bids may be submitted and the deadline for removing any such contingencies;
- (13) pursuant to the provisions of Section 16.6(a), any extensions in the deadlines established in Section 16.6(a);
- (14) the economic criteria, if any, to be utilized by Southern LNG in determining the "best bid" (these criteria to be (i) objectively stated, (ii) applicable to all bidders, and (iii) nondiscriminatory);
- (15) a non-discriminatory tie breaker, if any, to be utilized in determining the "best bid" in the event two or more bids generate equal revenues;
- (16) if capacity is released under a Firm Rate Schedule:
 - (A) the Delivery Point(s) at which released and the Point Code(s);
 - (B) the Receipt Point(s) at which released and the Point Code(s);
- (17) whether the Releasing Customer will sell to the Replacement Customer the LNG that Releasing Customer fails to withdraw or transfer by the effective date of the release and, if so, the price asked for that LNG;
- (18) whether the recalled capacity is to be reput to the original Replacement Customer (i) for the original terms of the release or (ii) at the option of the original Replacement Customer for the original terms of the release (NAESB WGQ Standard 5.3.7);
- (19) whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations, and the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect under the asset management arrangement; and
- (20) whether the proposed release is to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

Southern LNG will provide the following information with each Offer: (i) the reservation charge (and reservation surcharges) applicable to the capacity being released, (ii) the date and time the Offer was posted on Southern LNG's Interactive Website, and (iii) the date and time the bid period ends.

(d) Prearranged Bidders:

A Releasing Customer must identify in its Offer any "Prearranged Bid" to be made on the firm capacity offered for release. However, the "Prearranged Bidder" must also meet all of the requirements established for bidders pursuant to Section 16.6(e)-(g) below. A Prearranged Bidder must confirm its bid in accordance with Section 16.6(f) below.

For bids on Offers in which the Prearranged Bidder confirms a bid for the offered capacity at the maximum reservation charge applicable to the Releasing Customer's service or at a higher reservation charge applicable to releases that become effective on or after July 30, 2008 when the term proposed is for one (1) year or less and the release takes effect on or before one (1) year from the date on which Southern LNG was notified of such release, for the full quantity, capacity, and term offered by the Releasing Customer, and the Prearranged Bidder satisfies all of the requirements of Section 16.6(e)-(g) below, then the Prearranged Bid will be deemed the "best bid." Southern LNG shall thereafter post on its Interactive Website, as set forth in Section 16.3(c) above, the identity of the Prearranged Bidder, and the terms upon which the capacity was released.

In all other situations, but except in those situations where Releasing Customer is not required to post the Offer as set forth above in Section 16.3(c), the Prearranged Bid shall constitute the minimum bid price for all other bidders, and shall be posted on the Releasing Customer's Offer as the minimum bid. If Southern LNG does not receive any better bid by the date on which all bids are due, then the Prearranged Bid shall be deemed the best bid. If Southern LNG does receive a better bid by the date on which all bids are due, then the Prearranged Bidder shall have the right to match the terms of the better bid by the deadline established in Section 16.6(a) above. If the Prearranged Bidder matches the better bid, then the Prearranged Bidder shall be deemed to have made the best bid.

(e) Prequalified Bidder Requirements:

(1) All parties desiring to bid on capacity offered by a Releasing Customer must be prequalified by Southern LNG as creditworthy before submitting a bid on an Offer of released capacity. Unless Southern LNG agrees it has already determined the bidder to be creditworthy or to have suitable credit on file with Southern LNG, the potential bidder must submit to Southern LNG the information set forth in GT&C § 2.1(a) to enable Southern LNG to determine the party's creditworthiness. A bidder's creditworthiness shall be assessed on the same basis as a Customer's creditworthiness under the terms of the Tariff applicable to the capacity being offered. If the potential bidder fails to demonstrate creditworthiness, then the bidder may still prequalify if it provides one of the credit alternatives set forth in GT&C § 2. If a party does not prequalify pursuant to this Section 16.6(e), then the party shall not bid on a Releasing Customer's Offer.

(2) (reserved for future use).

(3) (reserved for future use).

(f) Bidding Procedures:

All bids on a Releasing Customer's Offer, except as provided in Section 16.3(c) above, shall begin at 12 pm on the bid period start date and be transmitted electronically to Southern LNG on Southern LNG's Interactive Website in the standard form provided therein. Southern LNG shall date and time stamp all bids as they are received. Southern LNG shall post for viewing by other parties during the bid period all bids, if complete, received on a Releasing Customer's Offer, except for the names of the bidders. A

separate bid shall be submitted for each separate Releasing Customer's Offer on which a bidder wishes to bid. The price bid on any Offer of capacity must be submitted on a reservation charge basis.

The bid shall include, among other things, the following information included in the standard bid form on Southern LNG's Interactive Website:

- (1) the bidder's name, phone number, and email address;
- (2) the bidder's DUNS number;
- (3) the Offer number and contract number(s) of the Releasing Customer's Service Agreement(s) on which the bid is being made;
- (4) the Reservation Charge, the percentage of Reservation Charge, or the index-based formula bid for the released capacity based on the requirements of the Offer;
- (5) whether the bidder is a Prearranged Bidder;
- (6) the term for which the bid is being made, if the Offer allows bids on less than the term offered;
- (7) if the Offer allows bids on less than the full capacity offered, then the capacity requested, expressed in MSQ;
- (8) (reserved for future use);
- (9) if contingent bids are allowed by the Offer, then a description of the contingency;
- (10) the information required by Section 250.16 of the Commission's Regulations (18 C.F.R. § 250.16) to the extent necessary to allow Southern LNG to comply with its reporting/posting requirements.

A bidder may withdraw its bid on an Offer at any time prior to the end of the bid period, but any subsequent bids submitted by the bidder on that Offer during the bid period must equal or exceed the bidder's previous bid(s).

(g) Southern LNG's Initial Review:

Upon receipt of all bids, Southern LNG shall engage in an initial review to determine the eligibility of each bid for consideration as the best bid. Any bid deemed ineligible pursuant to this Section 16.6(g) shall be eliminated from consideration. A bid shall be deemed ineligible if:

- (1) the bid (or bidder) does not comply with all of the terms, conditions, and deadlines of this Section 16; or
- (2) the bid submitted exceeds the bidder's pre-approved credit term or limits; or
- (3) the bid does not meet the minimum terms of the Releasing Customer's Offer; or
- (4) the bidder has not removed a contingency by the deadline set forth in the Offer.

(h) The Best Bid Determination:

All bids that remain eligible following Southern LNG's initial review shall be considered in determining the best bid. The best bid shall be determined by Southern LNG pursuant to the objective criteria for determining the best bid set forth in the Releasing Customer's Offer.

If the Offer does not specify non-standard best-bid criteria, then the eligible bids will be evaluated by Southern LNG by multiplying the price bid times the volume bid. Bids for a term of more than one (1) month that vary in price or term shall be discounted to present value based on currently effective Commission interest rates (18 C.F.R. § 154.501(d)) or such other published, objective financial measure as posted by Southern LNG in advance of the offer/bid cycle. This formula will generate a revenue number for comparison of the bids and the bid producing the most revenue shall be the best bid. For temporary releases that become effective on or after July 30, 2008, potential Replacement or Prearranged Customers may submit bids in excess of the maximum tariff rate for the applicable service agreement if the term of the proposed release is one (1) year or less and such release is to take effect on or before one (1) year from the date on which Southern LNG is notified of such release. Such rate will be utilized in the determination of the best bid.

If the Releasing Customer specifies an index-based formula in its capacity release offer, the rate used in the bid evaluation will be based on:

- (1) the dollars differential or percentage of the Rate Default, or
- (2) the dollars differential of the Rate Floor, as applicable.

The best bid shall be subject to the rights of a Prearranged Bidder to match the bid in accordance with Section 16.6(d) above. If two or more bids are equivalent, then they will be subject to the outcome of the tie-breaker stipulated in the Releasing Customer's Offer as explained in Section 16.6(i) below.

In its Offer the Releasing Customer may specify any best bid criteria and tie breaker that comply with Sections 16.6(c)(13) and (14) above. However, if the Releasing Customer chooses (i) Southern LNG's best bid criteria set forth above or (ii) one of the following pre-programmed criteria, and one of the tie breakers listed in Section 16.6(i) below, then the Offer will be eligible for the accelerated schedules set forth above in Section 16.6(a) to the GT&C:

- (1) Highest rate;
- (2) Price times quantity (regardless of term);
- (3) Price times quantity times term (net revenue); or
- (4) Present value

If the best bid does not utilize all of the capacity being offered for release, then Southern LNG will award the capacity in the order of best bids until it has awarded all of the offered capacity.

- (i) Tie Breaker:

If two or more bids tie, and no Prearranged Bidder has agreed to match the best bid, then the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Customer's Offer. The Releasing Customer may specify one of the following tie-breakers or a different tie-breaker that is objective, nondiscriminatory, and can be applied by Southern LNG.

If the Releasing Customer fails to specify a tie-breaker, Southern LNG shall apply the following tie-breakers in the order shown, if necessary:

- (1) the bid generating the greatest present value of revenues over the shortest term;
- (2) the bid submitted first in time as established by Southern LNG's electronic date and time stamp.

- (j) Notification and Contract Award:

Upon completion of the best bid determination, Southern LNG will notify through its Interactive Website the party submitting the best bid (i.e., the Replacement Customer). Southern LNG shall further notify all bidders through its Interactive Website that a best bid has been accepted.

If the capacity was released on a permanent basis, a firm Service Agreement, incorporating the terms of the accepted bid, shall be tendered and executed electronically by the Replacement Customer and Southern LNG through Southern LNG's Interactive Website by the applicable execution deadline set forth in Section 16.6(a) above. For all other types of releases, Southern LNG shall provide the Replacement Customer with a new firm contract number and electronic records on its Interactive Website reflecting the terms of the Replacement Customer's winning bid. A paper copy of the service agreements generated electronically hereunder will be available upon the Replacement Customer's request.

Southern LNG shall post on its Interactive Website the details of the winning bid and the Replacement Customer's name on or before the start date of the release. This notice shall stay on Southern LNG's Interactive Website for at least ninety (90) days.

- (k) If no bids are submitted by the date upon which all bids are due, the Releasing Customer's Offer shall be removed from Southern LNG's Interactive Website.
- (l) All Releasing Customers and Replacement Customers must comply with the deadlines set forth in Section 16.6(a) above in order to avoid cancellation of their offers or bids by Southern LNG.

16.7 Offers to Purchase Capacity:

Southern LNG agrees to post on its Interactive Website, at a party's request, offers to purchase firm capacity on a permanent or temporary basis pursuant to GT&C § 20. Each offer will remain on Southern LNG's Interactive Website for ninety (90) days before it is removed, unless the requesting party notifies Southern LNG prior to the expiration of any ninety-day period that it wishes to extend the posting for an additional ninety (90) days.

16.8 Capacity Release Nominations:

Southern LNG will permit Replacement Customers to submit a nomination at the earliest available nomination opportunity after the acquisition of capacity.

23. OPERATIONAL FLOW ORDERS

23.1 Implementation of OFOs:

Whenever Southern LNG notifies affected parties that an OFO or critical period exists under one of the provisions referenced below, such notice shall describe the condition and the specific responses required from the affected parties. Each potential OFO condition set forth below contains the amount of notice Southern LNG is required to give prior to implementing the OFO, if applicable, through its Interactive Website. Section 14 states the notification method applicable.

23.2 Types of OFOs:

Southern LNG will have the right to issue an OFO to any Customer directing Customer to adjust receipts or deliveries as the case may be, when in Southern LNG's sole judgment, the OFO is required (i) to alleviate conditions that threaten the facilities' integrity, safety, or service or (ii) to ensure compliance with the provisions contained in this Tariff.

Examples of conditions for which Southern LNG may issue OFOs include, without limitation:

- (a) Failure of Customer to nominate and schedule deliveries for vaporization in sufficient quantities to timely accommodate receipt by Southern LNG from Customer's Vessel(s) or accommodate Boil-Off;
- (b) Force majeure or operating condition pursuant to Section § 8.3;
- (c) Non-compliance with curtailment orders, when non-compliance threatens the integrity of Southern LNG's facilities;
- (d) Failure of Customer to tender LNG for receipt as scheduled, when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities;
- (e) The release of capacity under Section 16, if Releasing Customer does not reduce its LNG Balance accordingly;
- (f) The recall of capacity under Section 16, if Replacement Customer does not reduce its LNG Balance accordingly; or
- (g) Failure of Customer to cycle receipts of LNG pursuant to Section § 10; or
- (h) Failure of Customer to arrange for the receipt of scheduled deliveries when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities.
- (i) Failure of Customer to arrange for adequate storage capacity if Customer's LNG Balance is equal to its MSQ and Customer is attempting to nominate LNG into the Southern LNG storage tanks at Elba Island.

23.3 If an OFO directs Customer to send out or take delivery of LNG or Vaporized LNG, and Customer fails to nominate and schedule as directed, then Southern LNG may, as provided in the applicable Rate Schedule, take title to those quantities free and clear of any adverse claims. Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Customer to remove such quantities and the disposal of such quantities by Southern LNG, including storage charges under the applicable rate schedule. Southern LNG shall be permitted to sell the quantities to which it takes title in accordance with this Section 23. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

23.4 An OFO may be issued on a contract basis for all or a portion of the facilities. An OFO issued by 10:00 a.m. on a Gas Day will generally be effective at the beginning of the following Gas Day. When operating conditions threaten the terminal's integrity, three hours notice, or lesser notice if

necessary, may be given. An OFO may be issued for a specific period of time or until further notice is given. Before issuing an OFO, Southern LNG will attempt to remedy those operating conditions through requests for voluntary action provided, however, exigent circumstances may exist which require immediate issuance of an OFO.

- 23.5 Nothing shall limit Southern LNG's right to take action as required to physically adjust actual receipts and actual deliveries of Gas in order to alleviate conditions that threaten the integrity of the facilities.
- 23.6 Southern LNG will provide Customer with as much advance notice of OFO's as is reasonable under then existing conditions through its Interactive Website, and pursuant to the notice provisions set forth in Section 14.3 above. The notice will provide the time and date the OFO is to become effective, the time the OFO is expected to remain in effect, the action required of the Customer, the reason for issuing the OFO, together with operating variables providing the basis for issuing the order, and any other information which may be required in the circumstances. Ordinarily, the notice will be issued by 10:00 a.m. on the Gas Day before the OFO is to be effective. The OFO will ordinarily become effective at 9:00 a.m. on the following Gas Day.
- 23.7 Follow-up Reports
- Within thirty (30) days after lifting an OFO, Southern LNG shall provide, via posting on its Interactive Website, a report which details the underlying causes which warranted the issuance of the OFO, explains why the actions required by the OFO were necessary to alleviate the identified problems, and provides the factors that caused the OFO to be lifted.
- 23.8 Indemnity
- (a) Southern LNG shall have no responsibility to inform Customer's end users, suppliers, other transporters or any others involved in the transaction, as to any OFO.
 - (b) Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of Southern LNG's performance under this Section 23.

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 Compressor.
- (xii) Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 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 Compressor per month.
- (xvi) Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 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 Electric Power Cost, the K-7 Boil Off 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.

26. REVENUE CREDITING MECHANISM

This section shall govern the manner in which Southern LNG provides credits for "Net Interruptible Revenues", "Gas Sales Proceeds," "K-6 Boil Off Compressor Usage Surcharge Revenues," or "K-7 Boil Off Compressor Usage Surcharge Revenues," defined below, collected by Southern LNG under Rate Schedule LNG-2. Southern LNG will provide credits to Customers with Firm Service Agreements and with Interruptible Service Agreements.

At the end of the twelfth (12th) full calendar month after this provision becomes effective, and at the end of each subsequent twelve (12) month period, Southern LNG shall determine the Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, MDLQ Overrun Proceeds and Gas Sales Proceeds during the 12-month period. The Net Interruptible Revenues shall equal the interruptible revenues collected under Rate Schedule LNG-2 minus the total surcharge, commodity rate, and electric power cost adjustment (but not Dredging Surcharges) revenues billed to LNG-2 service agreements during the 12-month period, which Southern LNG shall have the right to retain. K-6 Boil Off Compressor Usage Surcharge Revenue and K-7 Boil Off Compressor Usage Surcharge Revenue shall equal the total non reservation based revenues collected in association with the K-6 Boil Off Compressor Usage Surcharge and the K-7 Boil Off Compressor Usage Surcharge, respectively. Gas Sales Proceeds shall equal the proceeds collected from the sale of Gas that Southern LNG has taken title to and disposed of pursuant to the Tariff minus any expenses incurred by Southern LNG. The MDLQ Overrun Proceeds shall equal the proceeds collected from providing Ship Loading Service for Customers that have no MDLQ.

The credit to Customers shall equal the total Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, and Gas Sales Proceeds less any net imbalance payments made by or plus any net imbalance payments received by Southern LNG pursuant to an operational balance agreement. The credit for Net Interruptible Revenues will be allocated pro rata to Customers based on the proportion of the revenue collected by Southern LNG through each Firm Customer's Monthly Reservation Charge and each Interruptible Customer's Monthly Storage Charge to the total Monthly Reservation Charge and Monthly Storage Charge revenues collected by Southern LNG for the 12-month period. The credit for K-6 Boil Off Compressor Usage Surcharge Revenues and K-7 Boil Off Compressor Usage Surcharge Revenues will be allocated pro rata to Customers based on the proportion of reservation based revenues for K-6 boil off disposition and K-7 boil off disposition, respectively, attributable to each Customer to the total reservation based revenues for K-6 boil off handling and K-7 boil off handling, respectively. The credit for Gas Sales Proceeds will be allocated pro rata to Customers whose Gas has not been taken during the 12-month period ("Non-offending Customers") based on the proportion of the revenue collected by Southern LNG through each Non-offending Customer's Monthly Reservation Charge or Monthly Storage Charge, as applicable, to the total such charges collected from Non-offending Customers for the 12-month period. The credit for MDLQ Overrun Proceeds will be allocated pro rata to Customers which hold MDLQ under their Firm Service Agreement based on their MDLQ. Credits under this section shall be calculated within sixty (60) days after the end of each 12-month period. Each eligible Customer shall receive its credit within thirty (30) days following the date on which the credit is calculated.

Section 6.1

FORM OF SERVICE AGREEMENT
Under Rate Schedules LNG-1 or LNG-3
(For Use Under a Firm Rate Schedule)

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

W I T N E S S E T H:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization of LNG and delivery of vaporized LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations;

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule as applicable [LNG-1 or LNG-3] ("the Firm Rate Schedule") and has submitted to Southern LNG a request for such service in compliance with Section 7 of the Firm Rate Schedule;

WHEREAS, Southern LNG agrees to render Terminal Service to Customer pursuant to the provisions of the Firm Rate Schedule, this Agreement, and the Commission's Regulations; and

WHEREAS, Customer may acquire, from time to time, released firm capacity under Section 16 of the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff).

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I
QUANTITY OF SERVICE

Subject to the terms and provisions of this agreement; and the Firm Rate Schedule, and the GT&C of Southern LNG's Tariff, as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, as follows:

- 1.1 Southern LNG shall store LNG for Customer's account up to the Maximum Storage Quantity (MSQ) set forth on Exhibit A hereto.
- 1.2 Southern LNG shall deliver a volume of vaporized LNG net of fuel, as provided in GT&C § 24.1, to Customer at the Delivery Point. Southern LNG's obligation to withdraw LNG from Storage for delivery at the Delivery Point on any day is limited to the available Maximum Daily Vaporization Quantity (MDVQ) specified on Exhibit A hereto and Customer's LNG Balance, as defined in the Firm Rate Schedule.
- 1.3 If Customer is the successful bidder on released firm capacity under Section 16 of Southern LNG's GT&C, the terms of such acquired capacity shall be maintained on Southern LNG's Interactive Website. Upon the effective date of such acquired capacity, subject to the terms, conditions and limitations hereof and the Firm Rate Schedule, Southern LNG agrees to provide the released Firm Service to Customer under the Firm Rate Schedule, the GT&C thereto, and this Agreement.

ARTICLE II
CONDITIONS OF SERVICE

- 2.1 It is recognized that the Terminal Service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of the Firm Rate Schedule, and the GT&C thereto, which are contained in Southern LNG's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the Firm Rate Schedule, the terms of any non-conforming Agreement, or Negotiated Rate, which has been approved by the FERC, shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in Southern LNG's Tariff.
- 2.2 This Agreement shall be subject to all provisions of the GT&C specifically made applicable to the Firm Rate Schedule, as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to the Firm Rate Schedule.
- 2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

- 2.4 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, or consequential damages (including, without limitation, loss of profits, business interruptions, or demurrage) arising out of or in any manner related to this Agreement or the Terminal Service provided hereunder.
- 2.5 This Agreement is subject to the provision of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 10 of Rate Schedule LNG-1 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.
- 2.6 If requested by Customer, deliveries shall occur at a pressure not less than the Terminal Outlet Pressure shown on Exhibit "A" hereto at the Elba Island Terminal outlet.
- 2.7 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit B to the Service Agreement under Rate Schedule LNG-1 or LNG-3.

ARTICLE III NOTICES

- 3.1 Notices hereunder shall be given pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses as provided by the parties from time to time.

ARTICLE IV TERM

- 4.1 Subject to the provisions hereof, this Agreement shall be effective as of the date first written above and shall be in full force and effect for the primary term(s) set forth on Exhibit A hereto, if applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit A hereto unless canceled by either party giving the required amount of written notice specified on Exhibit A to the other party prior to the end of the primary term(s) or any extension thereof.
- 4.2 [If Applicable] In the event Shipper has not contracted for Rate Schedule LNG-1 or LNG-3 service under this Agreement directly with Company, as set forth on Exhibit A hereto, then the term of this Agreement shall be the effective start and end dates of the capacity acquired by Customer from another Customer and awarded by Southern LNG pursuant to the provisions of Section 16 of the General Terms and Conditions of Southern LNG's Tariff. This Agreement shall terminate upon the expiration of such Capacity Release Transaction provided that Customer shall still be responsible for payment of all charges incurred hereunder.

ARTICLE V REMUNERATION

- 5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with the Agreement, including any discounted or negotiated rate exhibit applicable hereto, the Firm Rate Schedule and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.
- 5.2 Unless agreed otherwise with Customer in Customer's Exhibit C or F, Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) firm character of service, (ii) term of agreement (as set forth in Article IV above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Unless agreed otherwise with Customer in Customer's Exhibit C or F, regarding the rates for its service under this agreement, Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI MISCELLANEOUS

- 6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

- 6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:
- _____
- _____
- _____
- 6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.
- 6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.
- 6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.
- 6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.
- 6.7 This Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein. After the execution of this Agreement for firm storage capacity from Southern LNG, each party shall make and diligently prosecute, all necessary filings with federal or other governmental bodies, or both, as may be required for the initiation and continuation of the storage service which is the subject of this Agreement. Each party shall have the right to seek such governmental authorizations, as it deems necessary, including the right to prosecute its requests or applications for such authorization the manner it deems appropriate. Upon either party's requests, the other party shall timely provide or cause to be provided to the requesting party such information and material not within the requesting party's control and/or possession that may be required for such filings. Each party shall promptly inform the other party of any changes in the representations made by such party herein and/or in the information provided pursuant to this paragraph. Each party shall promptly provide the other party with a copy of all filings, notices, approvals, and authorizations in the course of the prosecution of its filings.
- 6.8 The exhibits attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

[CUSTOMER]

By _____
[L.S.]

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.

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

(CUSTOMER)

SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____

EXHIBIT B

CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT Under Rate Schedule LNG-2

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

W I T N E S S E T H:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization, and delivery of LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations; and

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule LNG-2 and has submitted to Southern LNG a request for such service in compliance with Section 7 of Rate Schedule LNG-2; and

WHEREAS, Southern LNG agrees to render interruptible Terminal Service to Customer pursuant to the provisions of Rate Schedule LNG-2, this Agreement, and the Commission's Regulations.

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I STORAGE ACCOUNT

1.1 Subject to the terms and provisions of this Agreement; Southern LNG's Rate Schedule LNG-2, and the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff), as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, on an interruptible basis.

1.2 To the extent Southern LNG receives LNG for Customer's storage account, Southern LNG shall credit the receipt, less applicable charges set forth in Rate Schedule LNG-2, to Customer's LNG Balance.

1.3 Subject to the terms and provisions of this Agreement, Southern LNG's Rate Schedule LNG-2 and the GT&C thereto, Southern LNG shall deliver an equivalent volume of vaporized LNG, as provided in GT&C 24.1, less applicable charges as set forth in Rate Schedule LNG-2, to Customer at the Delivery Point described in Rate Schedule LNG-2 and shall deduct the delivery and charges from Customer's LNG Balance.

ARTICLE II CONDITIONS OF SERVICE

2.1 It is recognized that the Terminal Service hereunder is provided on an interruptible basis pursuant to, in accordance with and subject to the provisions of Southern LNG's Rate Schedule LNG-2, and the GT&C thereto, which are contained in Southern LNG's Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and Rate Schedule LNG-2, the terms of Rate Schedule LNG-2 shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in the Tariff. Southern LNG makes no representation, assurance or warranty that capacity will be available for service hereunder and Customer agrees that Southern LNG shall bear no responsibility or liability to any person if capacity does not exist on any day to provide service hereunder

2.2 This Agreement shall be subject to all provisions of the GT&C specifically applicable to Southern LNG's Rate Schedule LNG-2 as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to Rate Schedule LNG-2.

2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

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

2.5 This Agreement is subject to the provisions of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 9 of Rate Schedule LNG-2 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.

2.6 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit A to the Service Agreement under Rate Schedule LNG-2.

ARTICLE III
NOTICES

3.1 Notices hereunder shall be given by both parties pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV
TERM OF AGREEMENT

Subject to the provisions hereof, this agreement shall be effective as of the date first written above and shall continue in force and effect on a month to month basis unless terminated by either Party upon at least five (5) days prior written notice to the other Party. This agreement may be terminated by Southern LNG if no activity occurs hereunder during a period of 12 consecutive months.

ARTICLE V
REMUNERATION

5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with Southern LNG's Rate Schedule LNG-2 and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.

5.2 Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) interruptible character of service, (ii) term of agreement (as set forth in Article III above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI
MISCELLANEOUS

6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:

6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.

6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.

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

6.8 The Exhibits, (if applicable), attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

CUSTOMER

By _____
[L.S.]

EXHIBIT A

CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____

APPENDIX F

Marked Version of Option A Tendered Tariff Records

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SECTION 1.2

PRELIMINARY STATEMENT

Southern LNG Company, L.L.C. (Southern LNG) is a natural gas company principally engaged in the business of receiving and storing liquefied natural gas (LNG) and (a) delivering ~~v~~vaporized LNG in interstate commerce and/or (b) ship loading of LNG (collectively, Terminal Service) under authorization granted by, and subject to the jurisdiction of, the Federal Energy Regulatory Commission (Commission or FERC). Southern LNG owns and operates a marine terminal located on Elba Island, near Savannah, Georgia (Terminal). Southern LNG uses the Terminal to provide open-access Terminal Service pursuant to this FERC Gas Tariff (Tariff).

The location of the Terminal is shown on the following general system map.

Southern LNG provides Terminal Service only under executed and effective agreements for service, entered after Southern LNG considers existing commitments, available capacity, and other factors that Southern LNG deems pertinent as set forth in this Tariff.

SECTION 2.1

LNG-1 RATES
FIRM TERMINAL SERVICE

<u>Rate Schedule LNG-1 (Firm Terminal Service)</u>	Maximum Rate	Minimum Rate
Monthly Reservation Charge per Dth of MSQ	\$0.6712	\$0.00
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825 /Dth of g Gas compressed	\$0.0825/Dth of g Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of g Gas compressed	\$0.0000/Dth of g Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
<u>1. Ship Loading Electric Power Cost Charge</u>	<u>\$0.0019/Dth of exports</u>	<u>\$0.0019/Dth of exports</u>
<u>2. K-7 Boil Off Compressor Electric Power Cost Charge</u>	<u>\$0.1645/Dth of Gas compressed</u>	<u>\$0.1645/Dth of Gas compressed</u>
<u>3. Monthly Reservation Charge per Dth of MDLQ</u>	<u>\$0.9245</u>	<u>\$0</u>
<u>4. Fuel (GT&C §24.1)</u>	<u>Pro Rata Share</u>	<u>Pro Rata Share</u>
<u>5. ACA Surcharge</u>	<u>See GT&C Section</u>	<u>See GT&C Section</u>

	<u>21</u>	<u>21</u>
<u>6. K-7 Boil Off Compressor Usage Surcharge</u>	<u>\$1.8496/Dth of Gas compressed</u>	<u>\$0/Dth of Gas compressed</u>
<u>7. Ship Cool Down Excess Lay Charge</u>	<u>\$65,000/day</u>	<u>\$65,000/day</u>
<u>8. MDLQ Overrun Rate</u>	<u>\$0.0304/Dth of exports</u>	<u>\$0/Dth of exports</u>
<u>Total Charges and Surcharges per Dth</u> <u>(excluding items 2, 3, 4, 5, 6, 7 and 8 above)</u>	<u>\$0.0019/Dth of exports</u>	<u>\$0.0019/Dth of exports</u>

SECTION 2.2

LNG-2 RATES
INTERRUPTIBLE TERMINAL SERVICE

<u>Rate Schedule LNG-2 (Interruptible Terminal Service)</u>	Maximum Rate	Minimum Rate
Monthly Storage Charge per Dth	\$0.6712	\$0.00
Dredging Surcharge per Dth	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of g Gas compressed	\$0.0825/Dth of g Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of g Gas compressed	\$0.0000/Dth of g Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Interruptible Ship Loading Service</u>		
<u>1. Ship Loading Electric Power Cost Charge</u>	<u>\$0.0019/Dth of exports</u>	<u>\$0.0019/Dth of exports</u>
<u>2. K-7 Boil Off Compressor Electric Power Cost Charge</u>	<u>\$0.1645/Dth of Gas compressed</u>	<u>\$0.1645/Dth of Gas compressed</u>
<u>3. Commodity Rate</u>	<u>\$0.0304/Dth of exports</u>	<u>\$0/Dth of exports</u>
<u>4. Fuel (GT&C §24.1)</u>	<u>Pro Rata Share</u>	<u>Pro Rata Share</u>
<u>5. ACA Surcharge</u>	<u>See GT&C Section 21</u>	<u>See GT&C Section 21</u>

<u>6. K-7 Boil Off Compressor Usage Surcharge</u>	<u>\$1.8496/Dth of Gas compressed</u>	<u>\$0/Dth of Gas compressed</u>
<u>7. Ship Cool Down Excess Lay Charge</u>	<u>\$65,000/day</u>	<u>\$65,000/day</u>
<u>Total Charges and Surcharges per Dth (excluding items 2, 4, 5, 6, and 7 above)</u>	<u>\$0.0323/Dth of export deliveries</u>	<u>\$0.0019/Dth of export deliveries</u>

SECTION 2.3

LNG-3 RATES

FIRM TERMINAL SERVICE – ELBA III

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-3 (Firm Terminal Service – Elba III)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.7532	\$0.0000
Monthly Reservation Charge per Dth of MDVQ	\$2.4920	\$0.0000
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.0000
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
1a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of gas compressed	\$0.0825/Dth of gas compressed
2. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
3. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of gas compressed	\$0.0000/Dth of gas compressed
Total additional charges and surcharges Per Dth of deliveries (excluding items 1a, 3, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
<u>1. Ship Loading Electric Power Cost Charge</u>	<u>\$0.0019/Dth of exports</u>	<u>\$0.0019/Dth of exports</u>
<u>2. K-7 Boil Off Compressor Electric Power Cost Charge</u>	<u>\$0.1645/Dth of Gas compressed</u>	<u>\$0.1645/Dth of Gas compressed</u>
<u>3. Monthly Reservation Charge per Dth of MDLQ</u>	<u>\$0.9245</u>	<u>\$0</u>
<u>4. Fuel (GT&C §24.1)</u>	<u>Pro Rata Share</u>	<u>Pro Rata Share</u>
<u>5. ACA Surcharge</u>	<u>See GT&C Section 21</u>	<u>See GT&C Section 21</u>

<u>6. K-7 Boil Off Compressor Usage Surcharge</u>	<u>\$1.8496/Dth of Gas compressed</u>	<u>\$0/Dth of Gas compressed</u>
<u>7. Ship Cool Down Excess Lay Charge</u>	<u>\$65,000/day</u>	<u>\$65,000/day</u>
<u>8. MDLQ Overrun Rate</u>	<u>\$0.0304/Dth of exports</u>	<u>\$0/Dth of exports</u>
<u>Total Charges and Surcharges per Dth (excluding items 2, 3, 4, 5, 6, 7, and 8 above)</u>	<u>\$0.0019/Dth of exports</u>	<u>\$0.0019/Dth of exports</u>

SECTION 2.4

Negotiated RatesFIRM RATE SCHEDULE

Shipper	Contract #	MDVQ	Term
BG LNG Services, LLC	450002-LNG1SLNG	643,230 Dth	4/30/2027

Negotiated Rate/Formula: In addition to the Reservation Charge, Dredging Surcharge, and all other applicable Charges and Surcharges set forth in Rate Schedule LNG-1, as amended by FERC Order from time to time, Customer shall pay to Southern LNG the following additional Commodity Charges per month: (1) A variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of LNG treated with nitrogen for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the Southern LNG GHV tariff specifications, regardless of the amount of treatment required; and (2) A variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

In addition to the charges set forth above, during the period from the date the facilities associated with the K-6 Capacity are placed in service until the earlier of the fourteenth (14th) anniversary of such date or the date on which recourse rates are placed in effect that include the costs of the compression facilities associated with the K-6 Capacity, Customer shall pay an additional Reservation Charge per month equal to the result of multiplying Customer's firm K-6 Capacity entitlement by a unit rate equal to the result of dividing (i) the product of multiplying the reasonably incurred actual cost of installing the K-6 capacity stated in dollars by 0.0152, by (ii) 12,000 Mcf, provided that the unit rate shall not be less than \$13.8067 per MMBtu nor greater than \$16.4667 per MMBtu. Customer's firm K-6 Capacity entitlement shall be 12,000 Mcf/d from the date the K-6 Facilities are placed in service through the expiration date above or termination of Contract #SLNG9. Subsequent to the fourteenth anniversary of the in-service date of the K-6 Capacity, Customer shall pay the K-6 Boil Off Compressor Usage Surcharge; provided, however, if any cost of service associated with the initial capital costs of the K-6 compression facilities associated with the K-6 Capacity for which Customer has already paid through the reservation charge above are included in the K-6 Boil Off Compressor Usage Surcharge, the K-6 Boil Off Compressor Usage Surcharge paid by Customer shall be reduced to reflect the elimination of such cost of service associated with the initial costs of the compression facilities attributable to the K-6

Capacity. During the initial fourteen year or less period described above in this paragraph, Customer shall pay the reservation charge set forth in this paragraph in lieu of paying the K-6 Boil Off Compressor Usage Surcharge set forth in Southern LNG's Tariff.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450010-LNG1SLNG	551,340 Dth	1/31/2036

Negotiated Rate/Formula:

1. Customer shall pay to Southern LNG a daily rate of \$110,268.00, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) ~~FuelGRO~~, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.

2. For billing purposes, Customer's reservation charge in a month shall be calculated by using a rate of \$0.20 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-1.

3. LAUF and ~~FuelGRO~~ charges shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-1 and shall not be included in the differential set forth in 1. and 2. above. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ shall be assessed in accordance with Southern LNG's Tariff and not included in the differential set forth in 1. and 2. above.

4. In addition to the charges set forth in Paragraphs 1. through 3. above, Customer shall pay to Southern LNG the following: (a) A variable charge per month equal to the product of (i) \$0.003/Dth and (ii) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required); and (b) A variable charge per month equal to the product of (i) a Wobbe Spread Unit Cost ("WSUC") times (ii) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (i) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (ii) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450011-LNG3SLNG	413,505 Dth	6/30/2035

Negotiated Rate/Formula:

1. Until December 31, 2013, Customer shall pay to Southern LNG a daily rate of \$256,373.00, inclusive of any and all commodity charges and surcharges and other charges and fees, except only for 1) ~~fuel~~GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.

2. For billing purposes, Customer's reservation charge in a month applicable to the period set forth in paragraph 1. above shall be calculated by using a rate of \$0.62 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 2. and the terms of paragraph 1. above, the terms of paragraph 1. shall govern.

3. During the period from January 1, 2014 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG a daily rate of \$246,725, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) ~~fuel~~GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.

4. For billing purposes, Customer's reservation charge set forth in paragraph 3. above shall be calculated by using a rate of \$0.5967 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 4. and the terms of paragraph 3. above, the terms of paragraph 3. shall govern.

5. In addition to the reservation charge paid by Customer under Section 3. above, Customer shall pay to Southern LNG an additional reservation charge equal to a daily rate of \$209,049.75, designed and formulated in connection with the incremental costs associated with the Ship Loading Service to be performed by Southern LNG under this Service Agreement for the remainder of the Primary Term to commence on the date that the Ship Loading Expansion Facilities ("Expansion Facilities") and authorizations are placed in service.

56. LAUF and ~~Fuel~~GRO charges and Electric Power Charges associated with the Ship Loading Service or K-7 Boil Off Compressor Usage shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-3 and shall not be included in the daily rate set forth above in paragraphs 1 through ~~45~~.

67. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ or any charges or surcharges associated with ship loading service shall be assessed in accordance with Southern LNG's Tariff and not included in the daily rate set forth above in paragraphs 1 through 45.

78. In addition to the charges set forth in Paragraphs 1. through 67. above, during the period from September 18, 2010 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG as follows: (1) a reservation charge per month equal to \$35,153 for the first three years and \$2,528 for the remainder of the term and (2) a variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications for LNG to be unloaded exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required) and (3) a variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

For any nitrogen injection service associated with weathering, the Customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on the Elba Island Terminal as may be adjusted to reflect any actual over or under collection of such costs from the previous calendar year. For the first calendar year of such service, SLNG may estimate such costs based on the market cost for nitrogen in such year.

Section 3.1

RATE SCHEDULE LNG-1
Firm Terminal Service
(Chatham County, Georgia)

1. AVAILABILITY

1.1 Southern LNG will make service for the receipt, storage, vaporization of LNG and delivery of ~~v~~Vaporized LNG (~~Terminal Service~~) under Rate Schedule LNG-1 available to any party (Customer) who requests Firm Service under this Rate Schedule from 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-1 (Service Agreement); and

(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-1 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-1; 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 ~~both~~ 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 ~~v~~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)~~ ~~(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 ~~particular~~ time. Southern LNG confirms Customer's nomination. Each ~~customer's~~ Customer's LNG Balance shall be increased ~~for receipts by Southern LNG (excluding boil-off gas returning to Customer's vessel(s) during receipt of LNG) pursuant to § 5.9 of this Rate Schedule and reduced for deliveries pursuant to § 6.2 or~~ decreased as provided in § 5.9 of this Rate Schedule. As stated in §§ 5.8~~(b)~~~~(c)~~, and 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 ~~g~~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-~~O~~ff ~~G~~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 of LNG from Customer's ~~V~~vessel(s), during loading of LNG to Customer's Vessel(s), and during cool-down, (3) returning to Customer's ~~V~~vessel(s) during ~~receipt~~unloading and cool-down of LNG, 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 ~~b~~Boil-~~o~~ff ~~g~~Gas (except ~~b~~Boil-~~o~~ff ~~g~~Gas returning to Customer's ~~v~~Vessel(s) during ~~receipt-unloading and loading 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

(43) at any time (i) when Southern LNG is receiving delivery of LNG for Customer's account such that Boil-~~o~~ff ~~g~~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, ~~or~~ K-6 Capacity, or K-7 Capacity is unavailable, for any of Customer's ~~boil-off~~Boil-Off ~~g~~Gas remaining in excess of that handled by (1), (2), and (23), 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 for the Boil-Off Gas as provided in (x) above (including nomination and confirmation) are not complete, then Southern LNG shall take title to the ~~B~~Boil-~~o~~ff ~~g~~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-~~o~~ff ~~g~~Gas associated with loading and unloading Customer's ~~V~~vessel, as provided in (y) below, Customer's share of ~~B~~Boil-~~o~~ff ~~g~~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-~~o~~ff ~~g~~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 (MDRO) 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 MDRO 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-1 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-1, 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, ~~and;~~ (ii) a Commodity Rate per Dth of the aggregate quantities ~~of vaporized LNG~~ 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; (iii) 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 gGas as compensation for ~~fuel and gas otherwise used or lost and unaccounted for in Southern LNG's operations, 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 ~~fuel~~GRO and ~~gas otherwise used or lost and unaccounted for~~LAUF.
- 4.4 Customer shall also pay any other effective charges and surcharges, as applicable, including an HMC, Electric Power Cost Charge, Ship Loading Electric Power Cost Charge, Dredging Surcharge and K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, as more particularly described in Section 24.1, 24.2, and 24.3 of this Tariff, ~~and~~ a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of gGas compressed in excess of a Customer's firm K-6 or K-7 capacity entitlement, if applicable and, if applicable, —a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule; 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, ~~or~~ 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, ~~and~~ MDVQ, ~~and~~ MDLQ, as applicable, under each firm rate schedule multiplied by (2) the MSQ, ~~and~~ 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 higher~~est~~ of the MSQ, ~~or~~ 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, ~~and 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 CUSTOMER'S 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 ~~receipt by 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 ~~V~~vessel departs the port of origin. At that time Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's ~~V~~vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's ~~V~~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 ~~V~~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 ~~from Customer's Vessel(s)~~:

If all requests for the receipt or delivery of LNG from or to Customers' ~~V~~vessel(s) cannot be scheduled, and all conflicts in the arrival of Customers' ~~V~~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) ~~_____~~ (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 ~~V~~vessel does not arrive as scheduled pursuant to Section 5.1(a), or Section 5.1(c) in the event 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 ~~V~~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 ~~V~~vessel at the Terminal. Customer shall cause Customer's ~~V~~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 ~~V~~vessel(s) to, from, and at the Receipt Point:

(a) A vapor return line system of sufficient capacity to return to Customer's ~~V~~vessel(s) quantities of natural gas necessary for the unloading/loading thereof;

(b) Access to Customer's ~~V~~vessel(s) for all reasonable purposes;

(c) A berth and pier sufficient to accommodate vehicles required for service and maintenance of Customer's ~~V~~vessel(s);

(d) Unloading/loading arms and pipes for unloading/loading LNG from/to Customer's ~~V~~vessel.

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

5.8 Maximum LNG Balance; Management of LNG Balance:

(a) Southern LNG shall be obligated to receive LNG from Customer's ~~V~~vessel(s), only if, at the time Customer's ~~V~~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 ~~V~~vessel, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of ~~v~~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 ~~B~~oil-Off Gas returning to Customer's ~~v~~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 delivers ~~v~~Vaporized LNG or LNG at the Receipt and Delivery Points described in Section 6 of the GT&C~~pipeline interconnects on Elba Island.~~

6.1 Delivery of Vaporized LNG:

(a) Nomination Threshold; Minimum Inventory:

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

(b) Maximum Daily Vaporization Quantity:

For service under this Rate Schedule LNG-1, 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 ~~v~~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 the 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.

Reduction of LNG Balance:

Customer's LNG Balance will be decreased by (i) the quantity delivered for Customer's account, including deliveries of boil off as allocated to Customer; and (ii) Customer's pro-rata share of fuel and gas lost and unaccounted for, as provided in GT&C § 24.1.

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 on Southern LNG's 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, ~~through nomination for delivery of vaporized LNG,~~ 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 ~~g~~Gas nor Southern LNG's disposal of the ~~g~~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.

Section 3.2

RATE SCHEDULE LNG-2
Interruptible Terminal Service
(Chatham County, Georgia)

1. AVAILABILITY

1.1 Southern LNG will make service for the receipt, storage, vaporization of LNG and delivery of ~~v~~Vaporized LNG ~~(Terminal Service)~~ under Rate Schedule LNG-2 available to any party (Customer) who requests interruptible service 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 without any detriment to Firm Service Customers;
- (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-2 (Service Agreement); ~~and-~~

~~(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 (Interruptible Ship Loading Service) under Rate Schedule LNG-2 available to any party (Customer) who requests such services under this Rate Schedule from Southern LNG provided that:~~

- ~~(i) Southern LNG has sufficient capacity and is able to provide the Interruptible Ship Loading Service requested;~~
- ~~(ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff; and~~
- ~~(iii) for Interruptible Ship Loading Service, Customer currently has a sufficient LNG Balance as defined below;~~
- ~~(iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-2; 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 Interruptible Ship Loading Service, rendered by Southern LNG for Customer pursuant to ~~both~~ 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 service is subject to interruption and prior claim by another Customer or another class of service. GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity. Service under this Rate Schedule LNG-2 shall also be interrupted upon notice to Customer whenever Southern LNG, in its sole judgment, deems the interruption necessary due to operating conditions or system requirements, or to maintain the integrity of the system or to assure that Southern LNG can render service to higher priority customers.

Services provided under this Rate Schedule LNG-2 shall have a priority subordinate to any and all Firm Services provided by Southern LNG.

3. DEFINITIONS

3.1 Liquefied Natural Gas Balance (Customer Account Balance):

(a) ————— (a) ——— The Liquefied Natural Gas Balance (LNG Balance or Customer Account 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 particular time. Each ~~customer's~~ Customer's LNG Balance shall be increased or decreased as provided in for receipts by Southern LNG (excluding boil off returning to Customer's vessel(s) during receipt of LNG) pursuant to § 5.9 of this Rate Schedule and reduced for deliveries pursuant to § 6.2 of this Rate Schedule. As stated in §§ 5.8, ~~and 6.1(c), and 6.2(c)~~ of this Rate Schedule, Customer shall have the obligation to manage Customer's LNG Balance to accommodate receipts or deliveries of ~~g~~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-~~o~~ff ~~G~~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 of LNG from Customer's ~~V~~vessel(s), during loading of LNG to Customer's Vessel(s), and during cool-down, (3) returning to Customer's ~~v~~Vessel(s) during ~~receipt unloading and cool down of LNG,~~ 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 ~~b~~Boil-~~O~~ff ~~g~~Gas (except ~~b~~Boil-~~o~~ff ~~G~~gas returning to Customer's ~~v~~Vessel(s) during ~~receipt unloading or loading 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-~~o~~ff ~~g~~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; ~~or~~ (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-~~6~~7 Capacity is unavailable, for any of Customer's ~~b~~Boil-~~o~~ff ~~g~~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 Customer fails to make all necessary arrangements (including nomination and confirmation), then Southern LNG shall take title to the ~~B~~boil-~~o~~ff ~~g~~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 brought as a result of 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-~~o~~ff ~~g~~Gas associated with loading and unloading Customer's ~~v~~Vessel, as provided in (y) below, Customer's share of ~~B~~boil-~~o~~ff ~~g~~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 Southern LNG receives the LNG shall be responsible for the incremental quantities of Boil-~~o~~ff ~~g~~Gas associated with Southern LNG receiving or delivering such LNG to or from a vessel at the Terminal.

4. RATES AND FUEL

4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-2 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 B to the Service Agreement.

4.2 For service rendered to Customer under Rate Schedule LNG-2, Customer shall pay Southern LNG each month (i) a Monthly Storage Charge equal to the applicable rate multiplied by the average for the month of Customer's maximum daily LNG Balance and (ii) a Commodity Rate per Dth of the aggregate quantities ~~of vaporized LNG~~ delivered for Customer's account (both for vaporized quantities scheduled and for LNG quantities delivered under Southern LNG's Interruptible Ship Loading Service) 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.

4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a percentage of gGas as compensation for ~~fuel and gas otherwise used or lost and unaccounted for in Southern LNG's operations, GRO and LAUF~~ or charge an equivalent monetary amount if there are insufficient deliveries, as described in GT&C § 24. 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 ~~fuel~~GRO and ~~gas otherwise used or lost and unaccounted for~~LAUF.

4.4 Customer shall also pay any other effective charges and surcharges, as applicable, including an HMC, Electric Power Cost Charge, Ship Loading Electric Power Cost Charge, Dredging Surcharge, and K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, 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 as more particularly described in Section 24.2 of this Tariff, and, if applicable, a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of gGas compressed; 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.

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

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

5.1 Customer shall give Southern LNG notice by electronic mail prior to each ~~receipt by 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, for Customer. 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 Vvessel departs the port of origin. At that time Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's Vvessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's Vvessel, 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 Vvessel 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 Vvessel 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~~from Customer's Vessel(s):~~

If all requests for the receipt, delivery or transfer of LNG from or to Customers' ~~V~~Vessel(s) cannot be accommodated and all conflicts in the arrival of Customers' ~~V~~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 Scheduled Firm; Unscheduled Arrival:

If a Customer under Rate Schedule LNG-2 has scheduled a receipt or delivery -for the date and hour subsequently requested by a Customer under a Firm Rate Schedule, then Southern LNG shall preserve the priority of Firm Service by scheduling the Customer under a Firm Rate Schedule at that date and hour and rescheduling the Customer under Rate Schedule LNG-2 for the first available time without causing detriment to any Firm Service. If Customer's ~~V~~Vessel does not arrive as scheduled pursuant to § 5.1(a) to this Rate Schedule, then Southern LNG shall receive or deliver the LNG at the first time available without causing detriment to any other scheduled 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 ~~V~~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 ~~V~~vessel at the terminal. Customer shall cause Customer's ~~V~~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/~~unloading~~, and departure of Customer's ~~V~~vessel(s) ~~to, from, and at the Receipt Point, at Southern LNG's marine terminal:~~

(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 ~~V~~vessel(s) for all reasonable purposes;

(c) A berth and pier sufficient to accommodate vehicles required for service and maintenance of Customer's ~~V~~vessel(s);

(d) Unloading/~~loading~~ arms and pipes for unloading/~~loading~~ LNG from/~~to~~ Customer's ~~V~~vessel.

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

5.8 Management of LNG Balance:

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 ~~V~~vessel, Southern LNG may in its sole discretion issue an OFO pursuant to GT&C § 23 directing Customer to nominate deliveries of ~~V~~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 ~~V~~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. of LNG.~~

6. STORAGE WITHDRAWALS AND DELIVERIES

Southern LNG ~~shall receive Gas and~~ delivers ~~v~~Vaporized LNG or LNG at the ~~pipeline interconnects on Elba Island~~ 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 ~~v~~Vaporized LNG on any day, ~~excluding Boil-Off Gas allocated under Section 3.1(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 ~~v~~Vaporized LNG when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below the tank heel.

(b) Uniform Hourly Vaporization Quantity:

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

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver ~~v~~Vaporized LNG at greater than the uniform hourly rate.

_____ (c) 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 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 the tank Heel.

_____ (b) Loading Rates:

_____ (i) With regard to Interruptible Ship Loading Service, the Loading Rate for loading LNG onto Customer's Vessel(s) shall be a maximum of 46,230 gallons per minute ("GPM") from the LNG Storage tanks of the Elba Island Terminal.

_____ (ii) The Customer will be allowed to do any combination of ship loading and vaporization send out deliveries provided that such Customer's combined total of nominated ship loading (expressed in gallons per minute (GPM)) plus nominated vaporization (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)) does not impair the ability of Rate Schedule LNG-1 and Rate Schedule LNG-3 Customers to utilize their full MDLQ and MDVQ rights, plus any firm overrun rights available to such Customers, for such day.

_____ (c) Minimum LNG Balance; Management of LNG Balance:

With regard to Interruptible Ship Loading Service, upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall 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.

~~Reduction of LNG Balance:~~

~~Customer's LNG Balance will be decreased by (i) the quantity delivered for Customer's account, including deliveries of boil off; and (ii) Customer's pro rata share of fuel and gas lost and unaccounted for, as provided in GT&C 24.1.~~

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. 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.

9. WITHDRAWAL OF LNG BALANCE

9.1 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's Service Agreement terminates;
- (c) Southern LNG issues an OFO pursuant to GT&C § 23; or
- (d) Interruption of service under this Rate Schedule.

Customer shall have completed, ~~through nomination for delivery of vaporized LNG,~~ the withdrawal of its LNG Balance by the following times:

- (a) if constrained capacity under Section 9.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;

- (b) if termination under Section 9.1(b) above, then the time the Service Agreement terminates;
- (c) if ordered under Section 9.1(c) above, then the time specified in the OFO; or
- (d) if interrupted service under Section 9.1(d) above, then within the time permitted by the available vaporization and delivery capacity at the time of Southern LNG's notice.

9.2 Withdrawal by Southern LNG:

- (a) General Rule:

If any Customer fails to withdraw LNG pursuant to this Section 9, 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.

10. 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. In the event of any inconsistencies 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. In the event of 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, Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

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 ~~v~~Vaporized LNG ~~(Terminal Service)~~ 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 ~~both~~ 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 ~~v~~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 ~~particular~~ time Southern LNG confirms Customer's nomination. Each ~~customer's~~ Customer's LNG Balance shall be increased ~~for receipts by Southern LNG (excluding boil-off gas returning to Customer's vessel(s) during receipt of LNG) pursuant to § 5.9 of this Rate Schedule and reduced for deliveries pursuant to or decreased as provided in § 5.9 6.2~~ of this Rate Schedule. As stated in §§ 5.8(~~bc~~), ~~and~~ 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 ~~g~~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-~~o~~ff ~~G~~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 ~~V~~vessel(s), during loading LNG to Customer's Vessel(s), and during cool down, (3) returning to Customer's ~~V~~vessel(s) during ~~receipt~~unloading and cool down of LNG, 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 ~~b~~Boil-~~o~~ff ~~G~~gas (except ~~b~~Boil-~~o~~ff ~~G~~gas returning to Customer's ~~V~~vessel(s) during ~~receipt~~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; or (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 ~~V~~essel, 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; and;~~ (iii) a Commodity Rate per Dth of the aggregate quantities ~~of vaporized LNG~~ 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 gGas as compensation for ~~fuel and gas otherwise used or lost and unaccounted for in Southern LNG's operations, 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 ~~fuel~~GRO and ~~gas otherwise used or lost and unaccounted for~~LAUF.
- 4.4 Customer shall also pay any other effective charges and surcharges, as applicable, including an HMC, Electric Power Cost Charge, ~~and 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 as more particularly described in Section 24.2 of this Tariff, and a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of gGas 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, ~~or~~ 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, ~~and~~ MDVQ, and MDLQ, as applicable, under each firm rate schedule multiplied by (2) the MSQ, ~~and~~ 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~~st~~ of the MSQ, ~~or~~ 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, ~~and 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 CUSTOMER'S 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 ~~receipt by 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) ~~V~~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 ~~V~~vessel departs the port of origin. At that time Southern LNG will notify Customer if Southern LNG may schedule the arrival of Customer's ~~V~~vessel at the date and hour stated in Customer's notice. If Southern LNG agrees to schedule the arrival of Customer's ~~V~~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 ~~V~~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 ~~V~~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:~~from Customer's Vessel(s):~~

If all requests for the receipt or delivery of LNG from or to Customers' ~~V~~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 ~~V~~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 ~~V~~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 ~~V~~vessel at the Terminal. Customer shall cause Customer's ~~V~~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 ~~V~~vessel(s) to, from, and at the Receipt Point:

- (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 ~~V~~vessel(s) for all reasonable purposes;
- (c) A berth and pier sufficient to accommodate vehicles required for service and maintenance of Customer's ~~V~~vessel(s);
- (d) Unloading/loading arms and pipes for unloading/loading LNG from to Customer's ~~V~~vessel.

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

5.8 Maximum LNG Balance; Management of LNG Balance:

- (a) Southern LNG shall be obligated to receive LNG from Customer's ~~V~~vessel(s), only if, at the time Customer's ~~V~~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 ~~V~~vessel, Southern LNG may in its sole discretion issue an OFO pursuant to

GT&C § 23 directing Customer to nominate deliveries of ~~v~~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 ~~B~~oil-~~o~~ff Gas returning to Customer's ~~V~~essel(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 ~~v~~Vaporized LNG or LNG at the Receipt and Delivery Points described in Section 6 of the GT&C at the pipeline interconnects on Elba Island.

6.1 Delivery of Vaporized LNG:

(a) Nomination Threshold; Minimum Inventory:

Nothing in this Tariff shall obligate Southern LNG to schedule deliveries of ~~v~~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 ~~v~~Vaporized LNG when such delivery would cause the total inventory of LNG in Southern LNG's storage tanks to decline to or below ~~the tank H~~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 ~~v~~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.

Reduction of LNG Balance:

Customer's LNG Balance will be decreased by (i) the quantity delivered for Customer's account, including deliveries of boil-off as allocated to Customer; and (ii) Customer's pro-rata share of fuel and gas lost and unaccounted for, as provided in GT&C § 24.1.

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 ~~V~~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 ~~, through nomination for delivery of vaporized LNG,~~ 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 ~~g~~Gas nor Southern LNG's disposal of the ~~g~~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. ~~Each of Customer's vessel(s) shall be among the vessels identified in Customer's Service Agreement under the applicable Rate Schedule.~~
- (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 ~~v~~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 imported by Customers and/or (b) ship loading of LNG on behalf of Customers.

- (ff) Terminal Service or Service - The receipt, storage, vaporization, ~~and~~-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 ~~this Tariff other than Firm Service~~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-~~e~~Off ~~g~~Gas per Gas Day by Southern LNG's electric powered K-5 compressor used to compress Boil-~~e~~Off ~~g~~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-~~e~~Off ~~g~~Gas per Gas Day by Southern LNG's K-6 compressor used to compress Boil-~~e~~Off ~~g~~Gas to be delivered into the downstream pipeline. This K-6 Capacity is a part of the Terminal Service. 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 K-7 compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-7 Capacity is a part of the Ship Loading Service. 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.

2. INQUIRIES AND CONDITIONS FOR SERVICE; ALLOCATION OF CAPACITY

2.1 Any inquiries regarding the availability of service and the rates charged for such service should be directed to Southern LNG's Marketing Department. Southern LNG shall inform each potential Customer inquiring about service as to the availability of and rates applicable to a particular service. Any potential Customer interested in service may obtain a copy of Southern LNG's Tariff from Southern LNG's Interactive Website. The procedures for submitting valid requests for service are as follows.

- (a) Requests for service shall be provided to Southern LNG in the format provided by COMPANY on its Interactive Website.

The request shall contain all of the following information to be deemed a valid request.

- (i) Full legal name of potential Customer; identity of the potential Customer; DUN & BRADSTREET number; address; contact person(s), including 24-hour telephone number and email address, type of legal entity and, if a corporation, state of incorporation;
- (ii) For Firm Service, the maximum storage quantity (MSQ) requested;
- (iii) For Firm Service, the requested term (duration) of service, including proposed commencement and termination dates;
- (iv) A certification by potential Customer that potential Customer has entered into or will enter into those arrangements necessary to assure that all downstream transportation will be in place prior to the commencement of service under a Service Agreement with Southern LNG;
- (v) A certification by potential Customer that potential Customer has received from the United States Government all necessary authorizations for the lawful import or export, as applicable, of all volumes that Southern LNG will receive for potential Customer or, in the event potential Customer intends to rely on Southern LNG's export license from the Department of Energy, potential Customer shall provide a certification that potential Customer will comply with the registration and reporting obligations specified in the Department of Energy's order granting the Southern LNG export license on which potential Customer intends to rely;
- (vi) A certification by potential Customer that potential Customer has title or a current contractual right to acquire title to LNG to be received for potential Customer by Southern LNG;
- (vii) Certification that Customer's vessel will meet the specifications of Southern LNG's unloading facilities;
- (viii) Most recent audited financial statements, annual report, Form 10-K (or other filings with regulatory agencies that discuss potential Customers financial status), a list of affiliates, and three (3) credit references and the names of two representatives who are authorized to receive notices regarding potential Customer's creditworthiness, including the e-mail addresses of such representatives, in order to enable Southern LNG to evaluate potential Customers creditworthiness. Written requests and response for this credit information should be provided by e-mail, unless other forms of communication are otherwise agreed upon by Southern LNG and potential Customer. The obligation of Southern LNG to provide creditworthiness notification is waived until potential Customer provides Southern LNG with e-mail addresses. The potential customer shall manage internal distribution of any such confirmations (NAESB 0.3.7 & 0.3.10);

- (ix) The affiliation, if any, of potential Customer with Southern LNG; and
 - (x) The source and quality of LNG, including heat content in Btu/scf, expected to be received.
- (b) Allocation of Capacity: Firm capacity that is or becomes available from Southern LNG from time to time shall be allocated pursuant to the following procedures:
- (i) Subject to all requirements for submitting a valid request for Firm Service herein, firm capacity will be allocated to the request(s) that on an aggregate basis generate the highest net present value to Southern LNG. Requests for service shall be considered together under the same criteria. Net present value will be determined based on the discounted cash flow of revenues to Southern LNG produced, lost, or affected by the request(s) for service. In determining the highest net present value, Southern LNG will consider objective criteria only. Such criteria may include, without limitation, the MSQ requested, the duration of the service requested, the date on which the requested service would commence, the applicable rate, and such other factors available based on the requests for service received by Southern LNG. The net present value discount factor used by Southern LNG will be applied consistently to all requests for capacity being evaluated at the same time.
 - (ii) If Southern LNG receives two (2) or more requests for service that produce comparable net present values, whether during an open season or otherwise, then available capacity will be allocated to the completed request submitted first in time. If capacity remains available, then Southern LNG will offer the remaining capacity to the requester next in time.
 - (iii) If capacity is not available to satisfy a request, then the request for service will be maintained, if such potential Customer or potential Customer desires, for future allocations. If capacity subsequently becomes available, then such capacity will be allocated to pending requests, on the date such capacity becomes available, based on the highest net present value of the pending requests as provided above, unless Southern LNG elects to conduct an open season. If an open season is conducted, Customers or potential Customers with pending requests shall be individually notified and given an opportunity to participate in such open season. If such Customer or potential Customer elects not to participate in the open season, then, at the end of the open season, its pending requests shall be deemed null and void.
 - (iv) Southern LNG may, in its sole discretion, hold open seasons from time to time for potential expansion projects or for capacity that has become available. During any such open season, Southern LNG will allocate capacity subject to the open season on the basis of the highest net present value to Southern LNG. To the extent Southern LNG has available unsubscribed capacity, Southern LNG shall have the right, but not the obligation, to reserve that capacity for any open seasons that are to be held within the next twelve (12) months. All requests received during an open season remain binding on the requesting Customer through the end of the open season unless withdrawn by the requesting Customer; provided, however, a requesting Customer may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting Customer nor an affiliate thereof may submit a request with a lower net present value during the open season. At the end of the open season, all requests either withdrawn or not accepted shall be deemed null and void. If the Customer awarded capacity does not execute a Service Agreement within the time period described in Section 2.1(c) below, then Southern LNG may elect to offer the capacity to other Customers on the basis of the next highest net present value.
 - (v) Notwithstanding the net present value determination, Southern LNG reserves the right to decline requests for service (i) that offer less than the maximum rate; (ii) that may detrimentally impact the operational integrity of Southern

LNG's system; (iii) that do not satisfy all the terms of a specific open season; (iv) that do not demonstrate creditworthiness; or (v) that contain terms and conditions other than those set forth in the Tariff.

- (c) Within five (5) business days (or a mutually agreed-upon time) after accepting the request, subject to the other provisions of this section, Southern LNG shall prepare and tender to Customer for execution a Service Agreement under the applicable Rate Schedule in the pro forma format attached to this Tariff. If Customer fails to execute or return to Southern LNG the Service Agreement within thirty (30) days of the date tendered, then Southern LNG may deem the request for service null and void, and the available capacity then will be reallocated according to Section 2.1(b) above.
- (d) Southern LNG shall not be required to perform services under a Service Agreement for any Customer who
 - (i) is or has become insolvent,
 - (ii) fails to demonstrate creditworthiness either before initiation of service or on an ongoing basis after initiation of service, or
 - (iii) fails to make payments pursuant to GT&C § 13 (except if Customer has disputed a bill and made provision for partial payment in accordance with GT&C § 13). If during the ongoing credit evaluation process following initiation of service, Southern LNG should desire additional credit information from Customer, Southern LNG will provide the reason(s) to Customer for requesting such additional information unless Southern LNG and Customer have mutually agreed to waive this requirement. Southern LNG and Customer shall comply with the following guidelines for credit evaluation (NAESB 0.3.3):
 - (A) Southern LNG shall designate on its Interactive Website or by written notice two representatives who are authorized to receive notice and information regarding Customer's creditworthiness, and Southern LNG shall manage internal distribution of any such information (NAESB 0.3.7);
 - (B) Southern LNG shall designate a date that the credit information is due from Customer (NAESB 0.3.5);
 - (C) Upon receipt of either an initial or follow-up request from Southern LNG for credit evaluation information, Customer's authorized representatives should acknowledge receipt of Southern LNG's request unless Southern LNG and Customer have mutually agreed to waive this requirement. The Customer's obligation to provide confirmation of receipt is met by sending such confirmation to the representatives described in Section 2.1(d)(A) above (NAESB 0.3.4);
 - (D) Customer shall provide Southern LNG with all the credit information requested by Southern LNG's designated due date, or provide to Southern LNG the reason(s) why the information cannot be provided (NAESB 0.3.5); and
 - (E) Once Southern LNG receives all required credit information from Customer, Southern LNG will notify Customer's authorized representative(s) of such receipt unless Southern LNG and Customer have mutually agreed to waive this requirement (NAESB 0.3.6);
 - (F) If Customer is determined to be non-creditworthy by Southern LNG, Customer may initiate with Southern LNG a re-evaluation of its credit. As part of this re-evaluation process Customer should either update or confirm in writing or electronically in the manner the prior information provided to Southern LNG related to Customer's creditworthiness.

This update should include any event(s) that Customer believes could lead to a material change in its creditworthiness (NAESB 0.3.8);

- (G) After Southern LNG receives Customer's request for re-evaluation, including the information in (F) above, Southern LNG will provide Customer with a response in writing or via email within five (5) Business Days, which will include either a determination of Customer's creditworthiness status clearly stating the reason(s) for Southern LNG's decision, or will provide Customer with an explanation supporting a future date when a re-evaluation determination will be made. This re-evaluation process will not exceed twenty (20) Business Days from the date of the receipt of Customer's request, unless Southern LNG and Customer mutually agree to some later date (NAESB 0.3.9).

In lieu of the above credit requirements such Customer may receive or continue to receive service if Customer provides (i) where the service is associated with a permanent release of capacity associated with the original construction of Southern LNG's facilities or an expansion of Southern LNG's facilities, either (x) the proposed Acquiring Customer, at the time of such permanent release -has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement customer or assignee), or (y) the proposed Acquiring Customer provides a guarantee from a credit provider that, at the time of such permanent release or assignment, has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement credit support provider), and in all cases (z) the credit support is equivalent in amount for the portion of capacity being permanently released, the duration, and any other material applicable terms as the credit support previously agreed to in the Releasing Customer's precedent agreement related to such capacity being released or (ii) where service is not associated with a permanent release, the greater of the credit support agreed to for its Service Agreement or the following:

- (x) security deposit in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, or of any extension, of the Service Agreement and a three (3) month period;
 - (y) good and sufficient surety, as determined by Southern LNG in its reasonable discretion, in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, as may be extended, of the Service Agreement and a three (3) month period;
 - (z) a guaranty in a form agreed to between Southern LNG and Customer from a creditworthy party and such creditworthy party will be responsible for payment of all charges and penalties assessed by Southern LNG but not paid by Customer.
- (e) Subject to other provisions of the Rate Schedule and the GT&C, the term of any Service Agreement may be extended wherein the parties have agreed to an "evergreen" or "rollover" provision. Also, a Customer having more than one firm Service Agreement each with a primary term of at least nineteen (19) years, unless Southern LNG agrees otherwise, shall have the right, to be exercised by written notice to Southern LNG only once and no later than the tenth (10th) anniversary of the effectiveness of the earlier Service Agreement, to enter into an amendment to such Service Agreement to extend the primary term to end no later than the end of the primary term of the later Service Agreement and to specify the same evergreen extension provisions as the later Service Agreement, in exchange for which extension period Customer agrees in the amendment to pay the higher of (i) the rate agreed to in the Service Agreement being extended, or (ii) the maximum recourse rate on file for service under such Rate Schedule. The right provided Customer in the preceding sentence shall not, however, prohibit Southern LNG and any Customer from otherwise agreeing to amendments of the primary term or other

provisions of any Service Agreement. Such changes shall not affect Customer's priority of service. To request any changes to a Service Agreement, Customer shall submit a request in writing or electronically in the manner set forth in Section 2.1(a) above, provided that electronic copies shall be equivalent to original writings.

- (f) Southern LNG shall not be obligated to accept any request for service unless adequate firm capacity is available without the construction of (or contribution for) additional facilities (including Receipt and Delivery Point(s)) by Southern LNG.

3. QUALITY

3.1 In order to permit delivery into downstream facilities and Customer's Vessel(s), the LNG received and delivered by and from Southern LNG under any Service Agreement shall be merchantable and shall have in its gaseous state:

(a) A Wobbe Index with an upper limit of 1,396 and a gross heating value (GHV) of not less than 1,000 Btu and not more than 1,100 Btu after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; provided, however, with respect to LNG in its gaseous state to be delivered into downstream facilities until such time that the two Conditions Precedent specified in the settlement in Docket No. RP10-829-000 are satisfied, the Wobbe Index multiplied by 1.667, plus the GHV, of such LNG in its gaseous state to be delivered into downstream facilities shall not be greater than 3412 (*i.e.*, $\text{Wobbe Index} \times 1.667 + \text{GHV} \leq 3412$) after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; and

(b) Constituent elements conforming to the following:

- (i) free of objectionable liquids and solids and be commercially free from dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of vaporization or transportation through any downstream pipeline;
- (ii) not contain more than 200 grains of total sulphur or 10 grains of hydrogen sulphide, or 0.30 gallons of isopentane and heavier hydrocarbons, per Mcf;
- (iii) not contain by volume more than 1% of carbon dioxide, 2% nitrogen or 0.2% oxygen;
- (iv) not contain any water; and
- (v) free of liquids at 800 psig and 50° F.

3.2 The gas delivered by Southern LNG will be merchantable gas.

3.3 All LNG received by Southern LNG loaded in Customer's vessel(s) shall conform to the specifications set forth in this section, and Customer agrees to analyze or caused to be analyzed each cargo or delivery of LNG as provided in this section. Customer agrees to test each LNG cargo or delivery in the manner prescribed.

(a) Hydrogen Sulfide:

The LNG received by Southern LNG shall contain not more than the specified volume of hydrogen sulfide as determined by methods presented in Standards for Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide if a strip of white filter paper, moistened with a solution containing five per cent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution after the first paper has been exposed to the ~~v~~Vaporized LNG for one (1) minute in an apparatus of approved form, through which the ~~v~~Vaporized LNG is flowing at the rate of approximately five (5) standard cubic feet per hour, the ~~v~~Vaporized LNG not impinging directly from a jet upon the test paper.

(b) Total Sulfur:

The LNG received by Southern LNG shall contain not more than the specified total sulfur as determined by the method prescribed in American Society for Testing and Materials, Standard Method of Test for Total Sulphur in Fuel Gases, No. D 1072-56.

3.4 For all Ship Loading Service and Interruptible Ship Loading Service, at the time Customer provides Southern LNG with its first notice under Section 5.1 of the applicable Rate Schedule, Southern

LNG shall provide Customer with notice of the projected quality of LNG inventory stored in the Southern LNG storage tanks at Elba Island that will be loaded onto Customer's vessel under Rate Schedules LNG-1 and LNG-3 or under the Interruptible Ship Loading Service under Rate Schedule LNG-2.

- 3.5 Should any LNG for receipt by Southern LNG fail at any time to conform to any of the specifications provided for in this Section 3, Southern LNG may, at its option, suspend all or a portion of the receipt of any such LNG. Southern LNG shall be relieved of any of its obligations for the duration of such suspension. Upon receipt of Southern LNG's notice of such a failure, Customer shall make a diligent effort to correct the failure by treatment or dehydration or nitrogen injection consistent with prudent operation so as to tender LNG conforming to the specifications provided for in this Section 3.

Notwithstanding the above, Southern LNG agrees to grant a waiver of the GHV specification set forth above in Section 3.1(a) for ~~cargos receipts and deliveries~~ of LNG ~~which~~ the heating value of which, when blended with the total projected LNG inventory stored in the tanks at Elba Island at the anticipated time of ship unloading, will (i) achieve a gross heating value of not more than the GHV specification based on a blending calculation, and (ii) conform to all of the other specifications provided for in this Section 3. Such blending calculation performed by Southern LNG will take into account estimated ~~cargo receipt and delivery~~ volumes, storage inventory, projected heat content of the LNG in storage and being shipped or delivered, nitrogen injection, the heat content of LNG from the Liquefaction Facility, and the ship arrival dates and whether such ships will be for receipts or deliveries. Any deviations or changes in the estimated data points used in the blending calculation which result in a blended LNG with GHV higher than the GHV specification set forth in Section 3.1(a) above, may result in partial acceptance of the ~~cargo receipt or delivery~~ and/or limitation of ~~send-out delivery or receipt~~ nominations from the ~~cargo Receipt Point or Delivery Point~~ causing the deviations or changes from the GHV specification ~~from the Delivery Point~~ until such time that the actual LNG volumes when blended achieve the GHV specification. Customer agrees to assist Southern LNG in updating the blending calculation by providing Southern LNG with the necessary information to arrive at the blending calculation and with any changes from the estimated heating values up to and through the time the cargo unloading or delivery commences ~~deliveries~~. Notwithstanding the above, nothing contained herein will limit any Customer's right to deliver LNG from the Liquefaction Facility or bring in cargos for receipt or delivery of LNG that meet the GHV specification without blending or obligate any Customer to in any way alter their shipping schedule, unloading or loading schedule, or send-out schedule to accommodate blending of out-of-spec ~~cargos receipts and deliveries~~ and all ~~cargos receipts and deliveries~~ will continue to be scheduled pursuant to Section 5 of ~~Rate Schedules LNG-1 and LNG-3 the applicable rate schedule in~~ Southern LNG's Tariff, and provided that all send-out from its Elba Island Terminal will meet the GHV specifications in Section 3.1(a) above.

To the extent blended volumes in the LNG tanks exceed the Btu or GHV limits established in Section 3.1(a) above as a result of weathering due to extended inventory latency periods, then the Customer requesting delivery of volumes may request that Southern LNG treat such LNG volumes using existing nitrogen injection facilities (to the extent practical adhering to the equipment's physical injection limitations and not to exceed the maximum volumetric nitrogen specifications set forth in the tariff) to blend such weathered LNG which is out of specification with nitrogen in order to allow such LNG to meet the GHV and Btu specifications. - For such nitrogen injection service associated with weathering the customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on Elba Island as may adjusted to reflect any actual over or under collection of such costs from the previous calendar year. - For the first calendar year of such service SLNG may estimate such costs based on the market cost for nitrogen in such year.

- 3.56 Noncompliance with Specifications:

- (a) Should Customer tender for Southern LNG's receipt any LNG that causes the composite gas stream in Southern LNG's facilities to fail the requirements of the downstream pipeline, Southern LNG may take whatever action necessary on Southern LNG's own accord or use of a third party, as solely determined by Southern LNG, at Customer's sole cost and expense, to treat and/or process the gas stream such that the gas stream can be delivered to the downstream pipeline. Until remedial action is taken to make gas acceptable to the downstream pipeline, Southern LNG may refuse to accept receipt of any gas, in Southern LNG's sole discretion, which prevents Southern LNG from making deliveries into the downstream pipeline. Any reduction in the energy content of the gas

treated and/or processed shall be determined and deducted from Southern LNG's transportation volumes tendered for delivery to the downstream pipeline.

- (b) No waiver by Southern LNG of any default by Customer in any of the specifications set forth above or in any other provision of this Tariff shall operate as a continuing waiver of such specification or as a waiver of any subsequent default whether of a like or different character.

4. MEASUREMENT

4.1 Measurement of Quantity of LNG Received from or transferred to Customer's Vessel(s):

- (a) The volume of LNG received by Southern LNG from Customer's Vessel(s) or delivered by Southern LNG to Customer's Vessel(s) and reflected as a net change-increase in Customer's LNG Balance shall exclude the amount of vapor returning to transferred between Southern LNG and Customer's ~~V~~Vessel during loading and/or unloading/unloading of LNG. Southern LNG shall have no obligation to receive quantities that cause Customer to exceed the volume equivalent of its MSQ (or that part of its MSQ allocated to Customer during periods of constrained capacity) or deliver quantities that cause Customer to exceed the volume equivalent LNG that is shown in Customer's LNG Balance.
- (b) The volume expressed in units of cubic meters of LNG received at the Receipt Point, as defined in Section 6.1 below, or delivered to Customer's Vessel(s) shall be measured in metric units by gauging of the liquid in the tanks of Customer's ~~V~~Vessel(s). Customer shall cause the first gauging to be made after the Captain of Customer's ~~V~~Vessel has given his notice of readiness to unload/load LNG and before starting the pumps. A second gauging shall take place immediately after completion of the unloadingtransfer of LNG. Representatives of Customer and Southern LNG shall have the right to be present at such gaugings, but the absence of a representative shall not prohibit any gauging.
- (c) Customer shall send or cause to be sent to Southern LNG a certified copy of the gauging standards, in metric units approved by the United States Bureau of Standards in Washington, D.C., as well as correction charts (list, trim, contraction, etc.), for each tank of each of Customer's ~~V~~Vessels. Such standards and charts shall be used throughout the term of the Service Agreement, except in the case of physical change in the tanks, in which case new standards and charts shall be sent to Southern LNG. LNG measuring devices shall be approved by both Southern LNG and Customer. Each tank shall be equipped with two level-measuring devices of different types.
- (d) The density of the LNG shall be calculated using the revised Klosek and McKinley method and density coefficients as defined in ISO 6578, "Refrigerated hydrocarbon liquids – Static measurement – Calculation procedure", First Edition, 1991.
- (e) The temperature of the LNG contained in the tanks of any of Customer's ~~V~~Vessels shall be determined by using the arithmetic average of the temperature indicated by special thermo-couples or resistance thermometers spaced at various locations from top to bottom of each tank with an accuracy of plus or minus two-tenths of a degree centigrade. Such temperatures shall be either logged or printed at each gauging.
- (f) Samples of the LNG shall be taken with a frequency adequate to assure a representative analysis of the LNG being unloadedtransferred, at a suitable point near the Receipt Point or at Customer's Vessel. The sampling device shall be such as to permit the total and continuous vaporization of a quantity of LNG sufficient for the taking of a gaseous sample representative for the LNG then being unloadedtransferred. Such samples shall be analyzed by means of a suitable gas chromatograph. An analysis or the average of such analyses shall determine the molecular composition of the LNG. A calibration of the chromatograph utilized shall be performed before the analysis of the samples taken from each unloadingtransfer. Representatives of Customer and Southern LNG shall have the right to be present at such calibrations, but the absence of a representative shall not prohibit any calibration. Such calibration shall be effected with the aid of a gaseous mixture having a known composition closely similar to the ~~V~~Vaporized LNG being measured.
- (g) The Gross Heating Value (GHV) of LNG shall be calculated using an enthalpy equivalent of 60 degrees Fahrenheit as computed from on the basis of its molecular ~~weights~~ composition and the ~~Thermies per kilogram of each~~GHV of each of its components. The values of physical constants to be used for such calculations shall conform to those contained in the most current publications of the Gas Processor's Association Report, GPA 2145National Bureau of Standards of the United States, or a successor agency.

(h) The quantity of ~~energy Dth unloaded~~ transferred, expressed in dekatherms (Dth), ~~between Southern~~ LNG and from Customer's Vvessel(s) shall be calculated on the basis of the following formula:

$$Q = V \times M \times Pc$$

~~252~~

where:

Q = the number of Dth ~~transferred~~unloaded

V = the volume of LNG ~~transferred~~unloaded, in m³, as determined in accordance with GT&C § 4.1(b)

M = the density of the LNG in kg/m³ calculated in accordance with GT&C § 4.1(d)

Pc = the GHV of LNG per unit of mass, in ~~Dth~~Thermies/kg calculated in accordance with GT&C § 4.1(g)

Alternatively, the volume and density may also be expressed in customary United States imperial units of measure.

(i) Gauging equipment:

- (1) Customer shall cause to be supplied, operated, and maintained equipment for accurately gauging the level of liquid and liquid temperature in the tanks of Customer's Vvessel(s). Southern LNG shall supply, operate and maintain all equipment, instruments, and devices used for the sampling of and for the density, quality, and composition of the LNG ~~transferred~~unloaded.
- (2) All measurements and calculations relating to gauging and determination of the density of the LNG and the testing of the quality and composition of the LNG shall be performed by Southern LNG. Representatives of Customer shall have the right to be present, but the absence of a representative shall not prohibit any measurement, calculations, or testing.
- (3) Both parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information shall be made available to the parties and preserved for a period of not less than three years.

(j) Verification of accuracy:

- (1) The accuracy of the instruments used shall be verified at the request of either Southern LNG or Customer. Such verifications shall be made in the presence of the Party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
- (2) If, at any time of verification, a measuring instrument is found to produce errors of one percent or less of ~~transferred unloaded~~ LNG, then such instrument's previous measurements shall be considered accurate for purposes of delivery calculations. Such instrument shall be adjusted as necessary. If, at the time of verification, a measuring instrument is found to produce errors of more than one percent, then such instrument's previous measurements shall be brought to a zero difference by comparison with calibration results for any period known definitely or agreed to have been affected the error, and the calculation of LNG ~~transferred unloading~~ during this period shall be corrected accordingly. If the period that the error affected is not definitely known or agreed upon, correction shall be made for those quantities ~~transferred unloaded~~ during the last half of the period since the date of the last calibration of the instrument.

- (k) The installation and operation of devices for measuring the level of LNG and temperature in the tanks of Customer's ~~V~~vessel(s), as well as chromatographs, shall be carried out according to the manufacturers' specifications.
- (l) All instruments and gauges used for computing the quantity of -LNG transferred ~~unloaded~~ shall be calibrated in the following manner:
 - (1) in cubic meters (m³);
 - (2) in degrees ~~centigrade~~-Celsius (°C); and
 - (3) on a dual scale calibrated in bars or millibars on one side and psig on the other.

4.23 Measurement for Delivery of Vaporized LNG or natural gas:

- (a) Unit of Volume:

The unit of volume shall be a cubic foot.
- (b) Measurement of Volume:
 - (1) When gas is delivered at a pressure different from 14.73 psia, then for the purpose of measurement hereunder, such volumes of gas shall be corrected to a pressure of 14.73 psia. It is assumed that the atmospheric pressure is 14.4 pounds per square inch or such other pressure as agreed upon by Southern LNG and Customer. The measurement of gas volumes shall be adjusted for deviation from Boyle's Law in accordance with generally accepted engineering practice; provided, however, that where gas is delivered through positive displacement meters at a pressure not in excess of 20 psig, the gas may be assumed to obey Boyle's Law.
 - (2) Where orifice meters are used, volumes delivered shall be computed in accordance with formulae, tables, and methods prescribed in Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, AGA Report No. 3 -- ANSI/API 2530, as revised September 1985, and as such report may hereafter be further revised. Exact measurements of inside diameters of meter tubes shall be obtained by means of a micrometer to the nearest one-thousandth inch. Volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of paragraphs (3) and (4) below.
 - (3) The flowing temperature of the gas shall be determined for the purpose of measured volume correction. Volume shall be corrected for ~~each degree of~~ variation in the flowing temperature from 60 degrees Fahrenheit. The flowing temperature will be measured by RTD's, thermocouples, thermometers, etc. and shall be either (1) recorded using charts, digital recorders, etc., in which case the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time during which gas was flowing; or (2) used for on-site flow computations in electronic flow computers in which case the instantaneous measurement of temperature will be used in such computations. Where no temperature measuring device is installed, the temperature of the gas shall be assumed to be 60 degrees Fahrenheit.
 - (4) A specific gravity correction shall be applied to measured volumes. The specific gravity to be used for such correction shall be determined at an appropriate location by a gravimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the specific gravity recorder) of such record shall be the specific gravity of the gas being measured; or (2) used for flow computations in electronic flow computers in which case the value of the specific gravity being measured will be used as appropriate in such

computations. If a specific gravity measuring device is not installed or available at an appropriate location, then specific gravity shall be determined by a mutually agreeable method.

- (5) The gross heating value shall be determined at an appropriate location by a calorimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the gross heating value recorder) of such record shall be the gross heating value of the gas being measured; or (2) entered as an input to electronic flow computers in which case the gross heating value being measured will be used in the computation of the Btu content of the gas. If a gross heating value measuring device is not installed or available at an appropriate location, then the gross heating value shall be determined by a mutually agreeable method.

6. RECEIPT AND DELIVERY POINTS

6.1 Receipt Point:

The Receipt Point shall be (a) for all LNG unloaded from Customer's ~~v~~Vessel(s) ~~shall be~~ at the point, whether one or more, at which the flange at the outlet of the unloading piping of Customer's ~~V~~vessel joins the flange at the entry of the receiving LNG pipeline at Southern LNG's marine terminal or (b) for all other LNG, at the point at the outlet of the meter station interconnecting with any liquefaction facility whether owned by SLNG or a third party liquefaction facility ("Liquefaction Facility"). Southern LNG shall ~~receives~~ natural gas only in a liquefied state.

6.2 Delivery Point:

The Delivery Point ~~for all vaporized LNG delivered by Southern LNG to Customer~~ shall be (a) an interconnection between the Terminal and a downstream pipeline for ~~v~~Vaporized LNG delivered by Southern LNG to Customer ("Downstream Pipeline Interconnect") or (b) an interconnect between the Terminal and Vessel for LNG delivered by Southern LNG to Customer.

6.3 Facilities:

Pursuant to Section 154.109(b) of the Commission's Regulations (18 C.F.R. § 154.109(b)), Southern LNG states as follows:

(a) Facilities Owned and Operating by Southern LNG:

(i) Reimbursement by Customer:

If Customer requests the installation or modification of the facilities necessary to perform Firm Service that Customer requests under the applicable Rate Schedule and agrees to reimburse Southern LNG for the full cost of that installation or modification, and if Southern LNG agrees to install the facilities or to modify existing facilities, then Customer and Southern LNG agree that Southern LNG will construct and install (or cause to be constructed and installed) the facilities, or will modify (or cause to be modified) its existing facilities. Southern LNG will own and operate these and all appurtenant facilities.

(ii) No Reimbursement by Customer:

If Customer does not agree to reimburse Southern LNG for the full cost of those facilities, then Southern LNG may agree to construct or modify facilities if Southern LNG has constructed or modified similar facilities for similarly situated Customers. Southern LNG will own and operate these and all appurtenant facilities.

(b) Facilities Owned and Operated by Customer; Contributions in Aid of Construction:

If conditions favor Customer's constructing, owning, and operating facilities at or near the Receipt or Delivery Point, then Southern LNG may provide to Customer a contribution in aid of construction (CIAC). Southern LNG will provide CIACs in a manner not unduly discriminatory to similarly situated Customers.

7. PRESSURE

7.1 Receipt Point:

The receipt of LNG from Customer's ~~V~~vessel under GT&C Section 6.1 (a) shall be carried out by use of pumps and other equipment on Customer's ~~V~~vessel(s) at an hourly rate of approximately one-twelfth (1/12) of the maximum cargo capacity of Customer's ~~V~~vessel and at an average pressure of forty (40) psig at the Receipt Point; provided, however, that the hourly rate shall not exceed an hourly rate of one-tenth (1/10) of the cargo capacity of Customer's ~~V~~vessel. Southern LNG shall not be obligated to receive LNG at a rate or pressure that exceeds prudent operating conditions under conditions that exist at that time.

All LNG delivered to Southern LNG under GT&C Section 6.1 (b) shall be delivered at pressures sufficient to enter Southern LNG's facilities at such working pressures maintained by Southern LNG at each Receipt Point; provided, however, that such pressures shall not exceed Southern LNG's maximum allowable operating pressures at each such Receipt Point. Southern LNG and Customer may on a case-by-case basis agree that scheduled receipts may, subject to applicable regulatory requirements, be made at a lower pressure if such lower pressure may be accommodated by Southern LNG's facilities.

7.2 Delivery Point:

Southern LNG shall deliver LNG and/or ~~v~~Vaporized LNG at the pressure psig stated in the Service Agreement; however, Southern LNG shall not be obligated to deliver LNG and/or ~~v~~Vaporized LNG at a rate or pressure in excess of the Loading Rate or that exceeds prudent operating conditions under conditions that exist at that time.

8. LIABILITY OF CUSTOMER AND SOUTHERN LNG; ALLOCATION OF CONSTRAINED CAPACITY

8.1 Risk of Loss

(a) Control and Possession of Gas:

For the purpose of determining the liability of Southern LNG and Customer, respectively, Customer shall be deemed to be in exclusive control and possession of any ~~g~~Gas until actually received by Southern LNG at the Receipt Point, and after the ~~g~~Gas has been delivered to the account of Customer by Southern LNG at the Delivery Point. Southern LNG shall be deemed to be in exclusive control and possession of any ~~g~~Gas only while it is in Southern LNG's facilities. Title to that share of ~~g~~Gas deemed to be (i) used as ~~fuel~~GRO, (ii) disposed of pursuant to the take-title provision of this Tariff, and (iii) ~~lost or unaccounted for gas~~LAUF shall pass to Southern LNG at the Receipt Point.

(b) Control and Responsibility:

The party deemed to be in control and possession of the ~~g~~Gas in accordance with GT&C § 8.1 shall exclusively bear all risk of loss therefor. For all matters within Customer's control, Customer warrants that service from Southern LNG and all incidental arrangements conform to applicable regulations and agrees to indemnify and save Southern LNG harmless against any actions, suits, or proceedings concerning service and arrangements that are brought before or instituted by any authority having jurisdiction.

Customer assumes responsibility for all port or wharfage fees, pilotage fees, agent fees, duties, taxes, levies or charges imposed on Customer's ~~V~~vessels, any actions associated therewith, or the ~~g~~Gas Customer tenders for receipt by Southern LNG.

Customer agrees to indemnify, defend, and save Southern LNG harmless against any loss, damage, cost, expense, claim, or action resulting from performance or nonperformance by Customer; customer's agents, affiliates, or contractors; Customer's ~~V~~vessels; or the owners or operators of those vessels; in connection with this Tariff.

8.2 Insurance

In addition to the other requirements of the Rate Schedule, Southern LNG and Customer shall maintain insurance adequate to cover losses that may reasonably arise during the course of service under this Tariff.

8.3 Force Majeure & Operating Condition:

If Southern LNG or Customer becomes unable, wholly or in part, by either force majeure or operating condition, as applicable, to carry out its obligations under the Service Agreement (other than to make payments due thereunder) it is agreed that, on such party's giving notice and full particulars in writing of such force majeure or operating condition, by telephone (followed by written confirmation) to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party giving such notice (other than to make payments due under the Service Agreement), so far as they are affected by the force majeure or operating condition, shall be suspended during the continuance of any inability so caused but for no longer period; and the cause shall as far as possible be remedied with all reasonable dispatch.

The term "force majeure" means, with respect to either Southern LNG or Customer, any event or circumstance beyond the reasonable control of a party while acting and having acted as a Reasonable and Prudent Operator, defined below, and that results in or causes the failure by the party affected to perform any one or more of its obligations under the Service Agreement and applicable Rate Schedule and GT&C. Events or circumstances of force majeure include without limitation acts of God, acts of government agents, hurricanes, storms, fires, explosions, and unplanned outages and repairs to Southern LNG's facilities. Southern LNG shall also be excused for failure to carry out its obligations under this Tariff to the extent that the event of force majeure relates to the downstream facilities or equipment of Southern Natural Gas Company

(Southern Natural) that enable ~~g~~Gas delivered by Southern LNG to enter the mainline facilities of Southern Natural or other downstream pipeline.

For the purposes of the definition of "force majeure," a Reasonable and Prudent Operator shall mean a person acting in good faith with the intention of performing its contractual obligations, and who in so doing and in the general conduct of its undertaking exercised the degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances and conditions. Southern LNG shall provide to Customer, or to a third party designated by Customer, reasonable access to data in Southern LNG's possession regarding the operation and maintenance of the Terminal.

A party shall be excused for failure to carry out its obligations only to the extent that and only for the period during which it is rendered unable to carry out such obligations by reason of force majeure, provided, however, that such party shall:

- (i) promptly notify the other party of the invocation of force majeure and the reasons therefor;
- (ii) thereafter provide interim reports of the force majeure event, reasons for continued invocation of force majeure, and an estimate of the anticipated time of the force majeure period;
- (iii) use reasonable endeavors to overcome and minimize the effects of any such force majeure and resume performance of obligations as soon as practicable after removal of the force majeure;
- (iv) not be excused by reason of force majeure from an obligation to indemnify or to make any payments due;
- (v) upon request in writing by the other party, give or procure access insofar as is reasonably practicable to do so for a reasonable number of representatives of that other party at that other party's sole risk and cost, to examine the scene of the relevant event of circumstances of force majeure.

The term "operating condition" means the necessity to make scheduled repairs to or tests, inspections, or modifications of, Southern LNG's facilities. Southern LNG will exercise reasonable diligence to minimize disruptions of service to Customers.

8.4 Allocation of Constrained Capacity:

If a constraint in receipt, delivery, or working storage capacity occurs such that Southern LNG cannot meet the requirements of Customers, then the available capacity shall be allocated as follows:

- (a) for a reduction in working storage capacity, the available working storage capacity shall be allocated (i) first to each firm Customer in a proportional share based on the ratio of each firm Customer's MSQ to the total MSQ contracted for by all firm Customers; and (ii) then, if any capacity remains available, to interruptible Customers based on the rate paid for service, higher rate first, and then pro rata among Customers paying the same rate. An interruptible Customer paying a discount or negotiated rate less than the maximum rate may elect to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise to allow for the Customer's interruptible service to be queued up with other maximum-rate interruptible services. Customer must make such election to pay the maximum rate by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section;

- (b) for a reduction in the capacity to receive LNG from Customer's ~~V~~vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule~~GT&C § 12.5; and~~
- (c) for a reduction in vaporization capacity, the available vaporization capacity shall be allocated according to the priorities set forth in GT&C § 12.5; and
- ~~(d) for a reduction in the capacity to deliver LNG to Customer's Vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule.~~

8.5 Odorization:

Except where otherwise required by law, ~~g~~Gas delivered by Southern LNG will be delivered in its natural state without the addition of any odorizing agent. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has not odorized such ~~g~~Gas prior to its delivery.

Southern LNG will add odorizing agents to ~~g~~Gas delivered by it where required by law. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has odorized such ~~g~~Gas prior to its delivery, nor does Southern LNG warrant the delivery of odorized ~~g~~Gas.

8.6 Buyout Election for Extended Force Majeure:

(a) Applicability:

The following provisions govern Customer's election to terminate a firm Service Agreements upon payment of the applicable buyout amounts set out below. The following provisions shall apply only to a firm Service Agreement for which a qualifying Buyout Election is noted therein. For purposes of this Section 8.6, a qualifying electing Customer shall be referred to as "Electing Customer."

(b) Evaluation Periods

(1) Initial Evaluation Period

If Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable to make available at least eighty percent (80%) of Customer's MDVQ, ~~or~~ MSQ, or MDLQ under a Service Agreement for which the Buyout Election was made, then Southern LNG shall immediately begin consulting with Electing Customer and provide Electing Customer within one-hundred and eighty (180) days thereafter with a notice in writing of Southern LNG's s initial report. The initial report shall include the estimated capital cost associated with restoring the capacity lost due to the event of force majeure, the availability of funds from both property damage insurance and a resolution of Southern LNG's governing board to fund such restoration (the sum of insurance proceeds and board resolution, the "Available Funds"), and the estimated duration of activities prior to restoring the capacity starting from satisfaction of any conditions precedent in Section 8.6(b)(1)(D) below (such initial report, the "Initial Restoration Report").

- (A) If the later of the Initial Restoration Report and the Initial Expert Decision, as defined in Section 8.6(c)(1) below, estimates both that (i) the duration of the force majeure event is no more than forty-eight (48) months and (ii) the capital cost to restore the capacity is no more than the Available Funds, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoring the capacity.

- (B) If the Initial Expert Decision either (i) estimates the duration of the force majeure event at more than forty-eight (48) months or (ii) estimates the capital cost to restore the capacity at more than the Available Funds, then Southern LNG may within sixty (60) days thereafter notify Electing Customer in writing of its intent to supplement the Available Funds to either shorten the estimated duration to within forty-eight (48) months, increase the Available Funds to cover the estimated capital cost, or both as applicable ("Supplemental Restoration Report"), which Supplemental Restoration Report the parties agree shall be referred to expert decision as provided below. If the Supplemental Expert Decision affirms the Supplemental Restoration Report, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoration.
- (C) If either Southern LNG does not provide a Supplemental Restoration Report or the Supplemental Expert Decision does not affirm the Supplemental Restoration Report, then within thirty (30) days thereafter, Electing Customer may terminate its Service Agreement for which a Buyout Election was made. Termination shall occur upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations to pay the reservation charges applicable to such Service Agreement ("Initial Buyout Amount"), which Buyout Amount for each Service Agreement to be terminated shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the net present value at the Commission refund rate of the remaining monthly reservation charges for the ~~MSQ, and MDVQ, and MDLQ~~ calculated at the higher of Customer's negotiated rate or the effective maximum recourse rate for such ~~MSQ, and MDVQ, and MDLQ~~ for the duration of the primary term of the Service Agreement ("NPV Prepayment").
- (D) If the estimated cost of restoration (from the later of the Initial Restoration Report, the Initial Expert Decision or the Supplemental Restoration Report) exceeds the available insurance funds stated in the Initial Restoration Report ("Cost Exceedance"), then Southern LNG's obligation to commence and continue restoration activities shall be subject to the following conditions precedent:
- (I) Electing Customer enters into a negotiated rate agreement with Southern LNG providing for Customer' paying charges that recover the full cost of service of the Cost Exceedance and operating expenses to restore the capacity under its Service Agreements "Excess Negotiated Rate"; and
- (II) Electing Customer provides credit support in the form of either a standby, irrevocable letter of credit issued by a financial institution having a long-term unsecured debt rating of either BBB from Moody's Investor Services or Baa from Standard and Poors or comparable credit support for an amount in U.S. dollars equal to the Cost Exceedance ("Excess Credit Support").
- (2) Interim Evaluation Period
- (A) If Southern LNG commences restoration under Section 8.6(b)(1) above, then starting at the end of every sixth (6th) month thereafter until restoration of firm capacity to serve at least eighty percent (80%) of each of Customer's ~~MSQ, and MDVQ, and MDLQ~~, Southern LNG shall provide to Electing Customer by notice in writing with an update to the Initial Restoration Report or, if affirmed, the Supplemental Restoration Report ("Interim Restoration Report"). The Interim Restoration Report

shall provide the estimated duration and cost of restoration based on information available to Southern LNG since the last report.

- (B) If the estimated duration in the later of the Interim Restoration Report and the Interim Expert Decision estimates that either (i) the duration will exceed sixty (60) months starting from satisfaction of the conditions precedent; or (ii) the cost will exceed the Available Funds, then within thirty (30) days thereafter Electing Customer may either direct Southern LNG to continue with restoration or terminate its Service Agreement upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations ("Interim Buyout Amount"), which Interim Buyout Amount shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the sum of (I) the NPV Prepayment plus (II) Customer's pro rata share of the Available Funds Southern LNG has expended or committed to expend during restoration (less proceeds Southern LNG has received for such restoration under property damage insurance). Customer's pro rata share for the preceding sentence shall equal the total amount multiplied by the ratio of Customer's total reservation charge obligations per month divided by the total reservation charges owed Southern LNG per month under currently effective Service Agreements.
- (C) If Electing Customer does not terminate its Service Agreements and pay the Interim Buyout Amount, then Southern LNG's obligation to continue with restoration shall be subject to the following conditions precedent:
 - (I) Electing Customer and Southern LNG's amending the Excess Negotiated Rate under Section 8.6(b)(1)(D)(I) above to provide for Customer's paying increased charges that recover the increased cost of service of the capital cost (less proceeds paid to Southern LNG from property damage insurance) and operating expenses to restore the capacity under its Service Agreements; and
 - (II) Electing Customer provides Excess Credit Support in addition to the amount provided pursuant to Section 8.6(b)(1)(D)(II) above equal to the estimated increase in cost to restore (from the later of the Interim Restoration Report or the Interim Expert Decision).

(c) Dispute Resolution:

- (1) Initial Restoration Report. If Electing Customer provides Southern LNG no later than thirty (30) days after receiving the Initial Restoration Report with notice in writing that Electing Customer disagrees with the cost and/or duration estimated in the Initial Restoration Report and believes either the estimated cost to be higher than the Available Funds or the estimated duration to be longer than sixty (60) months, such disagreement to be based on substantial evidence included with the notice along with Electing Customer's estimate of the cost and duration ("Electing Customer's Notice"), then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than sixty (60) days following the later of the Initial Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimate between the Initial Restoration Report and Electing Customer's Notice ("Initial Expert Decision").
- (2) Supplemental Restoration Report. Southern LNG and Electing Customer hereby agree to refer the Supplemental Restoration Report to a single, independent

expert qualified to review and dispose of issues with respect to the estimated cost and duration. If reasonably available, the expert issuing the Initial Expert Decision shall be used. No later than thirty (30) days following the later of the Supplemental Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer either affirming or denying the reasonableness of the Supplemental Restoration Report ("Supplemental Expert Decision").

- (3) Interim Restoration Report. If Electing Customer provides Southern LNG no later than fifteen (15) days after receiving an Interim Restoration Report with Electing Customer's Notice of disagreement, then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than thirty (30) days following the later of the Interim Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimates between the Interim Restoration Report and Electing Customer's Notice ("Interim Expert Decision"). Southern LNG and Electing Customer hereby agree to waive any and all challenges to the Interim Expert Decision, which shall be preclusive for purposes of the rights and obligations set out in Section 8.6(b)(2) above.

(d) Abandonment

A Customer exercising its right herein to terminate its Service Agreement shall not challenge, directly or indirectly, any application by Southern LNG to abandon capacity associated with such firm service.

9. WARRANTY OF TITLE AND INDEMNIFICATION

Both Customer and Southern LNG warrant good title or good right to all ~~g~~Gas transferred by it to the other party. Unless otherwise provided in this Tariff, Customer shall retain title to ~~g~~Gas while in the control and possession of Southern LNG. Customer further represents and warrants that it will pay and satisfy, or make provision for the payment and satisfaction of, any and all claims of every nature to the title to all ~~g~~Gas received by Southern LNG. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all suits, judgments, claims, demands, causes of action, costs, losses, and expenses arising out of or in any way connected with any claims to the title to all ~~g~~Gas received by Southern LNG.

Southern LNG assumes no obligation whatever to any royalty owner or to the owner of any other interest of any kind in any ~~g~~Gas received by Southern LNG for the account of Customer, and Customer or its seller shall pay all such royalties or other interests upon or in respect to such ~~g~~Gas.

Customer warrants permission and any requisite licensing or certification from government agencies having jurisdiction for the receipt by Southern LNG of ~~g~~Gas for Customer's account. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all enforcement actions, penalties, and sanctions arising out of or in any way connected with any failure to obtain that permission, license, or certificate.

10. CYCLING

Within one hundred twenty (120) days after a quantity of LNG is received by Southern LNG at the Terminal for Customer's account, Customer shall have caused that quantity to have been (a) vaporized and delivered by Southern LNG or (b) delivered to Customer's Vessel(s), unless Southern LNG agrees otherwise. If Customer fails to so withdraw such LNG, then Southern LNG may, at its option, take title to such LNG free and clear of any adverse claims, in which case Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of Customer to remove such LNG and the disposal of such LNG by Southern LNG, including charges under the applicable rate schedule. Southern LNG shall credit any net proceeds from the sale of LNG to which it takes title hereunder. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Southern LNG shall extend the time available for Customer to remove its Gas from Storage by one Day for every Day that Customer has been unable to withdraw properly nominated quantities due to force majeure or operating conditions invoked by Southern LNG.

12. NOMINATIONS, SCHEDULING, AND DETERMINATION OF DELIVERIES

~~This Section 12.1 through 12.6 shall govern the delivery by Southern LNG of vaporized LNG for Customer's account. Section 12.7 shall govern the delivery by Southern LNG of LNG for Customer's account.~~

12.1 Nomination Procedures:

- (a) General: Customer, or its agent designated in an executed Agency Agreement, shall nominate ~~gas~~ for all quantities for deliveries under any Service Agreement by notifying Southern LNG, pursuant to the provisions of this Section 12, of the daily quantity of ~~gas~~, expressed in Dth, that it has available for delivery.

Customer shall also specify the first date that the nomination is to be effective ("begin date") and the last date that the nomination is to be effective ("end date"). Customers may nominate for multiple days, up to six (6) months, provided the begin and end dates are within the term of Customer's Service Agreement with Southern LNG. All nominations, excluding intraday nominations, shall have roll-over options. Unless Customer wishes to change its nomination, Customer shall not be required to resubmit its nomination during the begin and end dates.

By submitting a nomination, Customer warrants that it has obtained all necessary regulatory approvals to deliver LNG to Southern LNG.

Southern LNG shall not be obligated to deliver quantities in excess of Customer's MDVQ.

With respect to the various deadlines set forth in this Section 12, the party receiving the information has the right to waive the deadline at its option. Southern LNG shall waive any such deadlines in a nondiscriminatory manner for similarly situated Customers.

- (b) Method of Submitting Nominations: Customer must submit its nomination through Southern LNG's Interactive Website. Customer's nominations shall be submitted to Southern LNG in the format set forth on Southern LNG's Interactive Website. If Southern LNG's Interactive Website is unavailable, nominations will be based on the most recent nominations submitted by Customer via Southern LNG's Interactive Website until Southern LNG's Interactive Website is restored. Southern LNG may waive the requirement for a Customer to submit its nomination electronically if Southern LNG determines, in its reasonable judgment, that Customer has experienced an event of force majeure that renders it incapable of transmitting such nomination electronically. Southern LNG will use its best efforts to work with Customer to enter nomination changes Customer provides in sufficient time prior to the nomination deadline under such limited circumstances.
- (c) Except as set forth in Section 12.2 below, the following nomination deadlines shall apply to nominations, confirmations and scheduling under this Section 12, including nominations from title transfer tracking (TTT) Service Providers. There will be two nomination cycles: timely and evening. For the timely and evening nomination cycles, scheduled quantities shall be effective at the start of the next Gas Day.

Timely (NAESB WGQ Standard 1.3.2(i))	Evening (NAESB WGQ Standard 1.3.2(ii))
1:00 p.m.	6:00 p.m. Nominations must leave control of Customer
1:15 p.m.	6:15 p.m. Nominations must be received by Southern LNG
1:30 p.m.	6:30 p.m. Southern LNG must issue quick response
4:30 p.m.	8:30 p.m. Receipt of all completed confirmations by transporters
5:00 p.m.	Receipt of scheduled quantities by Customer and point operator

9:00 p.m. Southern LNG to provide scheduled quantities to affected Customer and point operator, including bumped parties

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

In addition, Southern LNG will support three intraday nomination cycles on the current Gas Day (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17). In the first cycle (NAESB WGQ Standard 1.3.2(iii)), the intraday nomination shall leave the control of the nominating party by 10:00 a.m., and Southern LNG must receive such nomination no later than 10:15 a.m. Southern LNG will have until 10:30 a.m. to send a quick response, until 12:30 p.m. to complete confirmation and until 1:00 p.m. to provide scheduled quantities to affected customers and point operators, including bumped parties. Scheduled quantities resulting from this first intraday nomination cycle should be effective at 2:00 p.m. on the current Gas Day. In the second intraday nomination cycle (NAESB WGQ Standard 1.3.2(iv)), the intraday nomination shall leave the control of the nominating party by 2:30 p.m. and must be received by Southern LNG by 2:45 p.m. Southern LNG will have until 3:00 p.m. to send a quick response, until 5:00 p.m. to complete confirmations and until 5:30 p.m. to provide scheduled quantities to affected Customers and point operators, including bumped parties. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 6:00 p.m. on the current Gas Day. In the third intraday nomination cycle (NAESB WGQ Standard 1.3.2(v)), the intraday nomination shall leave the control of the nominating party by 7:00 p.m. and must be received by Southern LNG by 7:15 p.m. Southern LNG will have until 7:30 p.m. to send a quick response, until 9:30 p.m. to complete confirmations and until 10:00 p.m. to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the third intraday nomination cycle.

For intraday nominations under this Section, there is no limitation as to the number of intraday nominations which a service requestor may submit at any one standard nomination cycle or in total across all standard nomination cycles (NAESB WGQ Standard 1.3.32).

For purposes of NAESB WGQ Standard 1.3.2(ii), (iii), and (iv), "provides" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (d) Late Nominations: If, on any day, Southern LNG determines that it can extend the nomination deadline, pursuant to the waiver provisions of Section 12.1(a) above, without adversely affecting the processing of timely nominations, then all nominations received prior to the extended deadline shall be processed at the same time. Nominations for the next day submitted after the nomination deadline (as may be extended by Southern LNG) shall be processed on the next day as an intraday nomination submitted pursuant to Section 12.2 below.
- (e) Nomination Ranks: Rankings may be provided by the nominating party and, if so provided, shall be used to prioritize reductions to the corresponding requested quantities when such prioritization is not in conflict with other provisions of this Tariff (NAESB WGQ Standard 1.3.23). If rankings are not provided, prioritization will occur on a prorata basis.
- (f) Posting of Capacity Constraints Affecting Nominations: On a day when Southern LNG anticipates that requests for capacity for the following day of service will exceed the capacity of its facilities, Southern LNG shall post on its Interactive Website, the day

preceding the day on which service will commence, the available capacity on the segments of its facilities which Southern LNG anticipates will be affected.

- (g) Southern LNG shall have the right to refuse to deliver ~~v~~Vaporized LNG not timely or properly nominated in accordance with GT&C § 12. Southern LNG shall not be liable to Customer or any other person as a direct or indirect consequence of such refusal and Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal.
- (h) Reserved.
- (i) Payback Nominations: When making its nomination, Customer shall specify by Service Agreement which portion of the quantities to be received or delivered by Southern LNG is attributable to current service and which portion of the quantities is attributable to payback within the month of an estimated imbalance (either positive or negative). As between quantities of ~~g~~Gas received or delivered by Southern LNG for current service and ~~g~~Gas received or delivered by Southern LNG as payback of estimated imbalances, the ~~g~~Gas received or delivered as current service shall be deemed to be received or delivered prior to any payback ~~g~~Gas.
- (j) Package ID: A Package ID is a way to differentiate between discrete business transactions. Use of the Package ID is at the discretion of the service requester and, if sent, will be accepted and processed by Southern LNG. When used, Package IDs shall be supported for nominating, scheduling, and allocating, but not for invoicing unless mutually agreeable.
- (k) Additional Information Requirements:

Customer shall comply with requests by Southern LNG for additional information that Southern LNG believes is necessary to perform service hereunder or to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction. Customer shall notify Southern LNG immediately of any unexpected changes in quantities tendered for delivery, whether or not such notice conforms to the times set out herein. Customer shall cause the operator of each vessel or downstream pipeline designated in any nomination or changes to confirm all such nominations or changes to nominations electronically prior to implementation by Southern LNG.

12.2 Scheduling of Nominations:

Notice of Scheduled Quantities: After receiving notice of the next-day nominations requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantities of ~~g~~Gas for current service it will schedule at the Delivery Point under Customer's Service Agreement by 5:00 p.m. for the 1:00 p.m. nomination cycle and by 9:00 p.m. for the evening cycle on the day prior to the Gas Day for which Customer has made its nominations. In addition to making scheduled quantities information available by the times set forth above, Southern LNG shall also make available to Customer information containing scheduled quantities, including scheduled intraday nominations and any other scheduling changes.

At the end of each Gas Day, Southern LNG shall provide to Customers the final scheduled quantities for the just completed Gas Day. With respect to Customers using EDI, Southern LNG shall send by EDI an end of the day Scheduled Quantity document. Any Customer may waive the delivery of such end of the day Scheduled Quantity document.

After receiving notice of the intraday nomination changes requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantity of ~~g~~Gas for current service that it is able to schedule on an intraday basis prior to the effective time for such change. Southern LNG shall also notify any interruptible Customers of any interruption in service prior to such interruption being effective.

12.3 Confirmation:

(a) Customer's Responsibilities:

Southern LNG shall be entitled to rely conclusively on Customer's nomination as authorized for purchase or sale.

Customer shall not nominate for service in excess of (i) the quantities of LNG to be purchased/sold by Customer, or (ii) the quantities of ~~v~~vaporized LNG that third-party transporter(s) have agreed to accept for transportation upon delivery by Southern LNG, or (iii) the quantities of ~~v~~vaporized LNG that third-party transporter(s) have agreed to accept for delivery by Southern LNG, whichever is less. Customer shall be responsible for all dispatching notices to its seller(s) and third-party transporter(s), for notifying third-party transporter(s) of any changes in nominations, and for ensuring that third-party transporter(s) comply with such changes.

(b) Southern LNG's Procedures:

Prior to final scheduling of any nominations by Customer, Southern LNG shall make such inquiries as it deems necessary, including but not limited to contacting the responsible dispatching party at the Delivery Point, to determine that the portion of Customer's nomination that can be scheduled by Southern LNG will be implemented as stated by Customer ("Confirmation Request"). Absent mutual agreement by the dispatching party at the Delivery Point, the confirmation request provided by Southern LNG shall be at the entity level. All confirmation activities on Southern LNG's system for next-day ~~g~~Gas flow, both those confirmations received by Southern LNG and those given by Southern LNG at pipeline interconnects, must be completed no later than 4:30 p.m. for the timely nomination cycle and by 8:30 p.m. for the evening nomination cycle. The confirming party may relieve Southern LNG of its obligations to send a confirmation notice. If Southern LNG does not receive any communication from the confirming party, it will schedule the lesser of the nomination or the quantity Southern LNG determines will be implemented based on other available information.

12.4 Reserved.

12.5 Scheduling Priorities for Delivery Nominations of Vaporized LNG:

- (a) If, on any day, Southern LNG determines it has insufficient delivery capacity to ~~serve~~vaporize all Customers' Firm and Interruptible Services for that day, then Southern LNG shall first allocate all of its available vaporization capacity to Firm Services.
- (b) If Southern LNG further determines that it has insufficient delivery capacity to provide services allocated under the preceding paragraph 12.5(a) on that day, then Southern LNG shall allocate all of its reduced capacity to the Firm Services based on the ratio of each Customer's total MDVQ to the total aggregate MDVQ of all firm Customers submitting nominations. Each firm Customer shall be allocated its proportionate share of the available capacity based on its percentage share calculated from this ratio.
- (c) If Southern LNG does not have to limit its firm delivery services on a day, Southern LNG shall allocate the remaining capacity on its system to Interruptible Services. If the remaining capacity is insufficient to satisfy all of the nominations for Interruptible Services, then the interruptible Customers shall be served on the basis of the rate paid for service, higher rate first, and pro rata among Customers paying the same rate based on each Customer's confirmed nomination relative to the total confirmed nominations by all Customers for such Interruptible Services. If an interruptible Customer receiving a discount or negotiated rate less than the maximum rate elects to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise, Customer's service will be queued up with other maximum-rate interruptible Customers. Customer must elect by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section.

- (d) If quantity of the Boil-Off ~~g~~Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity to each Customer with a firm K-6 Capacity entitlement pro rata based on the ratio of Customer's firm K-6 Capacity entitlement to the K-6 Capacity. Customers that do not have a firm K-6 Capacity entitlement shall be treated as interruptible users of such K-6 Capacity and shall be allocated the remainder of any K-6 Capacity pro rata based on their allocated share of the ~~b~~Boil-Off ~~g~~Gas for that day.

- (e) If quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(3) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-7 Capacity, then Southern LNG shall first allocate all of the available K-7 Capacity to each Customer with a firm K-7 Capacity entitlement pro rata based on the ratio of Customer's firm K-7 Capacity entitlement to the K-7 Capacity. Customers that do not have a firm K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

12.6 Delivery Point Allocation of Vaporized LNG:

- (a) Use of PDAs:

On a daily basis at the Delivery Point, Southern LNG shall allocate the quantities of ~~g~~Gas metered at the point among the quantities of ~~g~~Gas scheduled at the point for the account of its Customers, based on the Pro Rata PDA method unless another PDA method is provided by the party that owns or operates the downstream facilities interconnecting with Southern LNG's facilities at the Delivery Point (the "downstream operator"). The alternative PDA methodologies from which the downstream operator may choose include the Swing PDA, a Ranked PDA, a Percentage PDA, or any other mutually agreeable allocation methodology. A new allocation detail may be needed when a nomination changes. The PDA shall be provided by the downstream operator for each nominating Customer to its Delivery Point. Southern LNG shall then allocate pro-rata to Customer's scheduled contracts, unless Customer has provided a ranking by contract, and then for each contract, use the downstream ranks provided by Customer in its nomination for applying the PDA to the downstream Package ID level at the Delivery Point. Customer agrees that Southern LNG shall have the right to rely conclusively on the PDA provided pursuant to this Section 12 for the purposes of determining the daily quantities of ~~g~~Gas delivered by Southern LNG for the account of Customer at each Delivery Point. Downstream operators should communicate to the other customers that their transaction(s) for allocation purposes are lowest ranked or swing, when such customers' transaction(s) are identified by the downstream operator in the PDA statement submitted to Southern LNG as being lowest ranked or swing (NAESB WGQ Standard 2.3.63).

- (b) PDA Deadlines:

Each PDA must be submitted to Southern LNG, through its Interactive Website, by 5:00 p.m. on the second business day after the calendar day on which the Gas Day ends. COMPANY shall extend the PDA deadline to no later than four (4) business days following the end of the month in which the ~~g~~Gas was delivered in the event all of the affected parties send notice to COMPANY through email that they are in agreement on the PDA to be used and have no objection to a change in the PDA.. The current PDA will stay in effect as submitted until it is changed pursuant to the foregoing procedures. A new allocation detail may be needed when a nomination changes. In the event Customer adds a nomination at the Delivery Point, then Southern LNG must provide, or cause to be provided, as set forth above, a PDA at the Delivery Point which recognizes Customer's nomination.

(c) Maximization:

To better maximize the use of Customer's Firm Services for which it is paying a Reservation Charge, Southern LNG shall maximize Customer's services as follows prior to billing Customer under its Service Agreements with Southern LNG. The total quantity allocated to Customer at the Delivery Point pursuant to the PDA in effect for the day shall be deemed to be allocated among Customer's various services in effect at the point on that day in the following order, as applicable: Firm Service, acquired capacity release charged on a reservation basis, interruptible service, then overrun.

(d) Application of NAESB Standards' Timelines:

The NAESB timelines applicable to standard NAESB predetermined allocation (PDA) methods shall also apply to any additional PDA methods offered by Southern LNG pursuant to the provisions of this Section 12.6.

(e) Time Limit on Disputes of Allocations:

If Customer disputes any of the allocations of ~~gas~~ Gas made to its agreements with Southern LNG under this Section 12.6, Customer must notify Southern LNG of such dispute, with supporting documentation, no later than six (6) months following the month of service being disputed. Southern LNG shall have three (3) months within which to resolve or rebut the dispute. These time limits do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

12.7 Nominations and Deliveries of LNG; Boil-Off Gas Allocation.

(a) Customer may utilize Southern LNG's Ship Loading Service or Interruptible Ship Loading Service by nominating deliveries of LNG to a vessel from the LNG Storage tanks of the Elba Island Terminal up to its MDLQ as further defined in Sections 3.4 and 6.2 of the applicable Rate Schedule.

(b) The Interruptible Ship Loading Service shall be secondary in nature to Southern LNG's firm Terminal Services, including Ship Loading Service; provided, however, Interruptible Ship Loading Service for Customers that have also subscribed to Firm Service shall have a priority over Interruptible Ship Loading Service for Customers that have only subscribed to Interruptible Service. To the extent that Southern LNG cannot schedule nominations or ship berthing associated with the Interruptible Ship Loading Service because they would prevent, hamper, impair or impede services under Southern LNG's firm Terminal Services, then the nominations or ship berthing for the firm services, including Ship Loading Service, shall have priority.

(c) If the quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(x)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity or K-7 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity or K-7 Capacity to each Customer with a firm K-6 Capacity or K-7 Capacity entitlement, respectively, -pro rata based on the ratio of Customer's firm K-6 Capacity or K-7 Capacity entitlement to the K-6 Capacity or K-7 Capacity. Customers that do not have a firm K-6 Capacity or K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-6 Capacity or K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

13. BILLING AND PAYMENT

13.1 Billing:

On or before the ninth (9th) business day of each calendar month, Southern LNG shall render to Customer a statement of the Reservation Charges for service for the preceding month and the amount due for firm or interruptible services rendered in the preceding month, which shall include any necessary adjustments, including capacity release, to the Reservation Charges. Rendered is defined as time-stamped and delivered (made available) to the site designated by Southern LNG on its Interactive Website or delivered to Customer by the U.S. Postal Service, a nationally reputable courier service, or electronically through e-mail. Southern LNG shall provide to Customer notice electronically when Customer's invoice is available on its Interactive Website. The invoice will be deemed rendered once Southern LNG sends such notice of invoice availability. Prior to rendering an invoice to Customer, Southern LNG shall offset the invoice by all amounts owed by Southern LNG to the Customer for that month; provided, however, that this offset shall not affect disputed amounts.

13.2 Payment:

Billing statement shall be deemed to be received by each Customer on the date of the postmark, timestamp or electronic delivery of the notice rendered by Southern LNG. Customer shall make payment to Southern LNG for the Reservation Charge levied and for the services performed or charges levied hereunder by electronic bank transfer (i.e. wire transfer, ACH transfer or other mutually acceptable transfer method), at such address as Southern LNG may hereafter designate, no later than ten (10) days after the Customer's receipt thereof. All payments made by Customer shall include Southern LNG's invoice number(s) for purposes of matching the payment to the invoice.

13.3 Invoice Disputes and Interest on Unpaid Amounts:

If Customer disputes, in good faith, the amount of any invoice from Southern LNG, it shall provide a description and supporting documentation of its position and timely submit payment of the amount it states is due to Southern LNG along with remittance detail. In the event Customer pays such invoice through a wire transfer of funds, then Customer shall provide Southern LNG with the remittance detail in writing within two days of payment. Southern LNG shall apply such payment in accordance with Customer's documentation. Customer agrees that Southern LNG's acceptance of a partial payment does not waive Southern LNG's right to full payment after resolution of the disputed invoice in the future.

Should Customer fail to pay any amount when due, interest on the unpaid amount shall accrue at the rate equal to the rate then set forth in section 154.501 of the Commission's Regulations (18 C.F.R. § 154.501) from the date payment was due until payment is made. Southern LNG agrees to waive interest charges on a late payment if such charge is not in excess of \$100.00 or if Customer, through no fault of its own, fails to receive its notice of invoice availability by the payment due date and notifies Southern LNG of such failure. If any such failure to make payment continues for twenty (20) days or more, Southern LNG may suspend further service upon ten (10) days' prior written notice to Customer, but the exercise of such right shall be in addition to any other remedy available to Southern LNG; provided, however, that if Customer, in good faith, has disputed the amount of any such bills or parts thereof and paid Southern LNG in a timely manner such amounts as it concedes to be correct and, at any time thereafter within thirty (30) days of a demand made by Southern LNG, shall furnish a good and sufficient surety bond in an amount and with sureties satisfactory to Southern LNG conditioned upon the payment of any amounts ultimately found due upon such bills after a final determination, which may be reached either by agreement or judgment of the courts, as the case may be, then Southern LNG shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions on such bond. In the event it is finally determined or agreed that no payments were due from Customer on such disputed bills, then Southern LNG will reimburse Customer for the cost of procuring the surety bond within ten (10) days after receipt of a detailed invoice therefor from Customer.

13.4 Prepayment in the Event of Default:

Upon default in payment for a period in excess of twenty (20) days, Southern LNG may require as a condition to the continuation or recommencement of services a deposit or other acceptable credit arrangement in an amount equal to not more than three estimated maximum monthly bills for services.

13.5 ~~Reserved-Conversion Factors:~~

Solely for purposes of billing reservation charges per dekatherm of service, any MDLQ expressed in Customer's Service Agreement in gallons per minute ("GPM") shall be converted to dekatherms by a conversion factor of 123.9. This adjustment in no manner changes Southern LNG's use of a different or actual conversion factor for other purposes.

16. CUSTOMER RELEASE OF FIRM CAPACITY

16.1 General:

This Section 16 sets forth the exclusive means by which a ~~firm~~ Customer for Firm Service (Releasing Customer) may, pursuant to Section 284.8 of the Commission's Regulations (18 C.F.R. § 284.8), release its capacity rights under a Service Agreement with Southern LNG under a Firm Rate Schedule to a Customer who is acquiring such capacity (Replacement Customer).

16.2 Capacity Eligible For Release:

A Customer with a Service Agreement with Southern LNG under any ~~F~~firm Rate Schedule may release firm capacity for Terminal Service (in proportional quantities of storage and vaporization capacity). A Customer may not separately release capacity under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service (unless the Replacement Customer has firm storage demand or the Releasing Customer releases a proportionate amount of firm storage).

16.3 Types of Releases:

(a) Permanent Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, for the entire remaining term of the Service Agreement (Permanent Release) pursuant to the provisions of this Section 16.

A Permanent Release operates as an assignment of capacity. Therefore, the Replacement Customer must meet Southern LNG's requirements related to creditworthiness set forth in Section 2 of the GT&C or as applicable to the Releasing Customer's Service Agreement under the terms of a Precedent Agreement related to the expansion of Southern LNG's facilities. It will be necessary for Southern LNG to consent to the permanent release of the capacity, unless otherwise previously agreed under a precedent agreement for the construction of Southern LNG's facilities for an assignment to an Affiliate or Joint Venture Partner, or unless the credit support provided by the Releasing Customer remains in place to support the Replacement Customer's capacity, such consent not to be unreasonably withheld. In any event, Southern LNG shall allow a permanent release if the Replacement Customer meets the credit requirements in Section 2.1 (d) and all other applicable requirements of the GT&C. Upon the permanent release, Releasing Customer's credit support shall be proportionately decreased in relation to the capacity transferred to the Replacement Customer and the credit requirements associated with any such permanent release shall not result in an increase in value of the credit requirements associated with all such capacity. The Replacement Customer shall be required to execute a separate Service Agreement with Southern LNG for the released capacity (i) at the discounted, negotiated, or maximum rate applicable to Releasing Customer's Service Agreement (and attachments thereto) and (ii) for the primary term remaining under the Releasing Customer's Service Agreement with Southern LNG, unless Southern LNG agrees otherwise in a nondiscriminatory manner. Furthermore, the Replacement Customer must contract for the Receipt Point and Delivery Point specifically set forth in a Releasing Customer's Offer of firm capacity under Section 16.6 below.

The Replacement Customer then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 16. Upon the successful completion of a Permanent Release, the Releasing Customer shall be responsible only for those charges under its Service Agreement incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for capacity not released on a permanent basis; provided, however, that Releasing Customer shall, if reasonable given the circumstances of a particular permanent release, remain responsible for charges incurred after the effective date of the release.

(b) Temporary Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, on a temporary basis (i.e., for a term equal to or less than the remaining term) (Temporary Release), pursuant to one of the following methods and the further provisions of this Section 16.

(1) Firm Temporary Release:

A Releasing Customer may temporarily release capacity on a firm basis for a specified term without a right of recall, except as provided in Section 16.5 below. The minimum term for any Firm Temporary Release shall be one contract day. All Firm Temporary Releases exceeding one (1) contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(2) Temporary Release Subject to Recall:

Subject to the provisions of Section 16.3(b)(3), a Releasing Customer may temporarily release capacity subject to a right of recall by the Releasing Customer upon the occurrence of the condition precedent specified in the Releasing Customer's Offer under Section 16.6(c) below. The minimum term for any Temporary Release Subject to Recall shall be one contract day. Any Temporary Release Subject to Recall offered for more than one contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(3) Recall and Reput Rights:

A Releasing Customer has the right to define the condition(s) precedent which will result in a recall of the released firm capacity; provided, however, that the condition(s) shall not be inconsistent with the terms and conditions of the Releasing Customer's Service Agreement with Southern LNG nor with the provisions of Southern LNG's FERC Gas Tariff. Furthermore, the recall conditions specified by the Releasing Customer must be nondiscriminatory and identifiable events and should be specified at the time of the deal.

A Releasing Customer exercising its right to recall its capacity, may recall its capacity, i.e. reactivate its capacity, by giving notice to Southern LNG through its Interactive Website, however, the service flexibility available to either the Releasing Customer or the Replacement Customer(s) for the subject capacity should not be less as a result of the recall (NAESB WGQ Standard 5.1.3).

A Releasing Customer may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle, the Evening Nomination cycle, and recall unscheduled released capacity at the Intraday 1 and Intraday 2 and Intraday 3 Nomination cycles by providing notice to Southern LNG, and the first Replacement Customer, by the following times for each cycle: 8 a.m. for the Timely Nomination cycle on the day that Timely Nominations are due as set forth in GT&C Section 12.1(c); 3:00 p.m. as an Early Evening notification for the Evening Nomination cycle on the day that Evening Nominations are due; 5:00 p.m. for the Evening Nomination cycle on the day that the Evening Nominations are due; 7:00 a.m. for the Intraday 1 Nomination cycle on the day that the Intraday 1 Nominations are due, 12:00 p.m. for the Intraday 2 Nomination cycle on the day that the Intraday 2 Nominations are due, and 4:00 p.m. for the Intraday 3 Nomination cycle on the day that the Intraday 3 Nominations are due (NAESB WGQ Standard 5.3.44).

Notification to Replacement Customers will be provided by Southern LNG, pursuant to GT&C Section 14 above, within one hour of receipt of any recall notifications from Releasing Customer received between 7:00 a.m. and 5:00 p.m. For all recall notifications received between 5:00 p.m. and 7:00 a.m., notifications to Replacement Customers will be provided by Southern LNG no later than 8:00 a.m. (NAESB WGQ Standards 5.3.44 and 5.3.45). The recall notice shall specify the start date and nomination cycle for the specified effective Gas Day and an end date as well as any other information needed to uniquely identify the capacity being recalled. This notice should indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall (NAESB WGQ Standards 5.3.48 & 5.3.49). The obligation of Southern LNG to provide notification is waived until at least one functional e-mail address has been provided as set forth in GT&C Section 14.4 (NAESB WGQ Standard 5.3.47).

The Releasing Customer should provide in its notification to Southern LNG the quantity in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity (EPC) (NAESB WGQ Standard 5.3.55). The EPC shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity (NAESB WGQ Standard 5.2.3). In the event of an intraday capacity recall, Southern LNG should determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the EPC (NAESB WGQ Standard 5.3.56). Southern LNG is not obligated to deliver in excess of the total daily contract quantity of the release (NAESB WGQ Standard 5.3.57). The amount of capacity allocated to the Replacement Customer(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the EPC (NAESB WGQ Standard 5.3.58).

A Releasing Customer must notify, or cause to be notified, the first Replacement Customer at the same time it provides notice to Southern LNG as set forth above under the form of notification agreed upon by Releasing Customer and Replacement Customer (NAESB WGQ Standards 5.3.44(i)(a) & 5.1.2) in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions to avoid penalties (NAESB WGQ Standard 5.1.4). Affected Replacement Customer should manage internal distribution of modifications of recall received from Southern LNG (NAESB WGQ Standard 5.3.52). Southern LNG has the right to rely on a Releasing Customer's notice and a Releasing Customer shall defend and indemnify Southern LNG against any claims, losses, liabilities, or expenses resulting from claims by the Replacement Customer that it was not notified or that capacity was not recalled in accordance with the recall rights specified by the Releasing Customer in its Offer.

If, following the recall, time remains in the term for which the capacity as temporarily released, the capacity shall revert back to the last Replacement Customer at the end of the recall period, provided the offer either requires such reput or allows reput to be at the option of the Replacement Customer and such party elects for the capacity to be reput at the end of the recall period.. If following the recall no time remains in the term for which the capacity was temporarily released, the capacity rights shall remain with the Releasing Customer either for continued utilization by Releasing Customer or for release again pursuant to this Section 16. When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53). The deadline for notifying Southern LNG of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54).

(4) Secondary Release of Firm Capacity:

An Replacement Customer who has acquired capacity hereunder on a temporary basis may subsequently release the capacity it has acquired in accordance with the terms of this Section 16. The Replacement Customer thereby becomes a

Releasing Customer. A Secondary Release of capacity cannot operate to release greater capacity rights than the capacity acquired by the Releasing Customer. Furthermore, to the extent that a Releasing Customer acquired firm capacity subject to a right of recall, the capacity then released by the Releasing Customer, and any subsequent Secondary Release of the capacity, shall also be subject to the right of recall.

(c) Prearranged Release of Capacity:

A Releasing Customer who wishes to release its capacity to a prearranged bidder on a temporary basis may do so without posting an offer for its firm capacity, unless it elects to post its offer for competitive bidding, if the proposed capacity release is:

- (i) for a term of thirty-one (31) days or less,
- (ii) for a term of more than one (1) year for which customer has obtained a Prearranged Customer and the Prearranged Customer is paying the maximum rate and all other terms and conditions of the release are met,
- (iii) to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations, or
- (iv) to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

If such prearranged bid qualifies under (i)-(iv) above and the RELEASING Customer did not elect to post its offer for bidding, the release shall not be subject to the competitive bidding requirements of Section 16.6 below, but shall be subject to all other provisions of this Section 16.

Unless capacity is released pursuant to either an asset management arrangement or state-regulated retail access program, a Releasing Customer may not roll over, extend, or in any way continue the release to the same Replacement Customer using the thirty-one (31) days or less bidding exemption until twenty-eight (28) days after the first release period has ended. The twenty-eight (28)-day hiatus does not apply to any re-release to the same replacement Customer that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth herein.

The minimum term for a release of capacity for a period of thirty-one (31) days or less shall be one (1) contract day and the term must be for a consecutive number of days.

The timetables set forth in Section 16.6(a) shall not apply to the non-posted releases set forth above, except for those releases of thirty one (31) days or less which the Releasing Customer elects to post for competitive bidding.

Under any type of non-posted temporary release, the Releasing Customer and Replacement Customer shall notify Southern LNG electronically on its Interactive Website of the terms of the release at least one (1) hour prior to the applicable nomination deadline in which the release will go into effect so that the Replacement Customer may have the ability to nominate on the next available nomination cycle. The Replacement Customer must also be prequalified pursuant to the requirements of Section 16.6(e) below. Southern LNG shall post on its Interactive Website the terms of a prearranged release entered into under this Section 16.3(c) prior to or on the effective date of the release.

- (d) For purposes of bidding and awarding, any maximum and/or minimum rates specified by the Releasing Customer shall include the tariff reservation rate and all demand charges, specified as a total number or as stated separately. For temporary releases that become effective on or after July 30, 2008, the maximum and/or minimum rates specified by the Releasing Customer may exceed the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less. For purposes of applying any rate

cap applicable to temporary capacity releases with terms of more than one (1) year, the maximum rate shall be the maximum rate set forth in the applicable Rate Schedule.

16.4 Releasing Customer's and Replacement Customer's Obligations:

(a) Replacement Customer:

To bid on capacity for a Release under Section 16.3(a), Section 16.3(b), or Section 16.3(c) above, the bidder must be preapproved for credit as more particularly set forth in Section 16.6(e) below. Southern LNG will not award release offers to Customer until and unless Customer meets Southern LNG's creditworthiness requirements applicable to all services that it receives from Southern LNG, including the service requested by the capacity release (NAESB WGQ Standard 5.3.59).

Bids shall be binding until notice of written or electronic withdrawal is received by Southern LNG (NAESB WGQ Standard 5.3.13). Any bid submitted and not withdrawn by the end of the bid period will legally bind the bidder to the terms of the bid if Southern LNG chooses that bid as the "best bid" under Section 16.6(h) below. Once a bid on an Offer for a Permanent or Temporary Release of capacity is accepted, the Replacement Customer shall execute a Service Agreement with Southern LNG to utilize the capacity under the terms set forth in the accepted bid and the terms and conditions of Southern LNG's Tariff applicable to the capacity released, as more particularly set forth in Section 16.6(j) of these General Terms and Conditions. Before a Replacement Customer may execute an amendment to its Service Agreement with Southern LNG to utilize released capacity, the Replacement Customer must satisfy all of Southern LNG's requirements relating to the applicable Rate Schedule.

Once the Replacement Customer electronically executes its Service Agreement resulting from a Permanent Release or Southern LNG provides the Replacement Customer an electronic Service Agreement number and records pursuant to the provisions of Section 16.6(j) below, the Replacement Customer becomes an existing Customer with separate contract quantities like any other Customer and is subject to the applicable provisions of Southern LNG's Tariff, including but not limited to Southern LNG's billing, payment, and operational provisions.

(b) Releasing Customer:

The Releasing Customer shall remain fully liable on its existing Service Agreement with Southern LNG for the payment of all reservation charges for the contract quantity which has not been released permanently, associated surcharges, fixed charges, and direct bills owing to Southern LNG each month under the existing Service Agreement, as well as for services performed for the Releasing Customer under its firm Service Agreement with respect to any capacity not released.

16.5 Billing and Payment:

An Replacement Customer shall be billed by Southern LNG and shall make payments to Southern LNG in accordance with the terms of its executed Service Agreement.

On the Releasing Customer's bill for a month in which it released capacity on a temporary basis, Southern LNG shall credit all reservation charge revenues billed by Southern LNG to the Replacement Customer for the released capacity; provided, however, that in the event the Replacement Customer fails to pay Southern LNG for any part of the amount credited to the Releasing Customer's bill, Southern LNG reserves the right, after it exhausts any credit it has on file for the Replacement Customer, to reverse the credit on the Releasing Customer's bill in a later month up to the unpaid amount plus interest. If the Replacement Customer fails to pay its reservation charges pursuant to the provisions of GT&C § 15, then the Releasing Customer shall have the right to recall its capacity by notifying the Replacement Customer and Southern LNG pursuant to the provisions of Section 16.3(b)(3) above. Southern LNG shall provide Releasing Customer with e-mail notification within a reasonable time if Southern LNG sends any of the following formal notices to Replacement Customer:

- (1) Notice regarding the Replacement Customer's past due, deficiency, or default notice status pursuant to Section 15 hereof;
- (2) Notice regarding Replacement Customer's suspension of service notice;
- (3) Notice regarding Replacement Customer's contract termination notice due to default or credit-related issues; and
- (4) Notice that the Replacement Customer is no longer creditworthy and has not provided credit alternative(s) pursuant to Section 2.1(d) hereof (NAESB WGQ Standard 5.3.60).

All reservation charge credits to the Releasing Customer's bill shall be final and nonreversible upon Southern LNG's receipt of payment therefor from the Replacement Customer. To the extent Exhibit C or F, as applicable, of a Releasing Customer's firm Service Agreement provides for the following, Southern LNG shall not be required to credit all reservation charge revenues billed to the Replacement Customer when the Releasing Customer pays a discount or negotiated rate at less than the maximum recourse rate and would otherwise receive credits in excess of such discounted or negotiated rate.

The Replacement Customer shall be obligated to pay Southern LNG the Reservation Charge specified in the award, plus all surcharges and ~~fuel~~GRO and LAUF, applicable to the quantities that Southern LNG receives or delivers under the Replacement Customer's Service Agreement. Southern LNG will retain the charges, surcharges, and ~~fuel~~GRO and LAUF it receives from the Replacement Customer. If any of the maximum recourse rates billed to and paid by the Replacement Customer under its Service Agreement exceed the maximum recourse rate which the Commission determines to be just and reasonable, and if Southern LNG is ordered to make refunds, then the Replacement Customer shall be eligible to receive refunds to the extent of any payments it made in excess of the maximum recourse rates the Commission subsequently determines to be just and reasonable. For releases that become effective on or after July 30, 2008, the rate paid by the Replacement Customer in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund. For index-based capacity release when bidding is based upon a dollars and cents differential from the Rate Floor, the billed rate for the award will be calculated as the greater of (i) the result of the index-based formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed the maximum reservation charge, if applicable.

16.6 Offer and Bid Procedures:

(a) Offer/Bid Schedule:

As per NAESB Standard 5.3.2, the minimum days and times by which both offers and bids for releases of capacity must be electronically transmitted to Southern LNG in accordance with the procedures set forth in Section 16.6(c) and Section 16.6(f) below, as well as other minimum deadlines required by Southern LNG for successful completion of the bid/offer cycle, are set forth below. The timetables in this Section 16.6(a)(1), (2), and (3) below set forth the deadlines for standard offers to release capacity (i.e., those which contain no special terms and conditions). Offers which contain special terms and conditions, including but not limited to contingencies or best bid and tie breaker criteria other than those set forth in Sections 16.6(h) and (i) below, are deemed to be non-standard offers and shall require additional evaluation time. Releasing Customer must post its Offer in sufficient time to allow the release to occur on the date offered, given the schedule to be applied and any extensions of that schedule allowed by the Releasing Customer in its Offer (all times are CCT).

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season ends at 10:00 a.m. on the same or a subsequent Business Day; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is

posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(3) For non-biddable releases:

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

Timely Cycle – 12:00 pm

Evening Cycle – 5:00 pm

Intraday 1 Cycle – 9:00 am

Intraday 2 Cycle – 1:30 pm

Intraday 3 Cycle – 6:00 pm

The contract is issued within one hour of award posting (with a new contract number, when applicable). Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(4) The Releasing Customer may choose any bid period as long as it meets the minimum requirements in the applicable timetable set forth above in Section 16.6(a).

If the Releasing Customer allows contingent bids to be submitted, each bidder submitting a valid, contingent bid must notify Southern LNG, by the deadline set forth in the applicable timetable above in Section 16.6(a) unless the Releasing Customer specified another deadline pursuant to the foregoing procedures, that the contingency has been removed and that the bid is to remain eligible for processing.

(b) Offer of Capacity:

Pursuant to the applicable schedule established in Section 16.6(a) above, a Customer desiring to release capacity shall post on Southern LNG's Interactive Website, on the standard form provided by Southern LNG on its Interactive Website, an offer of capacity (Offer), except as provided otherwise in Section 16.3(c) above. Southern LNG shall date and time stamp all offers as they are received and shall post each Offer if it is complete, unless the Releasing Customer specifies a different time and date for its Offer to be posted. In that event, Southern LNG shall post the Offer at the time specified by the Releasing Customer, provided that such time does not conflict with the deadlines set forth above in Section 16.6(a).

The Releasing Customer agrees that its posted Offer specifically is subject to the following conditions:

- (1) Reserved.
- (2) Reserved.
- (3) Once a Releasing Customer's Offer is posted, the offer remains binding until withdrawn by the Releasing Customer at any time during the bid period when (i) unanticipated circumstances justify and (ii) no minimum bid has been made. (NAESB WGQ Standard Standard 5.3.14)
- (4) For releases that become effective on or after July 30, 2008, the release of firm capacity must commence within one (1) year of the date upon which Southern LNG is notified if the reservation charge requirement is in excess of the maximum tariff rate and the term of the proposed release is for one (1) year or less.

(c) Releasing Customer's Offer:

A Releasing Customer's Offer shall include, among other things, the following standard information, if applicable:

- (1) the name of the Releasing Customer;
- (2) the Rate Schedule under which Customer proposes to release capacity;
- (3) the contract number(s) of the Releasing Customer's Service Agreement(s);
- (4) whether the release is permanent or temporary;
- (5) if a temporary release:
 - (A) whether the release is firm or subject to a right of recall;
 - (B) if subject to recall, then the identifiable condition(s) precedent upon which the recall right will be asserted should be specified at the time of the deal;
 - (C) if subject to recall, then whether the reservation charge paid by the Replacement Customer is to be pro-rated for any days on which the capacity is actually recalled;
 - (D) (reserved for future use);
 - (E) if subject to recall, whether the release is recallable on a timely, early evening, evening, Intraday 1 or Intraday 2 or Intraday 3 recall notification period (NAESB WGQ Standard 5.3.50);
 - (F) if subject to recall, whether the recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51); and
 - (G) whether a Secondary Release may be made by the Replacement Customer (NAESB WGQ Standard 5.3.19).
- (6) the amount(s) of capacity, expressed as MSQ and MDVQ in proportional quantities of storage and vaporization capacity, to be released and whether bids for less than the full quantity offered are acceptable;
- (7) the proposed effective date of the release, term of the release and whether bids for less than the full term offered are acceptable;

- (8) whether the offer is subject to a Prearranged Bid and, if so, (i) the name of and DUNS number for the Prearranged Bidder;
- (9) whether the Releasing Customer desires bids in dollars, as a percentage of Southern LNG's reservation charge either daily or monthly (inclusive of reservation surcharges), or as an index-based formula (under one of the methods listed below) applicable to the capacity to be released;
 - (i) a percentage of the formula,
 - (ii) a dollars and cents differential from the formula, or
 - (iii) a dollars and cents differential from the Rate Floor;
- (10) any minimum reservation charge (inclusive of reservation surcharges) or percentage of the maximum reservation charge at which the bids must begin or whether the bids on the reservation charge (inclusive of reservation surcharges) should be submitted as an index-based formula; or, for releases that become effective on or after July 30, 2008, any minimum reservation charge requirement (inclusive of reservation surcharges) which is in excess of the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less;
- (11) reserved;
- (12) whether contingent bids may be submitted and the deadline for removing any such contingencies;
- (13) pursuant to the provisions of Section 16.6(a), any extensions in the deadlines established in Section 16.6(a);
- (14) the economic criteria, if any, to be utilized by Southern LNG in determining the "best bid" (these criteria to be (i) objectively stated, (ii) applicable to all bidders, and (iii) nondiscriminatory);
- (15) a non-discriminatory tie breaker, if any, to be utilized in determining the "best bid" in the event two or more bids generate equal revenues;
- (16) if capacity is released under a Firm Rate Schedule:
 - (A) the Delivery Point(s) at which released and the Point Code(s);
 - (B) the Receipt Point(s) at which released and the Point Code(s);
- (17) whether the Releasing Customer will sell to the Replacement Customer the LNG that Releasing Customer fails to withdraw or transfer by the effective date of the release and, if so, the price asked for that LNG;
- (18) whether the recalled capacity is to be reput to the original Replacement Customer (i) for the original terms of the release or (ii) at the option of the original Replacement Customer for the original terms of the release (NAESB WGQ Standard 5.3.7);
- (19) whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations, and the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect under the asset management arrangement; and
- (20) whether the proposed release is to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

Southern LNG will provide the following information with each Offer: (i) the reservation charge (and reservation surcharges) applicable to the capacity being released, (ii) the date and time the Offer was posted on Southern LNG's Interactive Website, and (iii) the date and time the bid period ends.

(d) Prearranged Bidders:

A Releasing Customer must identify in its Offer any "Prearranged Bid" to be made on the firm capacity offered for release. However, the "Prearranged Bidder" must also meet all of the requirements established for bidders pursuant to Section 16.6(e)-(g) below. A Prearranged Bidder must confirm its bid in accordance with Section 16.6(f) below.

For bids on Offers in which the Prearranged Bidder confirms a bid for the offered capacity at the maximum reservation charge applicable to the Releasing Customer's service or at a higher reservation charge applicable to releases that become effective on or after July 30, 2008 when the term proposed is for one (1) year or less and the release takes effect on or before one (1) year from the date on which Southern LNG was notified of such release, for the full quantity, capacity, and term offered by the Releasing Customer, and the Prearranged Bidder satisfies all of the requirements of Section 16.6(e)-(g) below, then the Prearranged Bid will be deemed the "best bid." Southern LNG shall thereafter post on its Interactive Website, as set forth in Section 16.3(c) above, the identity of the Prearranged Bidder, and the terms upon which the capacity was released.

In all other situations, but except in those situations where Releasing Customer is not required to post the Offer as set forth above in Section 16.3(c), the Prearranged Bid shall constitute the minimum bid price for all other bidders, and shall be posted on the Releasing Customer's Offer as the minimum bid. If Southern LNG does not receive any better bid by the date on which all bids are due, then the Prearranged Bid shall be deemed the best bid. If Southern LNG does receive a better bid by the date on which all bids are due, then the Prearranged Bidder shall have the right to match the terms of the better bid by the deadline established in Section 16.6(a) above. If the Prearranged Bidder matches the better bid, then the Prearranged Bidder shall be deemed to have made the best bid.

(e) Prequalified Bidder Requirements:

(1) All parties desiring to bid on capacity offered by a Releasing Customer must be prequalified by Southern LNG as creditworthy before submitting a bid on an Offer of released capacity. Unless Southern LNG agrees it has already determined the bidder to be creditworthy or to have suitable credit on file with Southern LNG, the potential bidder must submit to Southern LNG the information set forth in GT&C § 2.1(a) to enable Southern LNG to determine the party's creditworthiness. A bidder's creditworthiness shall be assessed on the same basis as a Customer's creditworthiness under the terms of the Tariff applicable to the capacity being offered. If the potential bidder fails to demonstrate creditworthiness, then the bidder may still prequalify if it provides one of the credit alternatives set forth in GT&C § 2. If a party does not prequalify pursuant to this Section 16.6(e), then the party shall not bid on a Releasing Customer's Offer.

(2) (reserved for future use).

(3) (reserved for future use).

(f) Bidding Procedures:

All bids on a Releasing Customer's Offer, except as provided in Section 16.3(c) above, shall begin at 12 pm on the bid period start date and be transmitted electronically to Southern LNG on Southern LNG's Interactive Website in the standard form provided therein. Southern LNG shall date and time stamp all bids as they are received. Southern LNG shall post for viewing by other parties during the bid period all bids, if complete, received on a Releasing Customer's Offer, except for the names of the bidders. A

separate bid shall be submitted for each separate Releasing Customer's Offer on which a bidder wishes to bid. The price bid on any Offer of capacity must be submitted on a reservation charge basis.

The bid shall include, among other things, the following information included in the standard bid form on Southern LNG's Interactive Website:

- (1) the bidder's name, phone number, and email address;
- (2) the bidder's DUNS number;
- (3) the Offer number and contract number(s) of the Releasing Customer's Service Agreement(s) on which the bid is being made;
- (4) the Reservation Charge, the percentage of Reservation Charge, or the index-based formula bid for the released capacity based on the requirements of the Offer;
- (5) whether the bidder is a Prearranged Bidder;
- (6) the term for which the bid is being made, if the Offer allows bids on less than the term offered;
- (7) if the Offer allows bids on less than the full capacity offered, then the capacity requested, expressed in MSQ;
- (8) (reserved for future use);
- (9) if contingent bids are allowed by the Offer, then a description of the contingency;
- (10) the information required by Section 250.16 of the Commission's Regulations (18 C.F.R. § 250.16) to the extent necessary to allow Southern LNG to comply with its reporting/posting requirements.

A bidder may withdraw its bid on an Offer at any time prior to the end of the bid period, but any subsequent bids submitted by the bidder on that Offer during the bid period must equal or exceed the bidder's previous bid(s).

(g) Southern LNG's Initial Review:

Upon receipt of all bids, Southern LNG shall engage in an initial review to determine the eligibility of each bid for consideration as the best bid. Any bid deemed ineligible pursuant to this Section 16.6(g) shall be eliminated from consideration. A bid shall be deemed ineligible if:

- (1) the bid (or bidder) does not comply with all of the terms, conditions, and deadlines of this Section 16; or
- (2) the bid submitted exceeds the bidder's pre-approved credit term or limits; or
- (3) the bid does not meet the minimum terms of the Releasing Customer's Offer; or
- (4) the bidder has not removed a contingency by the deadline set forth in the Offer.

(h) The Best Bid Determination:

All bids that remain eligible following Southern LNG's initial review shall be considered in determining the best bid. The best bid shall be determined by Southern LNG pursuant to the objective criteria for determining the best bid set forth in the Releasing Customer's Offer.

If the Offer does not specify non-standard best-bid criteria, then the eligible bids will be evaluated by Southern LNG by multiplying the price bid times the volume bid. Bids for a term of more than one (1) month that vary in price or term shall be discounted to present value based on currently effective Commission interest rates (18 C.F.R. § 154.501(d)) or such other published, objective financial measure as posted by Southern LNG in advance of the offer/bid cycle. This formula will generate a revenue number for comparison of the bids and the bid producing the most revenue shall be the best bid. For temporary releases that become effective on or after July 30, 2008, potential Replacement or Prearranged Customers may submit bids in excess of the maximum tariff rate for the applicable service agreement if the term of the proposed release is one (1) year or less and such release is to take effect on or before one (1) year from the date on which Southern LNG is notified of such release. Such rate will be utilized in the determination of the best bid.

If the Releasing Customer specifies an index-based formula in its capacity release offer, the rate used in the bid evaluation will be based on:

- (1) the dollars differential or percentage of the Rate Default, or
- (2) the dollars differential of the Rate Floor, as applicable.

The best bid shall be subject to the rights of a Prearranged Bidder to match the bid in accordance with Section 16.6(d) above. If two or more bids are equivalent, then they will be subject to the outcome of the tie-breaker stipulated in the Releasing Customer's Offer as explained in Section 16.6(i) below.

In its Offer the Releasing Customer may specify any best bid criteria and tie breaker that comply with Sections 16.6(c)(13) and (14) above. However, if the Releasing Customer chooses (i) Southern LNG's best bid criteria set forth above or (ii) one of the following pre-programmed criteria, and one of the tie breakers listed in Section 16.6(i) below, then the Offer will be eligible for the accelerated schedules set forth above in Section 16.6(a) to the GT&C:

- (1) Highest rate;
- (2) Price times quantity (regardless of term);
- (3) Price times quantity times term (net revenue); or
- (4) Present value

If the best bid does not utilize all of the capacity being offered for release, then Southern LNG will award the capacity in the order of best bids until it has awarded all of the offered capacity.

(i) Tie Breaker:

If two or more bids tie, and no Prearranged Bidder has agreed to match the best bid, then the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Customer's Offer. The Releasing Customer may specify one of the following tie-breakers or a different tie-breaker that is objective, nondiscriminatory, and can be applied by Southern LNG.

If the Releasing Customer fails to specify a tie-breaker, Southern LNG shall apply the following tie-breakers in the order shown, if necessary:

- (1) the bid generating the greatest present value of revenues over the shortest term;
- (2) the bid submitted first in time as established by Southern LNG's electronic date and time stamp.

(j) Notification and Contract Award:

Upon completion of the best bid determination, Southern LNG will notify through its Interactive Website the party submitting the best bid (i.e., the Replacement Customer). Southern LNG shall further notify all bidders through its Interactive Website that a best bid has been accepted.

If the capacity was released on a permanent basis, a firm Service Agreement, incorporating the terms of the accepted bid, shall be tendered and executed electronically by the Replacement Customer and Southern LNG through Southern LNG's Interactive Website by the applicable execution deadline set forth in Section 16.6(a) above. For all other types of releases, Southern LNG shall provide the Replacement Customer with a new firm contract number and electronic records on its Interactive Website reflecting the terms of the Replacement Customer's winning bid. A paper copy of the service agreements generated electronically hereunder will be available upon the Replacement Customer's request.

Southern LNG shall post on its Interactive Website the details of the winning bid and the Replacement Customer's name on or before the start date of the release. This notice shall stay on Southern LNG's Interactive Website for at least ninety (90) days.

- (k) If no bids are submitted by the date upon which all bids are due, the Releasing Customer's Offer shall be removed from Southern LNG's Interactive Website.
- (l) All Releasing Customers and Replacement Customers must comply with the deadlines set forth in Section 16.6(a) above in order to avoid cancellation of their offers or bids by Southern LNG.

16.7 Offers to Purchase Capacity:

Southern LNG agrees to post on its Interactive Website, at a party's request, offers to purchase firm capacity on a permanent or temporary basis pursuant to GT&C § 20. Each offer will remain on Southern LNG's Interactive Website for ninety (90) days before it is removed, unless the requesting party notifies Southern LNG prior to the expiration of any ninety-day period that it wishes to extend the posting for an additional ninety (90) days.

16.8 Capacity Release Nominations:

Southern LNG will permit Replacement Customers to submit a nomination at the earliest available nomination opportunity after the acquisition of capacity.

23. OPERATIONAL FLOW ORDERS

23.1 Implementation of OFOs:

Whenever Southern LNG notifies affected parties that an OFO or critical period exists under one of the provisions referenced below, such notice shall describe the condition and the specific responses required from the affected parties. Each potential OFO condition set forth below contains the amount of notice Southern LNG is required to give prior to implementing the OFO, if applicable, through its Interactive Website. Section 14 states the notification method applicable.

23.2 Types of OFOs:

Southern LNG will have the right to issue an OFO to any Customer directing Customer to adjust receipts or deliveries as the case may be, when in Southern LNG's sole judgment, the OFO is required (i) to alleviate conditions that threaten the facilities' integrity, safety, or service or (ii) to ensure compliance with the provisions contained in this Tariff.

Examples of conditions for which Southern LNG may issue OFOs include, without limitation:

- (a) Failure of Customer to nominate and schedule deliveries for vaporization in sufficient quantities to timely accommodate receipt by Southern LNG from Customer's Vessel(s) or accommodate Boil-Off;
- (b) Force majeure or operating condition pursuant to Section § 8.3;
- (c) Non-compliance with curtailment orders, when non-compliance threatens the integrity of Southern LNG's facilities;
- (d) Failure of Customer to tender LNG for receipt as scheduled, when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities;
- (e) The release of capacity under Section 16, if ~~releasing~~ Releasing Customer does not reduce its LNG Balance accordingly;
- (f) The recall of capacity under Section 16, if ~~acquiring~~ Replacement Customer does not reduce its LNG Balance accordingly; or
- (g) Failure of Customer to cycle receipts of LNG pursuant to Section § 10; or
- (h) Failure of Customer to arrange for the receipt of scheduled deliveries when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities.
- (i) Failure of Customer to arrange for adequate storage capacity if Customer's LNG Balance is equal to its MSQ and Customer is attempting to nominate LNG into the Southern LNG storage tanks at Elba Island.

- 23.3 If an OFO directs Customer to ~~withdraw send out and or~~ take delivery of LNG or ~~v~~Vaporized LNG, and Customer fails to nominate and schedule as directed, then Southern LNG may, as provided in the applicable Rate Schedule, take title to those quantities free and clear of any adverse claims. Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Customer to remove such quantities and the disposal of such quantities by Southern LNG, including storage charges under the applicable rate schedule. Southern LNG shall be permitted to sell the quantities to which it takes title in accordance with this Section 23. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

- 23.4 An OFO may be issued on a contract basis for all or a portion of the facilities. An OFO issued by 10:00 a.m. on a Gas Day will generally be effective at the beginning of the following Gas Day. When operating conditions threaten the terminal's integrity, three hours notice, or lesser notice if necessary, may be given. An OFO may be issued for a specific period of time or until further notice is given. Before issuing an OFO, Southern LNG will attempt to remedy those operating conditions through requests for voluntary action provided, however, exigent circumstances may exist which require immediate issuance of an OFO.
- 23.5 Nothing shall limit Southern LNG's right to take action as required to physically adjust actual receipts and actual deliveries of Gas in order to alleviate conditions that threaten the integrity of the facilities.
- 23.6 Southern LNG will provide Customer with as much advance notice of OFO's as is reasonable under then existing conditions through its Interactive Website, and pursuant to the notice provisions set forth in Section 14.3 above. The notice will provide the time and date the OFO is to become effective, the time the OFO is expected to remain in effect, the action required of the Customer, the reason for issuing the OFO, together with operating variables providing the basis for issuing the order, and any other information which may be required in the circumstances. Ordinarily, the notice will be issued by 10:00 a.m. on the Gas Day before the OFO is to be effective. The OFO will ordinarily become effective at 9:00 a.m. on the following Gas Day.
- 23.7 Follow-up Reports
- Within thirty (30) days after lifting an OFO, Southern LNG shall provide, via posting on its Interactive Website, a report which details the underlying causes which warranted the issuance of the OFO, explains why the actions required by the OFO were necessary to alleviate the identified problems, and provides the factors that caused the OFO to be lifted.
- 23.8 Indemnity
- (a) Southern LNG shall have no responsibility to inform Customer's end users, suppliers, other transporters or any others involved in the transaction, as to any OFO.
- (b) Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of Southern LNG's performance under this Section 23.

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 received by Southern LNG for Customer's account at the Receipt Point~~ 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 ~~g~~Gas delivered by Southern LNG for the account of Customer for a month bears to the total monthly volume of ~~g~~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 ~~g~~Gas delivered during a month under this definition of pro rata share.

(ii) GRO - The term "GRO" shall consist of ~~g~~Gas used as fuel for compression, vaporization, and power generation and ~~g~~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 ~~g~~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.

~~(iii)(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.

~~(e)(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.

~~(d)(e)~~ Southern LNG shall provide to Customer reasonable access to data in Southern LNG's possession regarding GRO, ~~and~~ 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-~~67~~ 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-~~67~~ 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-~~67~~ 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-~~67~~ 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. 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.~~

- ~~(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.
- ~~(iv)~~(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.
- ~~(v)~~(ix) Estimated Ship Loading Electric Power Costs - The projected electric power costs for the Electric Power Annual Period associated with the Ship Loading Service.
- ~~(vi)~~(x) Estimated Delivery Volumes - The projected annual volume ~~in Dth per month~~ of ~~v~~Vaporized LNG delivered out of the Elba Island Terminal.
- ~~(xi)~~ Estimated K-6 Boil Off Compressor Volumes - The estimated annual volume of ~~g~~Gas compressed at the K-6 Compressor.
- ~~(xii)~~ Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 Compressors.
- ~~(vii)~~(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.
- ~~(viii)~~(xiv) Actual Delivery Volumes - The actual volumes of ~~v~~Vaporized LNG delivered out of the Elba Island Terminal per month.
- ~~(xv)~~ Actual K-6 Boil Off Compressor Volumes - The actual volumes of ~~g~~Gas compressed at the K-6 Compressor per month.
- ~~(xvi)~~ Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 Compressors per month.
- ~~(ix)~~(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.
- ~~(x)~~(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 Electric Power Cost, ~~the K-7 Boil Off 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 is~~ in service.

~~(xix)~~(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 Rate 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 ChargeRate.

~~(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 Rates

Southern LNG shall determine the Current Electric Power Cost Charge Rates 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 Rates, 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 Rates

Southern LNG shall determine the Current K-6 Boil Off Compressor Electric Power Cost Charge Rates 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)~~B-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 Rate.

(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(q)(ii)C below.
- (B) The amounts determined in Section 24.2(q)(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(q)(ii)A and 24.2(q)(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 ~~49,000,000~~ Dth of 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, and 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.

26. REVENUE CREDITING MECHANISM

This section shall govern the manner in which Southern LNG provides credits for "Net Interruptible Revenues", "Gas Sales Proceeds," ~~or~~ "K-6 Boil Off Compressor Usage Surcharge Revenues," or "K-7 Boil Off Compressor Usage Surcharge Revenues," defined below, collected by Southern LNG under Rate Schedule LNG-2. Southern LNG will provide credits to Customers with Firm Service Agreements and with Interruptible Service Agreements.

At the end of the twelfth (12th) full calendar month after this provision becomes effective, and at the end of each subsequent twelve (12) month period, Southern LNG shall determine the Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, MDLQ Overrun Proceeds and Gas Sales Proceeds during the 12-month period. The Net Interruptible Revenues shall equal the interruptible revenues collected under Rate Schedule LNG-2 minus the total surcharge, commodity rate, ~~and~~ electric power cost adjustment (but not Dredging Surcharges) revenues billed to LNG-2 service agreements during the 12-month period, which Southern LNG shall have the right to retain. K-6 Boil Off Compressor Usage Surcharge Revenue and K-7 Boil Off Compressor Usage Surcharge Revenue shall equal the total non reservation based revenues collected in association with the K-6 Boil Off Compressor Usage Surcharge and the K-7 Boil Off Compressor Usage Surcharge, respectively. Gas Sales Proceeds shall equal the proceeds collected from the sale of Gas ~~or~~ LNG that Southern LNG has taken title to and disposed of pursuant to the Tariff minus any expenses incurred by Southern LNG. The MDLQ Overrun Proceeds shall equal the proceeds collected from providing Ship Loading Service for Customers that have no MDLQ.

The credit to Customers shall equal the total Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, and Gas Sales Proceeds less any net imbalance payments made by or plus any net imbalance payments received by Southern LNG pursuant to an operational balance agreement. The credit for Net Interruptible Revenues will be allocated pro rata to Customers based on the proportion of the revenue collected by Southern LNG through each Firm Customer's Monthly Reservation Charge and each Interruptible Customer's Monthly Storage Charge to the total Monthly Reservation Charge and Monthly Storage Charge revenues collected by Southern LNG for the 12-month period. The credit for K-6 Boil Off Compressor Usage Surcharge Revenues and K-7 Boil Off Compressor Usage Surcharge Revenues will be allocated pro rata to Customers based on the proportion of reservation based revenues for K-6 boil-off disposition and K-7 boil off disposition, respectively, attributable to each Customer to the total reservation based revenues for K-6 boil-off handling and K-7 boil off handling, respectively. The credit for Gas Sales Proceeds will be allocated pro rata to Customers whose ~~g~~Gas has not been taken during the 12-month period ("Non-offending Customers") based on the proportion of the revenue collected by Southern LNG through each Non-offending Customer's Monthly Reservation Charge or Monthly Storage Charge, as applicable, to the total such charges collected from Non-offending Customers for the 12-month period. The credit for MDLQ Overrun Proceeds will be allocated pro rata to Customers which hold MDLQ under their Firm Service Agreement based on their MDLQ. Credits under this section shall be calculated within sixty (60) days after the end of each 12-month period. Each eligible Customer shall receive its credit within thirty (30) days following the date on which the credit is calculated.

Section 6.1

FORM OF SERVICE AGREEMENT
Under Rate Schedules LNG-1 or LNG-3
(For Use Under a Firm Rate Schedule)

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

W I T N E S S E T H:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization of LNG and delivery of vaporized LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations;

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule as applicable [LNG-1 or LNG-3] ("the Firm Rate Schedule") and has submitted to Southern LNG a request for such service in compliance with Section 7 of the Firm Rate Schedule;

WHEREAS, Southern LNG agrees to render Terminal Service to Customer pursuant to the provisions of the Firm Rate Schedule, this Agreement, and the Commission's Regulations; and

WHEREAS, Customer may acquire, from time to time, released firm capacity under Section 16 of the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff).

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I
QUANTITY OF SERVICE

Subject to the terms and provisions of this agreement; and the Firm Rate Schedule, and the GT&C of Southern LNG's Tariff, as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, as follows:

- 1.1 Southern LNG shall store LNG for Customer's account up to the Maximum Storage Quantity (MSQ) set forth on Exhibit A hereto.
- 1.2 Southern LNG shall deliver a volume of vaporized LNG net of fuel, as provided in GT&C § 24.1, to Customer at the Delivery Point. Southern LNG's obligation to withdraw LNG from Storage for delivery at the Delivery Point on any day is limited to the available Maximum Daily Vaporization Quantity (MDVQ) specified on Exhibit A hereto and Customer's LNG Balance, as defined in the Firm Rate Schedule.
- 1.3 If Customer is the successful bidder on released firm capacity under Section 16 of Southern LNG's GT&C, the terms of such acquired capacity shall be maintained on Southern LNG's Interactive Website. Upon the effective date of such acquired capacity, subject to the terms, conditions and limitations hereof and the Firm Rate Schedule, Southern LNG agrees to provide the released Firm Service to Customer under the Firm Rate Schedule, the GT&C thereto, and this Agreement.

ARTICLE II
CONDITIONS OF SERVICE

- 2.1 It is recognized that the Terminal Service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of the Firm Rate Schedule, and the GT&C thereto, which are contained in Southern LNG's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the Firm Rate Schedule, the terms of any non-conforming Agreement, or Negotiated Rate, which has been approved by the FERC, shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in Southern LNG's Tariff.
- 2.2 This Agreement shall be subject to all provisions of the GT&C specifically made applicable to the Firm Rate Schedule, as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to the Firm Rate Schedule.
- 2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

- 2.4 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, or consequential damages (including, without limitation, loss of profits, business interruptions, or demurrage) arising out of or in any manner related to this Agreement or the Terminal Service provided hereunder.
- 2.5 This Agreement is subject to the provision of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 10 of Rate Schedule LNG-1 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.
- 2.6 If requested by Customer, deliveries shall occur at a pressure not less than the Terminal Outlet Pressure shown on Exhibit "A" hereto at the Elba Island Terminal outlet.
- 2.7 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit B to the Service Agreement under Rate Schedule LNG-1 or LNG-3.

ARTICLE III
NOTICES

- 3.1 Notices hereunder shall be given pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses as provided by the parties from time to time.

ARTICLE IV
TERM

- 4.1 Subject to the provisions hereof, this Agreement shall be effective as of the date first written above and shall be in full force and effect for the primary term(s) set forth on Exhibit A hereto, if applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit A hereto unless canceled by either party giving the required amount of written notice specified on Exhibit A to the other party prior to the end of the primary term(s) or any extension thereof.
- 4.2 [If Applicable] In the event Shipper has not contracted for Rate Schedule LNG-1 or LNG-3 service under this Agreement directly with Company, as set forth on Exhibit A hereto, then the term of this Agreement shall be the effective start and end dates of the capacity acquired by Customer from another Customer and awarded by Southern LNG pursuant to the provisions of Section 16 of the General Terms and Conditions of Southern LNG's Tariff. This Agreement shall terminate upon the expiration of such Capacity Release Transaction provided that Customer shall still be responsible for payment of all charges incurred hereunder.

ARTICLE V
REMUNERATION

- 5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with the Agreement, including any discounted or negotiated rate exhibit applicable hereto, the Firm Rate Schedule and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.
- 5.2 Unless agreed otherwise with Customer in Customer's Exhibit C or F, Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) firm character of service, (ii) term of agreement (as set forth in Article IV above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Unless agreed otherwise with Customer in Customer's Exhibit C or F, regarding the rates for its service under this agreement, Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI
MISCELLANEOUS

- 6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

- 6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:

- 6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

- 6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.

- 6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

- 6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.

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

- 6.8 The exhibits attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

[CUSTOMER]

By _____
[L.S.]

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	<u>MDLQ</u> <u>(GPM) (3)</u>	<u>MDRQ</u> <u>(GPM) (4)</u>
------------------	------------------	------------------	---------------	-----------------	---------------------------	-------------------	-----------------------------	--------------------------------	---------------------------------	---------------------------------

_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
=====	=====			=====	=====		=====			

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.

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

(CUSTOMER)

SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____

EXHIBIT B

~~Reserved~~ CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT Under Rate Schedule LNG-2

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

WITNESSETH:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization, and delivery of LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations; and

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule LNG-2 and has submitted to Southern LNG a request for such service in compliance with Section 7 of Rate Schedule LNG-2; and

WHEREAS, Southern LNG agrees to render interruptible Terminal Service to Customer pursuant to the provisions of Rate Schedule LNG-2, this Agreement, and the Commission's Regulations.

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I STORAGE ACCOUNT

1.1 Subject to the terms and provisions of this Agreement; Southern LNG's Rate Schedule LNG-2, and the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff), as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, on an interruptible basis.

1.2 To the extent Southern LNG receives LNG for Customer's storage account, Southern LNG shall credit the receipt, less applicable charges set forth in Rate Schedule LNG-2, to Customer's LNG Balance.

1.3 Subject to the terms and provisions of this Agreement, Southern LNG's Rate Schedule LNG-2 and the GT&C thereto, Southern LNG shall deliver an equivalent volume of vaporized LNG, as provided in GT&C 24.1, less applicable charges as set forth in Rate Schedule LNG-2, to Customer at the Delivery Point described in Rate Schedule LNG-2 and shall deduct the delivery and charges from Customer's LNG Balance.

ARTICLE II CONDITIONS OF SERVICE

2.1 It is recognized that the Terminal Service hereunder is provided on an interruptible basis pursuant to, in accordance with and subject to the provisions of Southern LNG's Rate Schedule LNG-2, and the GT&C thereto, which are contained in Southern LNG's Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and Rate Schedule LNG-2, the terms of Rate Schedule LNG-2 shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in the Tariff. Southern LNG makes no representation, assurance or warranty that capacity will be available for service hereunder and Customer agrees that Southern LNG shall bear no responsibility or liability to any person if capacity does not exist on any day to provide service hereunder

2.2 This Agreement shall be subject to all provisions of the GT&C specifically applicable to Southern LNG's Rate Schedule LNG-2 as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to Rate Schedule LNG-2.

2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

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

2.5 This Agreement is subject to the provisions of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 9 of Rate Schedule LNG-2 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.

2.6 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit A to the Service Agreement under Rate Schedule LNG-2.

ARTICLE III
NOTICES

3.1 Notices hereunder shall be given by both parties pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV
TERM OF AGREEMENT

Subject to the provisions hereof, this agreement shall be effective as of the date first written above and shall continue in force and effect on a month to month basis unless terminated by either Party upon at least five (5) days prior written notice to the other Party. This agreement may be terminated by Southern LNG if no activity occurs hereunder during a period of 12 consecutive months.

ARTICLE V
REMUNERATION

5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with Southern LNG's Rate Schedule LNG-2 and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.

5.2 Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) interruptible character of service, (ii) term of agreement (as set forth in Article III above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI
MISCELLANEOUS

6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:

6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.

6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.

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

such party herein and/or in the information provided pursuant to this paragraph. Each party shall promptly provide the other party with a copy of all filings, notices, approvals, and authorizations in the course of the prosecution of its filings.

6.8 The Exhibits, (if applicable), attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

CUSTOMER

By _____
[L.S.]

EXHIBIT A

~~Reserved~~ CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____

APPENDIX G

Clean Version of Option B Tendered Tariff Records

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SECTION 1.2

PRELIMINARY STATEMENT

Southern LNG Company, L.L.C. (Southern LNG) is a natural gas company principally engaged in the business of receiving and storing liquefied natural gas (LNG) and (a) delivering Vaporized LNG in interstate commerce and/or (b) ship loading of LNG (collectively, Terminal Service) under authorization granted by, and subject to the jurisdiction of, the Federal Energy Regulatory Commission (Commission or FERC). Southern LNG owns and operates a marine terminal located on Elba Island, near Savannah, Georgia (Terminal). Southern LNG uses the Terminal to provide open-access Terminal Service pursuant to this FERC Gas Tariff (Tariff).

The location of the Terminal is shown on the following general system map.

Southern LNG provides Terminal Service only under executed and effective agreements for service, entered after Southern LNG considers existing commitments, available capacity, and other factors that Southern LNG deems pertinent as set forth in this Tariff.

SECTION 2.1

LNG-1 RATES
FIRM TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-1 (Firm Terminal Service)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.6712	\$0.00
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825 /Dth of Gas compressed	\$0.0825/Dth of Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Monthly Reservation Charge per Dth of MDLQ	\$1.0308	\$0
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section	See GT&C Section

	21	21
6. K-7 Boil Off Compressor Usage Surcharge	\$2.0624/Dth of Gas compressed	\$0/Dth of Gas compressed
7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
8. MDLQ Overrun Rate	\$0.0339/Dth of exports	\$0/Dth of exports
Total Charges and Surcharges per Dth (excluding items 2, 3, 4, 5, 6, 7 and 8 above)	\$0.0019/Dth of exports	\$0.0019/Dth of exports

SECTION 2.2

LNG-2 RATES
INTERRUPTIBLE TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-2 (Interruptible Terminal Service)</u>		
Monthly Storage Charge per Dth	\$0.6712	\$0.00
Dredging Surcharge per Dth	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of Gas compressed	\$0.0825/Dth of Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Interruptible Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Commodity Rate	\$0.0339/Dth of exports	\$0/Dth of exports
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section 21	See GT&C Section 21

6. K-7 Boil Off Compressor Usage Surcharge	\$2.0624/Dth of Gas compressed	\$0/Dth of Gas compressed
7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
Total Charges and Surcharges per Dth (excluding items 2, 4, 5, 6, and 7 above)	\$0.0358/Dth of export deliveries	\$0.0019/Dth of export deliveries

SECTION 2.3

LNG-3 RATES

FIRM TERMINAL SERVICE – ELBA III

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-3 (Firm Terminal Service – Elba III)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.7532	\$0.0000
Monthly Reservation Charge per Dth of MDVQ	\$2.4920	\$0.0000
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.0000
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
1a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of Gas compressed	\$0.0825/Dth of Gas compressed
2. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
3. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 1a, 3, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Monthly Reservation Charge per Dth of MDLQ	\$1.0308	\$0
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section 21	See GT&C Section 21

6. K-7 Boil Off Compressor Usage Surcharge	\$2.0624/Dth of Gas compressed	\$0/Dth of Gas compressed
7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
8. MDLQ Overrun Rate	\$0.0339/Dth of exports	\$0/Dth of exports
Total Charges and Surcharges per Dth (excluding items 2, 3, 4, 5, 6, 7, and 8 above)	\$0.0019/Dth of exports	\$0.0019/Dth of exports

SECTION 2.4

Negotiated RatesFIRM RATE SCHEDULE

Shipper	Contract #	MDVQ	Term
BG LNG Services, LLC	450002-LNG1SLNG	643,230 Dth	4/30/2027

Negotiated Rate/Formula: In addition to the Reservation Charge, Dredging Surcharge, and all other applicable Charges and Surcharges set forth in Rate Schedule LNG-1, as amended by FERC Order from time to time, Customer shall pay to Southern LNG the following additional Commodity Charges per month: (1) A variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of LNG treated with nitrogen for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the Southern LNG GHV tariff specifications, regardless of the amount of treatment required; and (2) A variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

In addition to the charges set forth above, during the period from the date the facilities associated with the K-6 Capacity are placed in service until the earlier of the fourteenth (14th) anniversary of such date or the date on which recourse rates are placed in effect that include the costs of the compression facilities associated with the K-6 Capacity, Customer shall pay an additional Reservation Charge per month equal to the result of multiplying Customer's firm K-6 Capacity entitlement by a unit rate equal to the result of dividing (i) the product of multiplying the reasonably incurred actual cost of installing the K-6 capacity stated in dollars by 0.0152, by (ii) 12,000 Mcf, provided that the unit rate shall not be less than \$13.8067 per MMBtu nor greater than \$16.4667 per MMBtu. Customer's firm K-6 Capacity entitlement shall be 12,000 Mcf/d from the date the K-6 Facilities are placed in service through the expiration date above or termination of Contract #SLNG9. Subsequent to the fourteenth anniversary of the in-service date of the K-6 Capacity, Customer shall pay the K-6 Boil Off Compressor Usage Surcharge; provided, however, if any cost of service associated with the initial capital costs of the K-6 compression facilities associated with the K-6 Capacity for which Customer has already paid through the reservation charge above are included in the K-6 Boil Off Compressor Usage Surcharge, the K-6 Boil Off Compressor Usage Surcharge paid by Customer shall be reduced to reflect the elimination of such cost of service associated with the initial costs of the compression facilities attributable to the K-6

Capacity. During the initial fourteen year or less period described above in this paragraph, Customer shall pay the reservation charge set forth in this paragraph in lieu of paying the K-6 Boil Off Compressor Usage Surcharge set forth in Southern LNG's Tariff.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450010-LNG1SLNG	551,340 Dth	1/31/2036

Negotiated Rate/Formula:

1. Customer shall pay to Southern LNG a daily rate of \$110,268.00, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.

2. For billing purposes, Customer's reservation charge in a month shall be calculated by using a rate of \$0.20 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-1.

3. LAUF and GRO charges shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-1 and shall not be included in the differential set forth in 1. and 2. above. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ shall be assessed in accordance with Southern LNG's Tariff and not included in the differential set forth in 1. and 2. above.

4. In addition to the charges set forth in Paragraphs 1. through 3. above, Customer shall pay to Southern LNG the following: (a) A variable charge per month equal to the product of (i) \$0.003/Dth and (ii) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required); and (b) A variable charge per month equal to the product of (i) a Wobbe Spread Unit Cost ("WSUC") times (ii) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (i) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (ii) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450011-LNG3SLNG	413,505 Dth	6/30/2035

Negotiated Rate/Formula:

1. Until December 31, 2013, Customer shall pay to Southern LNG a daily rate of \$256,373.00, inclusive of any and all commodity charges and surcharges and other charges and fees, except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.
2. For billing purposes, Customer's reservation charge in a month applicable to the period set forth in paragraph 1. above shall be calculated by using a rate of \$0.62 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 2. and the terms of paragraph 1. above, the terms of paragraph 1. shall govern.
3. During the period from January 1, 2014 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG a daily rate of \$246,725, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.
4. For billing purposes, Customer's reservation charge set forth in paragraph 3. above shall be calculated by using a rate of \$0.5967 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 4. and the terms of paragraph 3. above, the terms of paragraph 3. shall govern.
5. In addition to the reservation charge paid by Customer under Section 3. above, Customer shall pay to Southern LNG an additional reservation charge equal to a daily rate of \$209,049.75, designed and formulated in connection with the incremental costs associated with the Ship Loading Service to be performed by Southern LNG under this Service Agreement for the remainder of the Primary Term to commence on the date that the Ship Loading Expansion Facilities ("Expansion Facilities") and authorizations are placed in service.
6. LAUF and GRO charges and Electric Power Charges associated with the Ship Loading Service or K-7 Boil Off Compressor Usage shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-3 and shall not be included in the daily rate set forth above in paragraphs 1 through 5.

7. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ or any charges or surcharges associated with ship loading service shall be assessed in accordance with Southern LNG's Tariff and not included in the daily rate set forth above in paragraphs 1 through 5.

8. In addition to the charges set forth in Paragraphs 1. through 7. above, during the period from September 18, 2010 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG as follows: (1) a reservation charge per month equal to \$35,153 for the first three years and \$2,528 for the remainder of the term and (2) a variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications for LNG to be unloaded exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required) and (3) a variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

For any nitrogen injection service associated with weathering, the Customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on the Elba Island Terminal as may be adjusted to reflect any actual over or under collection of such costs from the previous calendar year. For the first calendar year of such service, SLNG may estimate such costs based on the market cost for nitrogen in such year.

Section 3.1

RATE SCHEDULE LNG-1
Firm Terminal Service
(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-1 available to any party (Customer) who requests Firm Service under this Rate Schedule from 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;
 - (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-1 (Service Agreement); and
 - (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-1 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-1; 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 of LNG from Customer's Vessel(s), during loading of 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 and loading 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 for the Boil-Off Gas as provided in (x) above (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-1 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-1, 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 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; (iii) 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, Ship Loading Electric Power Cost Charge, Dredging Surcharge and K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, as more particularly described in Section 24.1, 24.2, and 24.3 of this Tariff, 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, if applicable and, if applicable, a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule; 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 CUSTOMER'S 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 event 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-1, 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 the 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 on Southern LNG's 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.

Section 3.2

RATE SCHEDULE LNG-2
Interruptible Terminal Service
(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-2 available to any party (Customer) who requests interruptible service 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 without any detriment to Firm Service Customers;
 - (ii) Customer has complied with the requirements of Section 2 of the General Terms and Conditions (GT&C) of this Tariff;
 - (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-2 (Service Agreement); and
 - (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 (Interruptible Ship Loading Service) under Rate Schedule LNG-2 available to any party (Customer) who requests such services under this Rate Schedule from Southern LNG provided that:
- (i) Southern LNG has sufficient capacity and is able to provide the Interruptible Ship Loading Service requested;
 - (ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff; and
 - (iii) for Interruptible Ship Loading Service, Customer currently has a sufficient LNG Balance as defined below;
 - (iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-2; 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 Interruptible 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 service is subject to interruption and prior claim by another Customer or another class of service. GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity. Service under this Rate Schedule LNG-2 shall also be interrupted upon notice to Customer whenever Southern LNG, in its sole judgment, deems the interruption necessary due to operating conditions or system requirements, or to maintain the integrity of the system or to assure that Southern LNG can render service to higher priority customers.

Services provided under this Rate Schedule LNG-2 shall have a priority subordinate to any and all Firm Services provided by Southern LNG.

3. DEFINITIONS

3.1 Liquefied Natural Gas Balance (Customer Account Balance):

- (a) The Liquefied Natural Gas Balance (LNG Balance or Customer Account 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, 6.1(c), and 6.2(c) of this Rate Schedule, Customer shall have the obligation to manage Customer's 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 of LNG from Customer's Vessel(s), during loading of 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 or loading 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 Customer fails to make all necessary arrangements (including nomination and confirmation), 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 brought as a result of 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 Southern LNG receives 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.

4. RATES AND FUEL

4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-2 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 B to the Service Agreement.

4.2 For service rendered to Customer under Rate Schedule LNG-2, Customer shall pay Southern LNG each month (i) a Monthly Storage Charge equal to the applicable rate multiplied by the average for the month of Customer's maximum daily LNG Balance and (ii) a Commodity Rate per Dth of the aggregate quantities delivered for Customer's account (both for vaporized quantities scheduled and for LNG quantities delivered under Southern LNG's Interruptible Ship Loading Service) 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.

4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a percentage of Gas as compensation for GRO and LAUF or charge an equivalent monetary amount if there are insufficient deliveries, as described in GT&C § 24. 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, Ship Loading Electric Power Cost Charge, Dredging Surcharge, K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, 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, if applicable, a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of Gas compressed; 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.

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

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

- 5.1 Customer shall give 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, for Customer. 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, delivery or transfer of LNG from or to Customers' Vessel(s) cannot be accommodated 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 Scheduled Firm; Unscheduled Arrival:

If a Customer under Rate Schedule LNG-2 has scheduled a receipt or delivery for the date and hour subsequently requested by a Customer under a Firm Rate Schedule, then Southern LNG shall preserve the priority of Firm Service by scheduling the Customer under a Firm Rate Schedule at that date and hour and rescheduling the Customer under Rate Schedule LNG-2 for the first available time without causing detriment to any Firm Service. If Customer's Vessel does not arrive as scheduled pursuant to § 5.1(a) to this Rate Schedule, then Southern LNG shall receive or deliver the LNG at the first time available without causing detriment to any other scheduled 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/unloading, 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 Management of LNG Balance:

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 3.1(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 the tank heel.

- (b) Uniform Hourly Vaporization Quantity:

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

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver Vaporized LNG at greater than the uniform hourly rate.

- (c) 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 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 the tank Heel.
- (b) Loading Rates:
 - (i) With regard to Interruptible Ship Loading Service, the Loading Rate for loading LNG onto Customer's Vessel(s) shall be a maximum of 46,230 gallons per minute ("GPM") from the LNG Storage tanks of the Elba Island Terminal.
 - (ii) The Customer will be allowed to do any combination of ship loading and vaporization send out deliveries provided that such Customer's combined total of nominated ship loading (expressed in gallons per minute (GPM)) plus nominated vaporization (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)) does not impair the ability of Rate Schedule LNG-1 and Rate Schedule LNG-3 Customers to utilize their full MDLQ and MDVQ rights, plus any firm overrun rights available to such Customers, for such day.
- (c) Minimum LNG Balance; Management of LNG Balance:

With regard to Interruptible Ship Loading Service, upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall 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.

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. 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.

9. WITHDRAWAL OF LNG BALANCE

9.1 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's Service Agreement terminates;
- (c) Southern LNG issues an OFO pursuant to GT&C § 23; or
- (d) Interruption of service under this Rate Schedule.

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

- (a) if constrained capacity under Section 9.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;
- (b) if termination under Section 9.1(b) above, then the time the Service Agreement terminates;
- (c) if ordered under Section 9.1(c) above, then the time specified in the OFO; or
- (d) if interrupted service under Section 9.1(d) above, then within the time permitted by the available vaporization and delivery capacity at the time of Southern LNG's notice.

9.2 Withdrawal by Southern LNG:

(a) General Rule:

If any Customer fails to withdraw LNG pursuant to this Section 9, 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.

10. 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. In the event of any inconsistencies 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. In the event of 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, Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

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").

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

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 item(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 part of the Terminal Service. 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 K-7 compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-7 Capacity is a part of the Ship Loading Service. 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.

2. INQUIRIES AND CONDITIONS FOR SERVICE; ALLOCATION OF CAPACITY

2.1 Any inquiries regarding the availability of service and the rates charged for such service should be directed to Southern LNG's Marketing Department. Southern LNG shall inform each potential Customer inquiring about service as to the availability of and rates applicable to a particular service. Any potential Customer interested in service may obtain a copy of Southern LNG's Tariff from Southern LNG's Interactive Website. The procedures for submitting valid requests for service are as follows.

- (a) Requests for service shall be provided to Southern LNG in the format provided by COMPANY on its Interactive Website.

The request shall contain all of the following information to be deemed a valid request.

- (i) Full legal name of potential Customer; identity of the potential Customer; DUN & BRADSTREET number; address; contact person(s), including 24-hour telephone number and email address, type of legal entity and, if a corporation, state of incorporation;
- (ii) For Firm Service, the maximum storage quantity (MSQ) requested;
- (iii) For Firm Service, the requested term (duration) of service, including proposed commencement and termination dates;
- (iv) A certification by potential Customer that potential Customer has entered into or will enter into those arrangements necessary to assure that all downstream transportation will be in place prior to the commencement of service under a Service Agreement with Southern LNG;
- (v) A certification by potential Customer that potential Customer has received from the United States Government all necessary authorizations for the lawful import or export, as applicable, of all volumes that Southern LNG will receive for potential Customer or, in the event potential Customer intends to rely on Southern LNG's export license from the Department of Energy, potential Customer shall provide a certification that potential Customer will comply with the registration and reporting obligations specified in the Department of Energy's order granting the Southern LNG export license on which potential Customer intends to rely;
- (vi) A certification by potential Customer that potential Customer has title or a current contractual right to acquire title to LNG to be received for potential Customer by Southern LNG;
- (vii) Certification that Customer's vessel will meet the specifications of Southern LNG's unloading facilities;
- (viii) Most recent audited financial statements, annual report, Form 10-K (or other filings with regulatory agencies that discuss potential Customers financial status), a list of affiliates, and three (3) credit references and the names of two representatives who are authorized to receive notices regarding potential Customer's creditworthiness, including the e-mail addresses of such representatives, in order to enable Southern LNG to evaluate potential Customers creditworthiness. Written requests and response for this credit information should be provided by e-mail, unless other forms of communication are otherwise agreed upon by Southern LNG and potential Customer. The obligation of Southern LNG to provide creditworthiness notification is waived until potential Customer provides Southern LNG with e-mail addresses. The potential customer shall manage internal distribution of any such confirmations (NAESB 0.3.7 & 0.3.10);

- (ix) The affiliation, if any, of potential Customer with Southern LNG; and
 - (x) The source and quality of LNG, including heat content in Btu/scf, expected to be received.
- (b) Allocation of Capacity: Firm capacity that is or becomes available from Southern LNG from time to time shall be allocated pursuant to the following procedures:
- (i) Subject to all requirements for submitting a valid request for Firm Service herein, firm capacity will be allocated to the request(s) that on an aggregate basis generate the highest net present value to Southern LNG. Requests for service shall be considered together under the same criteria. Net present value will be determined based on the discounted cash flow of revenues to Southern LNG produced, lost, or affected by the request(s) for service. In determining the highest net present value, Southern LNG will consider objective criteria only. Such criteria may include, without limitation, the MSQ requested, the duration of the service requested, the date on which the requested service would commence, the applicable rate, and such other factors available based on the requests for service received by Southern LNG. The net present value discount factor used by Southern LNG will be applied consistently to all requests for capacity being evaluated at the same time.
 - (ii) If Southern LNG receives two (2) or more requests for service that produce comparable net present values, whether during an open season or otherwise, then available capacity will be allocated to the completed request submitted first in time. If capacity remains available, then Southern LNG will offer the remaining capacity to the requester next in time.
 - (iii) If capacity is not available to satisfy a request, then the request for service will be maintained, if such potential Customer or potential Customer desires, for future allocations. If capacity subsequently becomes available, then such capacity will be allocated to pending requests, on the date such capacity becomes available, based on the highest net present value of the pending requests as provided above, unless Southern LNG elects to conduct an open season. If an open season is conducted, Customers or potential Customers with pending requests shall be individually notified and given an opportunity to participate in such open season. If such Customer or potential Customer elects not to participate in the open season, then, at the end of the open season, its pending requests shall be deemed null and void.
 - (iv) Southern LNG may, in its sole discretion, hold open seasons from time to time for potential expansion projects or for capacity that has become available. During any such open season, Southern LNG will allocate capacity subject to the open season on the basis of the highest net present value to Southern LNG. To the extent Southern LNG has available unsubscribed capacity, Southern LNG shall have the right, but not the obligation, to reserve that capacity for any open seasons that are to be held within the next twelve (12) months. All requests received during an open season remain binding on the requesting Customer through the end of the open season unless withdrawn by the requesting Customer; provided, however, a requesting Customer may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting Customer nor an affiliate thereof may submit a request with a lower net present value during the open season. At the end of the open season, all requests either withdrawn or not accepted shall be deemed null and void. If the Customer awarded capacity does not execute a Service Agreement within the time period described in Section 2.1(c) below, then Southern LNG may elect to offer the capacity to other Customers on the basis of the next highest net present value.
 - (v) Notwithstanding the net present value determination, Southern LNG reserves the right to decline requests for service (i) that offer less than the maximum rate; (ii) that may detrimentally impact the operational integrity of Southern

LNG's system; (iii) that do not satisfy all the terms of a specific open season; (iv) that do not demonstrate creditworthiness; or (v) that contain terms and conditions other than those set forth in the Tariff.

- (c) Within five (5) business days (or a mutually agreed-upon time) after accepting the request, subject to the other provisions of this section, Southern LNG shall prepare and tender to Customer for execution a Service Agreement under the applicable Rate Schedule in the pro forma format attached to this Tariff. If Customer fails to execute or return to Southern LNG the Service Agreement within thirty (30) days of the date tendered, then Southern LNG may deem the request for service null and void, and the available capacity then will be reallocated according to Section 2.1(b) above.
- (d) Southern LNG shall not be required to perform services under a Service Agreement for any Customer who
 - (i) is or has become insolvent,
 - (ii) fails to demonstrate creditworthiness either before initiation of service or on an ongoing basis after initiation of service, or
 - (iii) fails to make payments pursuant to GT&C § 13 (except if Customer has disputed a bill and made provision for partial payment in accordance with GT&C § 13). If during the ongoing credit evaluation process following initiation of service, Southern LNG should desire additional credit information from Customer, Southern LNG will provide the reason(s) to Customer for requesting such additional information unless Southern LNG and Customer have mutually agreed to waive this requirement. Southern LNG and Customer shall comply with the following guidelines for credit evaluation (NAESB 0.3.3):
 - (A) Southern LNG shall designate on its Interactive Website or by written notice two representatives who are authorized to receive notice and information regarding Customer's creditworthiness, and Southern LNG shall manage internal distribution of any such information (NAESB 0.3.7);
 - (B) Southern LNG shall designate a date that the credit information is due from Customer (NAESB 0.3.5);
 - (C) Upon receipt of either an initial or follow-up request from Southern LNG for credit evaluation information, Customer's authorized representatives should acknowledge receipt of Southern LNG's request unless Southern LNG and Customer have mutually agreed to waive this requirement. The Customer's obligation to provide confirmation of receipt is met by sending such confirmation to the representatives described in Section 2.1(d)(A) above (NAESB 0.3.4);
 - (D) Customer shall provide Southern LNG with all the credit information requested by Southern LNG's designated due date, or provide to Southern LNG the reason(s) why the information cannot be provided (NAESB 0.3.5); and
 - (E) Once Southern LNG receives all required credit information from Customer, Southern LNG will notify Customer's authorized representative(s) of such receipt unless Southern LNG and Customer have mutually agreed to waive this requirement (NAESB 0.3.6);
 - (F) If Customer is determined to be non-creditworthy by Southern LNG, Customer may initiate with Southern LNG a re-evaluation of its credit. As part of this re-evaluation process Customer should either update or confirm in writing or electronically in the manner the prior information provided to Southern LNG related to Customer's creditworthiness.

This update should include any event(s) that Customer believes could lead to a material change in its creditworthiness (NAESB 0.3.8);

- (G) After Southern LNG receives Customer's request for re-evaluation, including the information in (F) above, Southern LNG will provide Customer with a response in writing or via email within five (5) Business Days, which will include either a determination of Customer's creditworthiness status clearly stating the reason(s) for Southern LNG's decision, or will provide Customer with an explanation supporting a future date when a re-evaluation determination will be made. This re-evaluation process will not exceed twenty (20) Business Days from the date of the receipt of Customer's request, unless Southern LNG and Customer mutually agree to some later date (NAESB 0.3.9).

In lieu of the above credit requirements such Customer may receive or continue to receive service if Customer provides (i) where the service is associated with a permanent release of capacity associated with the original construction of Southern LNG's facilities or an expansion of Southern LNG's facilities, either (x) the proposed Acquiring Customer, at the time of such permanent release has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement customer or assignee), or (y) the proposed Acquiring Customer provides a guarantee from a credit provider that, at the time of such permanent release or assignment, has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement credit support provider), and in all cases (z) the credit support is equivalent in amount for the portion of capacity being permanently released, the duration, and any other material applicable terms as the credit support previously agreed to in the Releasing Customer's precedent agreement related to such capacity being released or (ii) where service is not associated with a permanent release, the greater of the credit support agreed to for its Service Agreement or the following:

- (x) security deposit in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, or of any extension, of the Service Agreement and a three (3) month period;
 - (y) good and sufficient surety, as determined by Southern LNG in its reasonable discretion, in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, as may be extended, of the Service Agreement and a three (3) month period;
 - (z) a guaranty in a form agreed to between Southern LNG and Customer from a creditworthy party and such creditworthy party will be responsible for payment of all charges and penalties assessed by Southern LNG but not paid by Customer.
- (e) Subject to other provisions of the Rate Schedule and the GT&C, the term of any Service Agreement may be extended wherein the parties have agreed to an "evergreen" or "rollover" provision. Also, a Customer having more than one firm Service Agreement each with a primary term of at least nineteen (19) years, unless Southern LNG agrees otherwise, shall have the right, to be exercised by written notice to Southern LNG only once and no later than the tenth (10th) anniversary of the effectiveness of the earlier Service Agreement, to enter into an amendment to such Service Agreement to extend the primary term to end no later than the end of the primary term of the later Service Agreement and to specify the same evergreen extension provisions as the later Service Agreement, in exchange for which extension period Customer agrees in the amendment to pay the higher of (i) the rate agreed to in the Service Agreement being extended, or (ii) the maximum recourse rate on file for service under such Rate Schedule. The right provided Customer in the preceding sentence shall not, however, prohibit Southern LNG and any Customer from otherwise agreeing to amendments of the primary term or other

provisions of any Service Agreement. Such changes shall not affect Customer's priority of service. To request any changes to a Service Agreement, Customer shall submit a request in writing or electronically in the manner set forth in Section 2.1(a) above, provided that electronic copies shall be equivalent to original writings.

- (f) Southern LNG shall not be obligated to accept any request for service unless adequate firm capacity is available without the construction of (or contribution for) additional facilities (including Receipt and Delivery Point(s)) by Southern LNG.

3. QUALITY

- 3.1 In order to permit delivery into downstream facilities and Customer's Vessel(s), the LNG received and delivered by and from Southern LNG under any Service Agreement shall be merchantable and shall have in its gaseous state:
- (a) A Wobbe Index with an upper limit of 1,396 and a gross heating value (GHV) of not less than 1,000 Btu and not more than 1,100 Btu after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; provided, however, with respect to LNG in its gaseous state to be delivered into downstream facilities until such time that the two Conditions Precedent specified in the settlement in Docket No. RP10-829-000 are satisfied, the Wobbe Index multiplied by 1.667, plus the GHV, of such LNG in its gaseous state to be delivered into downstream facilities shall not be greater than 3412 (*i.e.*, $\text{Wobbe Index} \times 1.667 + \text{GHV} \leq 3412$) after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; and
 - (b) Constituent elements conforming to the following:
 - (i) free of objectionable liquids and solids and be commercially free from dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of vaporization or transportation through any downstream pipeline;
 - (ii) not contain more than 200 grains of total sulphur or 10 grains of hydrogen sulphide, or 0.30 gallons of isopentane and heavier hydrocarbons, per Mcf;
 - (iii) not contain by volume more than 1% of carbon dioxide, 2% nitrogen or 0.2% oxygen;
 - (iv) not contain any water; and
 - (v) free of liquids at 800 psig and 50° F.
- 3.2 The gas delivered by Southern LNG will be merchantable gas.
- 3.3 All LNG received by Southern LNG shall conform to the specifications set forth in this section, and Customer agrees to analyze or caused to be analyzed each cargo or delivery of LNG as provided in this section. Customer agrees to test each LNG cargo or delivery in the manner prescribed.
- (a) Hydrogen Sulfide:

The LNG received by Southern LNG shall contain not more than the specified volume of hydrogen sulfide as determined by methods presented in Standards for Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide if a strip of white filter paper, moistened with a solution containing five per cent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution after the first paper has been exposed to the Vaporized LNG for one (1) minute in an apparatus of approved form, through which the Vaporized LNG is flowing at the rate of approximately five (5) standard cubic feet per hour, the Vaporized LNG not impinging directly from a jet upon the test paper.
 - (b) Total Sulfur:

The LNG received by Southern LNG shall contain not more than the specified total sulfur as determined by the method prescribed in American Society for Testing and Materials, Standard Method of Test for Total Sulphur in Fuel Gases, No. D 1072-56.
- 3.4 For all Ship Loading Service and Interruptible Ship Loading Service, at the time Customer provides Southern LNG with its first notice under Section 5.1 of the applicable Rate Schedule, Southern LNG shall provide Customer with notice of the projected quality of LNG inventory stored in the

Southern LNG storage tanks at Elba Island that will be loaded onto Customer's vessel under Rate Schedules LNG-1 and LNG-3 or under the Interruptible Ship Loading Service under Rate Schedule LNG-2.

- 3.5 Should any LNG for receipt by Southern LNG fail at any time to conform to any of the specifications provided for in this Section 3, Southern LNG may, at its option, suspend all or a portion of the receipt of any such LNG. Southern LNG shall be relieved of any of its obligations for the duration of such suspension. Upon receipt of Southern LNG's notice of such a failure, Customer shall make a diligent effort to correct the failure by treatment or dehydration or nitrogen injection consistent with prudent operation so as to tender LNG conforming to the specifications provided for in this Section 3.

Notwithstanding the above, Southern LNG agrees to grant a waiver of the GHV specification set forth above in Section 3.1(a) for receipts and deliveries of LNG the heating value of which, when blended with the total projected LNG inventory stored in the tanks at Elba Island at the anticipated time of ship unloading, will (i) achieve a gross heating value of not more than the GHV specification based on a blending calculation, and (ii) conform to all of the other specifications provided for in this Section 3. Such blending calculation performed by Southern LNG will take into account estimated receipt and delivery volumes, storage inventory, projected heat content of the LNG in storage and being shipped or delivered, nitrogen injection, the heat content of LNG from the Liquefaction Facility, and the ship arrival dates and whether such ships will be for receipts or deliveries. Any deviations or changes in the estimated data points used in the blending calculation which result in a blended LNG with GHV higher than the GHV specification set forth in Section 3.1(a) above, may result in partial acceptance of the receipt or delivery and/or limitation of delivery or receipt nominations from the Receipt Point or Delivery Point causing the deviations or changes from the GHV specification until such time that the actual LNG volumes when blended achieve the GHV specification. Customer agrees to assist Southern LNG in updating the blending calculation by providing Southern LNG with the necessary information to arrive at the blending calculation and with any changes from the estimated heating values up to and through the time the cargo unloading or delivery commences. Notwithstanding the above, nothing contained herein will limit any Customer's right to deliver LNG from the Liquefaction Facility or bring in cargos for receipt or delivery of LNG that meet the GHV specification without blending or obligate any Customer to in any way alter their shipping schedule, unloading or loading schedule, or send-out schedule to accommodate blending of out-of-spec receipts and deliveries and all receipts and deliveries will continue to be scheduled pursuant to Section 5 of the applicable rate schedule in Southern LNG's Tariff, provided that it meets the GHV specifications in Section 3.1(a) above.

To the extent blended volumes in the LNG tanks exceed the Btu or GHV limits established in Section 3.1(a) above as a result of weathering due to extended inventory latency periods, then the Customer requesting delivery of volumes may request that Southern LNG treat such LNG volumes using existing nitrogen injection facilities (to the extent practical adhering to the equipment's physical injection limitations and not to exceed the maximum volumetric nitrogen specifications set forth in the tariff) to blend such weathered LNG which is out of specification with nitrogen in order to allow such LNG to meet the GHV and Btu specifications. For such nitrogen injection service associated with weathering the customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on Elba Island as may adjusted to reflect any actual over or under collection of such costs from the previous calendar year. For the first calendar year of such service SLNG may estimate such costs based on the market cost for nitrogen in such year.

- 3.6 Noncompliance with Specifications:
- (a) Should Customer tender for Southern LNG's receipt any LNG that causes the composite gas stream in Southern LNG's facilities to fail the requirements of the downstream pipeline, Southern LNG may take whatever action necessary on Southern LNG's own accord or use of a third party, as solely determined by Southern LNG, at Customer's sole cost and expense, to treat and/or process the gas stream such that the gas stream can be delivered to the downstream pipeline. Until remedial action is taken to make gas acceptable to the downstream pipeline, Southern LNG may refuse to accept receipt of any gas, in Southern LNG's sole discretion, which prevents Southern LNG from making deliveries into the downstream pipeline. Any reduction in the energy content of the gas treated and/or processed shall be determined and deducted from Southern LNG's transportation volumes tendered for delivery to the downstream pipeline.

- (b) No waiver by Southern LNG of any default by Customer in any of the specifications set forth above or in any other provision of this Tariff shall operate as a continuing waiver of such specification or as a waiver of any subsequent default whether of a like or different character.

4. MEASUREMENT

4.1 Measurement of Quantity of LNG Received from or transferred to Customer's Vessel(s):

- (a) The volume of LNG received by Southern LNG from Customer's Vessel(s) or delivered by Southern LNG to Customer's Vessel(s) and reflected as a net change in Customer's LNG Balance shall exclude the amount of vapor transferred between Southern LNG and Customer's Vessel during loading and/or unloading of LNG. Southern LNG shall have no obligation to receive quantities that cause Customer to exceed the volume equivalent of its MSQ (or that part of its MSQ allocated to Customer during periods of constrained capacity) or deliver quantities that cause Customer to exceed the volume equivalent LNG that is shown in Customer's LNG Balance.
- (b) The volume expressed in units of cubic meters of LNG received at the Receipt Point, as defined in Section 6.1 below, or delivered to Customer's Vessel(s) shall be measured in metric units by gauging of the liquid in the tanks of Customer's Vessel(s). Customer shall cause the first gauging to be made after the Captain of Customer's Vessel has given his notice of readiness to unload/load LNG and before starting the pumps. A second gauging shall take place immediately after completion of the transfer of LNG. Representatives of Customer and Southern LNG shall have the right to be present at such gaugings, but the absence of a representative shall not prohibit any gauging.
- (c) Customer shall send or cause to be sent to Southern LNG a certified copy of the gauging standards, in metric units approved by the United States Bureau of Standards in Washington, D.C., as well as correction charts (list, trim, contraction, etc.), for each tank of each of Customer's Vessels. Such standards and charts shall be used throughout the term of the Service Agreement, except in the case of physical change in the tanks, in which case new standards and charts shall be sent to Southern LNG. LNG measuring devices shall be approved by both Southern LNG and Customer. Each tank shall be equipped with two level-measuring devices of different types.
- (d) The density of the LNG shall be calculated using the revised Klosek and McKinley method and density coefficients as defined in ISO 6578, "Refrigerated hydrocarbon liquids – Static measurement – Calculation procedure", First Edition, 1991.
- (e) The temperature of the LNG contained in the tanks of any of Customer's Vessels shall be determined by using the arithmetic average of the temperature indicated by special thermo-couples or resistance thermometers spaced at various locations from top to bottom of each tank with an accuracy of plus or minus two-tenths of a degree centigrade. Such temperatures shall be either logged or printed at each gauging.
- (f) Samples of the LNG shall be taken with a frequency adequate to assure a representative analysis of the LNG being transferred, at a suitable point near the Receipt Point or at Customer's Vessel. The sampling device shall be such as to permit the total and continuous vaporization of a quantity of LNG sufficient for the taking of a gaseous sample representative for the LNG then being transferred. Such samples shall be analyzed by means of a suitable gas chromatograph. An analysis or the average of such analyses shall determine the molecular composition of the LNG. A calibration of the chromatograph utilized shall be performed before the analysis of the samples taken from each transfer. Representatives of Customer and Southern LNG shall have the right to be present at such calibrations, but the absence of a representative shall not prohibit any calibration. Such calibration shall be effected with the aid of a gaseous mixture having a known composition closely similar to the Vaporized LNG being measured.
- (g) The Gross Heating Value (GHV) of LNG shall be calculated using an enthalpy equivalent of 60 degrees Fahrenheit as computed from its molecular composition and the GHV of each of its components. The values of physical constants to be used for such calculations shall conform to those contained in the most current publication of the Gas Processor's Association Report, GPA 2145.
- (h) The quantity of energy transferred, expressed in dekatherms (Dth), between Southern LNG and Customer's Vessel(s) shall be calculated on the basis of the following formula:

$$Q = V \times M \times P_c$$

where:

Q = the number of Dth transferred

V = the volume of LNG transferred, in m³, as determined in accordance with GT&C § 4.1(b)

M = the density of the LNG in kg/m³ calculated in accordance with GT&C § 4.1(d)

P_c = the GHV of LNG per unit of mass, in Dth/kg calculated in accordance with GT&C § 4.1(g)

Alternatively, the volume and density may also be expressed in customary United States imperial units of measure.

- (i) Gauging equipment:
 - (1) Customer shall cause to be supplied, operated, and maintained equipment for accurately gauging the level of liquid and liquid temperature in the tanks of Customer's Vessel(s). Southern LNG shall supply, operate and maintain all equipment, instruments, and devices used for the sampling of and for the density, quality, and composition of the LNG transferred.
 - (2) All measurements and calculations relating to gauging and determination of the density of the LNG and the testing of the quality and composition of the LNG shall be performed by Southern LNG. Representatives of Customer shall have the right to be present, but the absence of a representative shall not prohibit any measurement, calculations, or testing.
 - (3) Both parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information shall be made available to the parties and preserved for a period of not less than three years.
- (j) Verification of accuracy:
 - (1) The accuracy of the instruments used shall be verified at the request of either Southern LNG or Customer. Such verifications shall be made in the presence of the Party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
 - (2) If, at any time of verification, a measuring instrument is found to produce errors of one percent or less of transferred LNG, then such instrument's previous measurements shall be considered accurate for purposes of delivery calculations. Such instrument shall be adjusted as necessary. If, at the time of verification, a measuring instrument is found to produce errors of more than one percent, then such instrument's previous measurements shall be brought to a zero difference by comparison with calibration results for any period known definitely or agreed to have been affected the error, and the calculation of LNG transferred during this period shall be corrected accordingly. If the period that the error affected is not definitely known or agreed upon, correction shall be made for those quantities transferred during the last half of the period since the date of the last calibration of the instrument.
- (k) The installation and operation of devices for measuring the level of LNG and temperature in the tanks of Customer's Vessel(s), as well as chromatographs, shall be carried out according to the manufacturers' specifications.

- (l) All instruments and gauges used for computing the quantity of LNG transferred shall be calibrated in the following manner:
 - (1) in cubic meters (m³);
 - (2) in degrees Celsius (°C); and
 - (3) on a dual scale calibrated in bars or millibars on one side and psig on the other.

4.2 Measurement for Delivery of Vaporized LNG or natural gas:

- (a) Unit of Volume:

The unit of volume shall be a cubic foot.
- (b) Measurement of Volume:
 - (1) When gas is delivered at a pressure different from 14.73 psia, then for the purpose of measurement hereunder, such volumes of gas shall be corrected to a pressure of 14.73 psia. It is assumed that the atmospheric pressure is 14.4 pounds per square inch or such other pressure as agreed upon by Southern LNG and Customer. The measurement of gas volumes shall be adjusted for deviation from Boyle's Law in accordance with generally accepted engineering practice; provided, however, that where gas is delivered through positive displacement meters at a pressure not in excess of 20 psig, the gas may be assumed to obey Boyle's Law.
 - (2) Where orifice meters are used, volumes delivered shall be computed in accordance with formulae, tables, and methods prescribed in Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, AGA Report No. 3 -- ANSI/API 2530, as revised September 1985, and as such report may hereafter be further revised. Exact measurements of inside diameters of meter tubes shall be obtained by means of a micrometer to the nearest one-thousandth inch. Volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of paragraphs (3) and (4) below.
 - (3) The flowing temperature of the gas shall be determined for the purpose of measured volume correction. Volume shall be corrected for variation in the flowing temperature from 60 degrees Fahrenheit. The flowing temperature will be measured by RTD's, thermocouples, thermometers, etc. and shall be either (1) recorded using charts, digital recorders, etc., in which case the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time during which gas was flowing; or (2) used for on-site flow computations in electronic flow computers in which case the instantaneous measurement of temperature will be used in such computations. Where no temperature measuring device is installed, the temperature of the gas shall be assumed to be 60 degrees Fahrenheit.
 - (4) A specific gravity correction shall be applied to measured volumes. The specific gravity to be used for such correction shall be determined at an appropriate location by a gravimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the specific gravity recorder) of such record shall be the specific gravity of the gas being measured; or (2) used for flow computations in electronic flow computers in which case the value of the specific gravity being measured will be used as appropriate in such computations. If a specific gravity measuring device is not installed or available at an appropriate location, then specific gravity shall be determined by a mutually agreeable method.

- (5) The gross heating value shall be determined at an appropriate location by a calorimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the gross heating value recorder) of such record shall be the gross heating value of the gas being measured; or (2) entered as an input to electronic flow computers in which case the gross heating value being measured will be used in the computation of the Btu content of the gas. If a gross heating value measuring device is not installed or available at an appropriate location, then the gross heating value shall be determined by a mutually agreeable method.

6. RECEIPT AND DELIVERY POINTS

6.1 Receipt Point:

The Receipt Point shall be (a) for all LNG unloaded from Customer's Vessel(s) at the point, whether one or more, at which the flange at the outlet of the unloading piping of Customer's Vessel joins the flange at the entry of the receiving LNG pipeline at Southern LNG's marine terminal or (b) for all other LNG, at the point at the outlet of the meter station interconnecting with any liquefaction facility whether owned by SLNG or a third party liquefaction facility ("Liquefaction Facility"). Southern LNG shall receive natural gas only in a liquefied state.

6.2 Delivery Point:

The Delivery Point shall be (a) an interconnection between the Terminal and a downstream pipeline for Vaporized LNG delivered by Southern LNG to Customer ("Downstream Pipeline Interconnect") or (b) an interconnect between the Terminal and Vessel for LNG delivered by Southern LNG to Customer.

6.3 Facilities:

Pursuant to Section 154.109(b) of the Commission's Regulations (18 C.F.R. § 154.109(b)), Southern LNG states as follows:

(a) Facilities Owned and Operating by Southern LNG:

(i) Reimbursement by Customer:

If Customer requests the installation or modification of the facilities necessary to perform Firm Service that Customer requests under the applicable Rate Schedule and agrees to reimburse Southern LNG for the full cost of that installation or modification, and if Southern LNG agrees to install the facilities or to modify existing facilities, then Customer and Southern LNG agree that Southern LNG will construct and install (or cause to be constructed and installed) the facilities, or will modify (or cause to be modified) its existing facilities. Southern LNG will own and operate these and all appurtenant facilities.

(ii) No Reimbursement by Customer:

If Customer does not agree to reimburse Southern LNG for the full cost of those facilities, then Southern LNG may agree to construct or modify facilities if Southern LNG has constructed or modified similar facilities for similarly situated Customers. Southern LNG will own and operate these and all appurtenant facilities.

(b) Facilities Owned and Operated by Customer; Contributions in Aid of Construction:

If conditions favor Customer's constructing, owning, and operating facilities at or near the Receipt or Delivery Point, then Southern LNG may provide to Customer a contribution in aid of construction (CIAC). Southern LNG will provide CIACs in a manner not unduly discriminatory to similarly situated Customers.

7. PRESSURE

7.1 Receipt Point:

The receipt of LNG from Customer's Vessel under GT&C Section 6.1 (a) shall be carried out by use of pumps and other equipment on Customer's Vessel(s) at an hourly rate of approximately one-twelfth (1/12) of the maximum cargo capacity of Customer's Vessel and at an average pressure of forty (40) psig at the Receipt Point; provided, however, that the hourly rate shall not exceed an hourly rate of one-tenth (1/10) of the cargo capacity of Customer's Vessel. Southern LNG shall not be obligated to receive LNG at a rate or pressure that exceeds prudent operating conditions under conditions that exist at that time.

All LNG delivered to Southern LNG under GT&C Section 6.1 (b) shall be delivered at pressures sufficient to enter Southern LNG's facilities at such working pressures maintained by Southern LNG at each Receipt Point; provided, however, that such pressures shall not exceed Southern LNG's maximum allowable operating pressures at each such Receipt Point. Southern LNG and Customer may on a case-by-case basis agree that scheduled receipts may, subject to applicable regulatory requirements, be made at a lower pressure if such lower pressure may be accommodated by Southern LNG's facilities.

7.2 Delivery Point:

Southern LNG shall deliver LNG and/or Vaporized LNG at the pressure psig stated in the Service Agreement; however, Southern LNG shall not be obligated to deliver LNG and/or Vaporized LNG at a rate or pressure in excess of the Loading Rate or that exceeds prudent operating conditions under conditions that exist at that time.

8. LIABILITY OF CUSTOMER AND SOUTHERN LNG; ALLOCATION OF CONSTRAINED CAPACITY

8.1 Risk of Loss

(a) Control and Possession of Gas:

For the purpose of determining the liability of Southern LNG and Customer, respectively, Customer shall be deemed to be in exclusive control and possession of any Gas until actually received by Southern LNG at the Receipt Point, and after the Gas has been delivered to the account of Customer by Southern LNG at the Delivery Point. Southern LNG shall be deemed to be in exclusive control and possession of any Gas only while it is in Southern LNG's facilities. Title to that share of Gas deemed to be (i) used as GRO, (ii) disposed of pursuant to the take-title provision of this Tariff, and (iii) LAUF shall pass to Southern LNG at the Receipt Point.

(b) Control and Responsibility:

The party deemed to be in control and possession of the Gas in accordance with GT&C § 8.1 shall exclusively bear all risk of loss therefor. For all matters within Customer's control, Customer warrants that service from Southern LNG and all incidental arrangements conform to applicable regulations and agrees to indemnify and save Southern LNG harmless against any actions, suits, or proceedings concerning service and arrangements that are brought before or instituted by any authority having jurisdiction.

Customer assumes responsibility for all port or wharfage fees, pilotage fees, agent fees, duties, taxes, levies or charges imposed on Customer's Vessels, any actions associated therewith, or the Gas Customer tenders for receipt by Southern LNG.

Customer agrees to indemnify, defend, and save Southern LNG harmless against any loss, damage, cost, expense, claim, or action resulting from performance or nonperformance by Customer; customer's agents, affiliates, or contractors; Customer's Vessels; or the owners or operators of those vessels; in connection with this Tariff.

8.2 Insurance

In addition to the other requirements of the Rate Schedule, Southern LNG and Customer shall maintain insurance adequate to cover losses that may reasonably arise during the course of service under this Tariff.

8.3 Force Majeure & Operating Condition:

If Southern LNG or Customer becomes unable, wholly or in part, by either force majeure or operating condition, as applicable, to carry out its obligations under the Service Agreement (other than to make payments due thereunder) it is agreed that, on such party's giving notice and full particulars in writing of such force majeure or operating condition, by telephone (followed by written confirmation) to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party giving such notice (other than to make payments due under the Service Agreement), so far as they are affected by the force majeure or operating condition, shall be suspended during the continuance of any inability so caused but for no longer period; and the cause shall as far as possible be remedied with all reasonable dispatch.

The term "force majeure" means, with respect to either Southern LNG or Customer, any event or circumstance beyond the reasonable control of a party while acting and having acted as a Reasonable and Prudent Operator, defined below, and that results in or causes the failure by the party affected to perform any one or more of its obligations under the Service Agreement and applicable Rate Schedule and GT&C. Events or circumstances of force majeure include without limitation acts of God, acts of government agents, hurricanes, storms, fires, explosions, and unplanned outages and repairs to Southern LNG's facilities. Southern LNG shall also be excused for failure to carry out its obligations under this Tariff to the extent that the event of force majeure relates to the downstream facilities or equipment of Southern Natural Gas Company

(Southern Natural) that enable Gas delivered by Southern LNG to enter the mainline facilities of Southern Natural or other downstream pipeline.

For the purposes of the definition of "force majeure," a Reasonable and Prudent Operator shall mean a person acting in good faith with the intention of performing its contractual obligations, and who in so doing and in the general conduct of its undertaking exercised the degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances and conditions. Southern LNG shall provide to Customer, or to a third party designated by Customer, reasonable access to data in Southern LNG's possession regarding the operation and maintenance of the Terminal.

A party shall be excused for failure to carry out its obligations only to the extent that and only for the period during which it is rendered unable to carry out such obligations by reason of force majeure, provided, however, that such party shall:

- (i) promptly notify the other party of the invocation of force majeure and the reasons therefor;
- (ii) thereafter provide interim reports of the force majeure event, reasons for continued invocation of force majeure, and an estimate of the anticipated time of the force majeure period;
- (iii) use reasonable endeavors to overcome and minimize the effects of any such force majeure and resume performance of obligations as soon as practicable after removal of the force majeure;
- (iv) not be excused by reason of force majeure from an obligation to indemnify or to make any payments due;
- (v) upon request in writing by the other party, give or procure access insofar as is reasonably practicable to do so for a reasonable number of representatives of that other party at that other party's sole risk and cost, to examine the scene of the relevant event of circumstances of force majeure.

The term "operating condition" means the necessity to make scheduled repairs to or tests, inspections, or modifications of, Southern LNG's facilities. Southern LNG will exercise reasonable diligence to minimize disruptions of service to Customers.

8.4 Allocation of Constrained Capacity:

If a constraint in receipt, delivery, or working storage capacity occurs such that Southern LNG cannot meet the requirements of Customers, then the available capacity shall be allocated as follows:

- (a) for a reduction in working storage capacity, the available working storage capacity shall be allocated (i) first to each firm Customer in a proportional share based on the ratio of each firm Customer's MSQ to the total MSQ contracted for by all firm Customers; and (ii) then, if any capacity remains available, to interruptible Customers based on the rate paid for service, higher rate first, and then pro rata among Customers paying the same rate. An interruptible Customer paying a discount or negotiated rate less than the maximum rate may elect to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise to allow for the Customer's interruptible service to be queued up with other maximum-rate interruptible services. Customer must make such election to pay the maximum rate by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section;

- (b) for a reduction in the capacity to receive LNG from Customer's Vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule;
- (c) for a reduction in vaporization capacity, the available vaporization capacity shall be allocated according to the priorities set forth in GT&C § 12.5; and
- (d) for a reduction in the capacity to deliver LNG to Customer's Vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule.

8.5 Odorization:

Except where otherwise required by law, Gas delivered by Southern LNG will be delivered in its natural state without the addition of any odorizing agent. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has not odorized such Gas prior to its delivery.

Southern LNG will add odorizing agents to Gas delivered by it where required by law. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has odorized such Gas prior to its delivery, nor does Southern LNG warrant the delivery of odorized Gas.

8.6 Buyout Election for Extended Force Majeure:

(a) Applicability:

The following provisions govern Customer's election to terminate a firm Service Agreements upon payment of the applicable buyout amounts set out below. The following provisions shall apply only to a firm Service Agreement for which a qualifying Buyout Election is noted therein. For purposes of this Section 8.6, a qualifying electing Customer shall be referred to as "Electing Customer."

(b) Evaluation Periods

(1) Initial Evaluation Period

If Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable to make available at least eighty percent (80%) of Customer's MDVQ, MSQ, or MDLQ under a Service Agreement for which the Buyout Election was made, then Southern LNG shall immediately begin consulting with Electing Customer and provide Electing Customer within one-hundred and eighty (180) days thereafter with a notice in writing of Southern LNG's initial report. The initial report shall include the estimated capital cost associated with restoring the capacity lost due to the event of force majeure, the availability of funds from both property damage insurance and a resolution of Southern LNG's governing board to fund such restoration (the sum of insurance proceeds and board resolution, the "Available Funds"), and the estimated duration of activities prior to restoring the capacity starting from satisfaction of any conditions precedent in Section 8.6(b)(1)(D) below (such initial report, the "Initial Restoration Report").

- (A) If the later of the Initial Restoration Report and the Initial Expert Decision, as defined in Section 8.6(c)(1) below, estimates both that (i) the duration of the force majeure event is no more than forty-eight (48) months and (ii) the capital cost to restore the capacity is no more than the Available Funds, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoring the capacity.

- (B) If the Initial Expert Decision either (i) estimates the duration of the force majeure event at more than forty-eight (48) months or (ii) estimates the capital cost to restore the capacity at more than the Available Funds, then Southern LNG may within sixty (60) days thereafter notify Electing Customer in writing of its intent to supplement the Available Funds to either shorten the estimated duration to within forty-eight (48) months, increase the Available Funds to cover the estimated capital cost, or both as applicable ("Supplemental Restoration Report"), which Supplemental Restoration Report the parties agree shall be referred to expert decision as provided below. If the Supplemental Expert Decision affirms the Supplemental Restoration Report, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoration.
 - (C) If either Southern LNG does not provide a Supplemental Restoration Report or the Supplemental Expert Decision does not affirm the Supplemental Restoration Report, then within thirty (30) days thereafter, Electing Customer may terminate its Service Agreement for which a Buyout Election was made. Termination shall occur upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations to pay the reservation charges applicable to such Service Agreement ("Initial Buyout Amount"), which Buyout Amount for each Service Agreement to be terminated shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the net present value at the Commission refund rate of the remaining monthly reservation charges for the MSQ, MDVQ, and MDLQ calculated at the higher of Customer's negotiated rate or the effective maximum recourse rate for such MSQ, MDVQ, and MDLQ for the duration of the primary term of the Service Agreement ("NPV Prepayment").
 - (D) If the estimated cost of restoration (from the later of the Initial Restoration Report, the Initial Expert Decision or the Supplemental Restoration Report) exceeds the available insurance funds stated in the Initial Restoration Report ("Cost Exceedance"), then Southern LNG's obligation to commence and continue restoration activities shall be subject to the following conditions precedent:
 - (I) Electing Customer enters into a negotiated rate agreement with Southern LNG providing for Customer' paying charges that recover the full cost of service of the Cost Exceedance and operating expenses to restore the capacity under its Service Agreements "Excess Negotiated Rate"; and
 - (II) Electing Customer provides credit support in the form of either a standby, irrevocable letter of credit issued by a financial institution having a long-term unsecured debt rating of either BBB from Moody's Investor Services or Baa from Standard and Poors or comparable credit support for an amount in U.S. dollars equal to the Cost Exceedance ("Excess Credit Support").
- (2) Interim Evaluation Period
- (A) If Southern LNG commences restoration under Section 8.6(b)(1) above, then starting at the end of every sixth (6th) month thereafter until restoration of firm capacity to serve at least eighty percent (80%) of each of Customer's MSQ, MDVQ, and MDLQ, Southern LNG shall provide to Electing Customer by notice in writing with an update to the Initial Restoration Report or, if affirmed, the Supplemental Restoration Report ("Interim Restoration Report"). The Interim Restoration Report

shall provide the estimated duration and cost of restoration based on information available to Southern LNG since the last report.

- (B) If the estimated duration in the later of the Interim Restoration Report and the Interim Expert Decision estimates that either (i) the duration will exceed sixty (60) months starting from satisfaction of the conditions precedent; or (ii) the cost will exceed the Available Funds, then within thirty (30) days thereafter Electing Customer may either direct Southern LNG to continue with restoration or terminate its Service Agreement upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations ("Interim Buyout Amount"), which Interim Buyout Amount shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the sum of (I) the NPV Prepayment plus (II) Customer's pro rata share of the Available Funds Southern LNG has expended or committed to expend during restoration (less proceeds Southern LNG has received for such restoration under property damage insurance). Customer's pro rata share for the preceding sentence shall equal the total amount multiplied by the ratio of Customer's total reservation charge obligations per month divided by the total reservation charges owed Southern LNG per month under currently effective Service Agreements.
- (C) If Electing Customer does not terminate its Service Agreements and pay the Interim Buyout Amount, then Southern LNG's obligation to continue with restoration shall be subject to the following conditions precedent:
 - (I) Electing Customer and Southern LNG's amending the Excess Negotiated Rate under Section 8.6(b)(1)(D)(I) above to provide for Customer's paying increased charges that recover the increased cost of service of the capital cost (less proceeds paid to Southern LNG from property damage insurance) and operating expenses to restore the capacity under its Service Agreements; and
 - (II) Electing Customer provides Excess Credit Support in addition to the amount provided pursuant to Section 8.6(b)(1)(D)(II) above equal to the estimated increase in cost to restore (from the later of the Interim Restoration Report or the Interim Expert Decision).

(c) Dispute Resolution:

- (1) Initial Restoration Report. If Electing Customer provides Southern LNG no later than thirty (30) days after receiving the Initial Restoration Report with notice in writing that Electing Customer disagrees with the cost and/or duration estimated in the Initial Restoration Report and believes either the estimated cost to be higher than the Available Funds or the estimated duration to be longer than sixty (60) months, such disagreement to be based on substantial evidence included with the notice along with Electing Customer's estimate of the cost and duration ("Electing Customer's Notice"), then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than sixty (60) days following the later of the Initial Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimate between the Initial Restoration Report and Electing Customer's Notice ("Initial Expert Decision").
- (2) Supplemental Restoration Report. Southern LNG and Electing Customer hereby agree to refer the Supplemental Restoration Report to a single, independent

expert qualified to review and dispose of issues with respect to the estimated cost and duration. If reasonably available, the expert issuing the Initial Expert Decision shall be used. No later than thirty (30) days following the later of the Supplemental Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer either affirming or denying the reasonableness of the Supplemental Restoration Report ("Supplemental Expert Decision").

- (3) Interim Restoration Report. If Electing Customer provides Southern LNG no later than fifteen (15) days after receiving an Interim Restoration Report with Electing Customer's Notice of disagreement, then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than thirty (30) days following the later of the Interim Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimates between the Interim Restoration Report and Electing Customer's Notice ("Interim Expert Decision"). Southern LNG and Electing Customer hereby agree to waive any and all challenges to the Interim Expert Decision, which shall be preclusive for purposes of the rights and obligations set out in Section 8.6(b)(2) above.

- (d) Abandonment

A Customer exercising its right herein to terminate its Service Agreement shall not challenge, directly or indirectly, any application by Southern LNG to abandon capacity associated with such firm service.

9. WARRANTY OF TITLE AND INDEMNIFICATION

Both Customer and Southern LNG warrant good title or good right to all Gas transferred by it to the other party. Unless otherwise provided in this Tariff, Customer shall retain title to Gas while in the control and possession of Southern LNG. Customer further represents and warrants that it will pay and satisfy, or make provision for the payment and satisfaction of, any and all claims of every nature to the title to all Gas received by Southern LNG. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all suits, judgments, claims, demands, causes of action, costs, losses, and expenses arising out of or in any way connected with any claims to the title to all Gas received by Southern LNG.

Southern LNG assumes no obligation whatever to any royalty owner or to the owner of any other interest of any kind in any Gas received by Southern LNG for the account of Customer, and Customer or its seller shall pay all such royalties or other interests upon or in respect to such Gas.

Customer warrants permission and any requisite licensing or certification from government agencies having jurisdiction for the receipt by Southern LNG of Gas for Customer's account. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all enforcement actions, penalties, and sanctions arising out of or in any way connected with any failure to obtain that permission, license, or certificate.

10. CYCLING

Within one hundred twenty (120) days after a quantity of LNG is received by Southern LNG at the Terminal for Customer's account, Customer shall have caused that quantity to have been (a) vaporized and delivered by Southern LNG or (b) delivered to Customer's Vessel(s), unless Southern LNG agrees otherwise. If Customer fails to so withdraw such LNG, then Southern LNG may, at its option, take title to such LNG free and clear of any adverse claims, in which case Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of Customer to remove such LNG and the disposal of such LNG by Southern LNG, including charges under the applicable rate schedule. Southern LNG shall credit any net proceeds from the sale of LNG to which it takes title hereunder. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Southern LNG shall extend the time available for Customer to remove its Gas from Storage by one Day for every Day that Customer has been unable to withdraw properly nominated quantities due to force majeure or operating conditions invoked by Southern LNG.

12. NOMINATIONS, SCHEDULING, AND DETERMINATION OF DELIVERIES

Section 12.1 through 12.6 shall govern the delivery by Southern LNG of Vaporized LNG for Customer's account. Section 12.7 shall govern the delivery by Southern LNG of LNG for Customer's account.

12.1 Nomination Procedures:

- (a) General: Customer, or its agent designated in an executed Agency Agreement, shall nominate Gas for all quantities for deliveries under any Service Agreement by notifying Southern LNG, pursuant to the provisions of this Section 12, of the daily quantity of Gas, expressed in Dth, that it has available for delivery.

Customer shall also specify the first date that the nomination is to be effective ("begin date") and the last date that the nomination is to be effective ("end date"). Customers may nominate for multiple days, up to six (6) months, provided the begin and end dates are within the term of Customer's Service Agreement with Southern LNG. All nominations, excluding intraday nominations, shall have roll-over options. Unless Customer wishes to change its nomination, Customer shall not be required to resubmit its nomination during the begin and end dates.

By submitting a nomination, Customer warrants that it has obtained all necessary regulatory approvals to deliver LNG to Southern LNG.

Southern LNG shall not be obligated to deliver quantities in excess of Customer's MDVQ.

With respect to the various deadlines set forth in this Section 12, the party receiving the information has the right to waive the deadline at its option. Southern LNG shall waive any such deadlines in a nondiscriminatory manner for similarly situated Customers.

- (b) Method of Submitting Nominations: Customer must submit its nomination through Southern LNG's Interactive Website. Customer's nominations shall be submitted to Southern LNG in the format set forth on Southern LNG's Interactive Website. If Southern LNG's Interactive Website is unavailable, nominations will be based on the most recent nominations submitted by Customer via Southern LNG's Interactive Website until Southern LNG's Interactive Website is restored. Southern LNG may waive the requirement for a Customer to submit its nomination electronically if Southern LNG determines, in its reasonable judgment, that Customer has experienced an event of force majeure that renders it incapable of transmitting such nomination electronically. Southern LNG will use its best efforts to work with Customer to enter nomination changes Customer provides in sufficient time prior to the nomination deadline under such limited circumstances.
- (c) Except as set forth in Section 12.2 below, the following nomination deadlines shall apply to nominations, confirmations and scheduling under this Section 12, including nominations from title transfer tracking (TTT) Service Providers. There will be two nomination cycles: timely and evening. For the timely and evening nomination cycles, scheduled quantities shall be effective at the start of the next Gas Day.

Timely (NAESB WGQ Standard 1.3.2(i))	Evening (NAESB WGQ Standard 1.3.2(ii))
1:00 p.m.	6:00 p.m. Nominations must leave control of Customer
1:15 p.m.	6:15 p.m. Nominations must be received by Southern LNG
1:30 p.m.	6:30 p.m. Southern LNG must issue quick response
4:30 p.m.	8:30 p.m. Receipt of all completed confirmations by transporters
5:00 p.m.	Receipt of scheduled quantities by Customer and point operator

9:00 p.m. Southern LNG to provide scheduled quantities to affected Customer and point operator, including bumped parties

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

In addition, Southern LNG will support three intraday nomination cycles on the current Gas Day (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17). In the first cycle (NAESB WGQ Standard 1.3.2(iii)), the intraday nomination shall leave the control of the nominating party by 10:00 a.m., and Southern LNG must receive such nomination no later than 10:15 a.m. Southern LNG will have until 10:30 a.m. to send a quick response, until 12:30 p.m. to complete confirmation and until 1:00 p.m. to provide scheduled quantities to affected customers and point operators, including bumped parties. Scheduled quantities resulting from this first intraday nomination cycle should be effective at 2:00 p.m. on the current Gas Day. In the second intraday nomination cycle (NAESB WGQ Standard 1.3.2(iv)), the intraday nomination shall leave the control of the nominating party by 2:30 p.m. and must be received by Southern LNG by 2:45 p.m. Southern LNG will have until 3:00 p.m. to send a quick response, until 5:00 p.m. to complete confirmations and until 5:30 p.m. to provide scheduled quantities to affected Customers and point operators, including bumped parties. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 6:00 p.m. on the current Gas Day. In the third intraday nomination cycle (NAESB WGQ Standard 1.3.2(v)), the intraday nomination shall leave the control of the nominating party by 7:00 p.m. and must be received by Southern LNG by 7:15 p.m. Southern LNG will have until 7:30 p.m. to send a quick response, until 9:30 p.m. to complete confirmations and until 10:00 p.m. to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the third intraday nomination cycle.

For intraday nominations under this Section, there is no limitation as to the number of intraday nominations which a service requestor may submit at any one standard nomination cycle or in total across all standard nomination cycles (NAESB WGQ Standard 1.3.32).

For purposes of NAESB WGQ Standard 1.3.2(ii), (iii), and (iv), "provides" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (d) Late Nominations: If, on any day, Southern LNG determines that it can extend the nomination deadline, pursuant to the waiver provisions of Section 12.1(a) above, without adversely affecting the processing of timely nominations, then all nominations received prior to the extended deadline shall be processed at the same time. Nominations for the next day submitted after the nomination deadline (as may be extended by Southern LNG) shall be processed on the next day as an intraday nomination submitted pursuant to Section 12.2 below.
- (e) Nomination Ranks: Rankings may be provided by the nominating party and, if so provided, shall be used to prioritize reductions to the corresponding requested quantities when such prioritization is not in conflict with other provisions of this Tariff (NAESB WGQ Standard 1.3.23). If rankings are not provided, prioritization will occur on a prorata basis.
- (f) Posting of Capacity Constraints Affecting Nominations: On a day when Southern LNG anticipates that requests for capacity for the following day of service will exceed the capacity of its facilities, Southern LNG shall post on its Interactive Website, the day

preceding the day on which service will commence, the available capacity on the segments of its facilities which Southern LNG anticipates will be affected.

- (g) Southern LNG shall have the right to refuse to deliver Vaporized LNG not timely or properly nominated in accordance with GT&C § 12. Southern LNG shall not be liable to Customer or any other person as a direct or indirect consequence of such refusal and Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal.
- (h) Reserved.
- (i) Payback Nominations: When making its nomination, Customer shall specify by Service Agreement which portion of the quantities to be received or delivered by Southern LNG is attributable to current service and which portion of the quantities is attributable to payback within the month of an estimated imbalance (either positive or negative). As between quantities of Gas received or delivered by Southern LNG for current service and Gas received or delivered by Southern LNG as payback of estimated imbalances, the Gas received or delivered as current service shall be deemed to be received or delivered prior to any payback Gas.
- (j) Package ID: A Package ID is a way to differentiate between discrete business transactions. Use of the Package ID is at the discretion of the service requester and, if sent, will be accepted and processed by Southern LNG. When used, Package IDs shall be supported for nominating, scheduling, and allocating, but not for invoicing unless mutually agreeable.
- (k) Additional Information Requirements:

Customer shall comply with requests by Southern LNG for additional information that Southern LNG believes is necessary to perform service hereunder or to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction. Customer shall notify Southern LNG immediately of any unexpected changes in quantities tendered for delivery, whether or not such notice conforms to the times set out herein. Customer shall cause the operator of each vessel or downstream pipeline designated in any nomination or changes to confirm all such nominations or changes to nominations electronically prior to implementation by Southern LNG.

12.2 Scheduling of Nominations:

Notice of Scheduled Quantities: After receiving notice of the next-day nominations requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantities of Gas for current service it will schedule at the Delivery Point under Customer's Service Agreement by 5:00 p.m. for the 1:00 p.m. nomination cycle and by 9:00 p.m. for the evening cycle on the day prior to the Gas Day for which Customer has made its nominations. In addition to making scheduled quantities information available by the times set forth above, Southern LNG shall also make available to Customer information containing scheduled quantities, including scheduled intraday nominations and any other scheduling changes.

At the end of each Gas Day, Southern LNG shall provide to Customers the final scheduled quantities for the just completed Gas Day. With respect to Customers using EDI, Southern LNG shall send by EDI an end of the day Scheduled Quantity document. Any Customer may waive the delivery of such end of the day Scheduled Quantity document.

After receiving notice of the intraday nomination changes requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantity of Gas for current service that it is able to schedule on an intraday basis prior to the effective time for such change. Southern LNG shall also notify any interruptible Customers of any interruption in service prior to such interruption being effective.

12.3 Confirmation:

(a) Customer's Responsibilities:

Southern LNG shall be entitled to rely conclusively on Customer's nomination as authorized for purchase or sale.

Customer shall not nominate for service in excess of (i) the quantities of LNG to be purchased/sold by Customer, or (ii) the quantities of Vaporized LNG that third-party transporter(s) have agreed to accept for transportation upon delivery by Southern LNG, or (iii) the quantities of Vaporized LNG that third-party transporter(s) have agreed to accept for delivery by Southern LNG, whichever is less. Customer shall be responsible for all dispatching notices to its seller(s) and third-party transporter(s), for notifying third-party transporter(s) of any changes in nominations, and for ensuring that third-party transporter(s) comply with such changes.

(b) Southern LNG's Procedures:

Prior to final scheduling of any nominations by Customer, Southern LNG shall make such inquiries as it deems necessary, including but not limited to contacting the responsible dispatching party at the Delivery Point, to determine that the portion of Customer's nomination that can be scheduled by Southern LNG will be implemented as stated by Customer ("Confirmation Request"). Absent mutual agreement by the dispatching party at the Delivery Point, the confirmation request provided by Southern LNG shall be at the entity level. All confirmation activities on Southern LNG's system for next-day Gas flow, both those confirmations received by Southern LNG and those given by Southern LNG at pipeline interconnects, must be completed no later than 4:30 p.m. for the timely nomination cycle and by 8:30 p.m. for the evening nomination cycle. The confirming party may relieve Southern LNG of its obligations to send a confirmation notice. If Southern LNG does not receive any communication from the confirming party, it will schedule the lesser of the nomination or the quantity Southern LNG determines will be implemented based on other available information.

12.4 Reserved.

12.5 Scheduling Priorities for Delivery Nominations of Vaporized LNG:

- (a) If, on any day, Southern LNG determines it has insufficient delivery capacity to vaporize all Customers' Firm and Interruptible Services for that day, then Southern LNG shall first allocate all of its available vaporization capacity to Firm Services.
- (b) If Southern LNG further determines that it has insufficient delivery capacity to provide services allocated under the preceding paragraph 12.5(a) on that day, then Southern LNG shall allocate all of its reduced capacity to the Firm Services based on the ratio of each Customer's total MDVQ to the total aggregate MDVQ of all firm Customers submitting nominations. Each firm Customer shall be allocated its proportionate share of the available capacity based on its percentage share calculated from this ratio.
- (c) If Southern LNG does not have to limit its firm delivery services on a day, Southern LNG shall allocate the remaining capacity on its system to Interruptible Services. If the remaining capacity is insufficient to satisfy all of the nominations for Interruptible Services, then the interruptible Customers shall be served on the basis of the rate paid for service, higher rate first, and pro rata among Customers paying the same rate based on each Customer's confirmed nomination relative to the total confirmed nominations by all Customers for such Interruptible Services. If an interruptible Customer receiving a discount or negotiated rate less than the maximum rate elects to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise, Customer's service will be queued up with other maximum-rate interruptible Customers. Customer must elect by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section.

- (d) If quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity to each Customer with a firm K-6 Capacity entitlement pro rata based on the ratio of Customer's firm K-6 Capacity entitlement to the K-6 Capacity. Customers that do not have a firm K-6 Capacity entitlement shall be treated as interruptible users of such K-6 Capacity and shall be allocated the remainder of any K-6 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.
- (e) If quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(3) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-7 Capacity, then Southern LNG shall first allocate all of the available K-7 Capacity to each Customer with a firm K-7 Capacity entitlement pro rata based on the ratio of Customer's firm K-7 Capacity entitlement to the K-7 Capacity. Customers that do not have a firm K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

12.6 Delivery Point Allocation of Vaporized LNG:

- (a) Use of PDAs:

On a daily basis at the Delivery Point, Southern LNG shall allocate the quantities of Gas metered at the point among the quantities of Gas scheduled at the point for the account of its Customers, based on the Pro Rata PDA method unless another PDA method is provided by the party that owns or operates the downstream facilities interconnecting with Southern LNG's facilities at the Delivery Point (the "downstream operator"). The alternative PDA methodologies from which the downstream operator may choose include the Swing PDA, a Ranked PDA, a Percentage PDA, or any other mutually agreeable allocation methodology. A new allocation detail may be needed when a nomination changes. The PDA shall be provided by the downstream operator for each nominating Customer to its Delivery Point. Southern LNG shall then allocate pro-rata to Customer's scheduled contracts, unless Customer has provided a ranking by contract, and then for each contract, use the downstream ranks provided by Customer in its nomination for applying the PDA to the downstream Package ID level at the Delivery Point. Customer agrees that Southern LNG shall have the right to rely conclusively on the PDA provided pursuant to this Section 12 for the purposes of determining the daily quantities of Gas delivered by Southern LNG for the account of Customer at each Delivery Point. Downstream operators should communicate to the other customers that their transaction(s) for allocation purposes are lowest ranked or swing, when such customers' transaction(s) are identified by the downstream operator in the PDA statement submitted to Southern LNG as being lowest ranked or swing (NAESB WGQ Standard 2.3.63).

- (b) PDA Deadlines:

Each PDA must be submitted to Southern LNG, through its Interactive Website, by 5:00 p.m. on the second business day after the calendar day on which the Gas Day ends. COMPANY shall extend the PDA deadline to no later than four (4) business days following the end of the month in which the Gas was delivered in the event all of the affected parties send notice to COMPANY through email that they are in agreement on the PDA to be used and have no objection to a change in the PDA.. The current PDA will stay in effect as submitted until it is changed pursuant to the foregoing procedures. A new allocation detail may be needed when a nomination changes. In the event Customer adds a nomination at the Delivery Point, then Southern LNG must provide, or cause to be provided, as set forth above, a PDA at the Delivery Point which recognizes Customer's nomination.

(c) Maximization:

To better maximize the use of Customer's Firm Services for which it is paying a Reservation Charge, Southern LNG shall maximize Customer's services as follows prior to billing Customer under its Service Agreements with Southern LNG. The total quantity allocated to Customer at the Delivery Point pursuant to the PDA in effect for the day shall be deemed to be allocated among Customer's various services in effect at the point on that day in the following order, as applicable: Firm Service, acquired capacity release charged on a reservation basis, interruptible service, then overrun.

(d) Application of NAESB Standards' Timelines:

The NAESB timelines applicable to standard NAESB predetermined allocation (PDA) methods shall also apply to any additional PDA methods offered by Southern LNG pursuant to the provisions of this Section 12.6.

(e) Time Limit on Disputes of Allocations:

If Customer disputes any of the allocations of Gas made to its agreements with Southern LNG under this Section 12.6, Customer must notify Southern LNG of such dispute, with supporting documentation, no later than six (6) months following the month of service being disputed. Southern LNG shall have three (3) months within which to resolve or rebut the dispute. These time limits do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

12.7 Nominations and Deliveries of LNG; Boil-Off Gas Allocation.

- (a) Customer may utilize Southern LNG's Ship Loading Service or Interruptible Ship Loading Service by nominating deliveries of LNG to a vessel from the LNG Storage tanks of the Elba Island Terminal up to its MDLQ as further defined in Sections 3.4 and 6.2 of the applicable Rate Schedule.
- (b) The Interruptible Ship Loading Service shall be secondary in nature to Southern LNG's firm Terminal Services, including Ship Loading Service; provided, however, Interruptible Ship Loading Service for Customers that have also subscribed to Firm Service shall have a priority over Interruptible Ship Loading Service for Customers that have only subscribed to Interruptible Service. To the extent that Southern LNG cannot schedule nominations or ship berthing associated with the Interruptible Ship Loading Service because they would prevent, hamper, impair or impede services under Southern LNG's firm Terminal Services, then the nominations or ship berthing for the firm services, including Ship Loading Service, shall have priority.
- (c) If the quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(x)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity or K-7 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity or K-7 Capacity to each Customer with a firm K-6 Capacity or K-7 Capacity entitlement, respectively, pro rata based on the ratio of Customer's firm K-6 Capacity or K-7 Capacity entitlement to the K-6 Capacity or K-7 Capacity. Customers that do not have a firm K-6 Capacity or K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-6 Capacity or K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

13. BILLING AND PAYMENT

13.1 Billing:

On or before the ninth (9th) business day of each calendar month, Southern LNG shall render to Customer a statement of the Reservation Charges for service for the preceding month and the amount due for firm or interruptible services rendered in the preceding month, which shall include any necessary adjustments, including capacity release, to the Reservation Charges. Rendered is defined as time-stamped and delivered (made available) to the site designated by Southern LNG on its Interactive Website or delivered to Customer by the U.S. Postal Service, a nationally reputable courier service, or electronically through e-mail. Southern LNG shall provide to Customer notice electronically when Customer's invoice is available on its Interactive Website. The invoice will be deemed rendered once Southern LNG sends such notice of invoice availability. Prior to rendering an invoice to Customer, Southern LNG shall offset the invoice by all amounts owed by Southern LNG to the Customer for that month; provided, however, that this offset shall not affect disputed amounts.

13.2 Payment:

Billing statement shall be deemed to be received by each Customer on the date of the postmark, timestamp or electronic delivery of the notice rendered by Southern LNG. Customer shall make payment to Southern LNG for the Reservation Charge levied and for the services performed or charges levied hereunder by electronic bank transfer (i.e. wire transfer, ACH transfer or other mutually acceptable transfer method), at such address as Southern LNG may hereafter designate, no later than ten (10) days after the Customer's receipt thereof. All payments made by Customer shall include Southern LNG's invoice number(s) for purposes of matching the payment to the invoice.

13.3 Invoice Disputes and Interest on Unpaid Amounts:

If Customer disputes, in good faith, the amount of any invoice from Southern LNG, it shall provide a description and supporting documentation of its position and timely submit payment of the amount it states is due to Southern LNG along with remittance detail. In the event Customer pays such invoice through a wire transfer of funds, then Customer shall provide Southern LNG with the remittance detail in writing within two days of payment. Southern LNG shall apply such payment in accordance with Customer's documentation. Customer agrees that Southern LNG's acceptance of a partial payment does not waive Southern LNG's right to full payment after resolution of the disputed invoice in the future.

Should Customer fail to pay any amount when due, interest on the unpaid amount shall accrue at the rate equal to the rate then set forth in section 154.501 of the Commission's Regulations (18 C.F.R. § 154.501) from the date payment was due until payment is made. Southern LNG agrees to waive interest charges on a late payment if such charge is not in excess of \$100.00 or if Customer, through no fault of its own, fails to receive its notice of invoice availability by the payment due date and notifies Southern LNG of such failure. If any such failure to make payment continues for twenty (20) days or more, Southern LNG may suspend further service upon ten (10) days' prior written notice to Customer, but the exercise of such right shall be in addition to any other remedy available to Southern LNG; provided, however, that if Customer, in good faith, has disputed the amount of any such bills or parts thereof and paid Southern LNG in a timely manner such amounts as it concedes to be correct and, at any time thereafter within thirty (30) days of a demand made by Southern LNG, shall furnish a good and sufficient surety bond in an amount and with sureties satisfactory to Southern LNG conditioned upon the payment of any amounts ultimately found due upon such bills after a final determination, which may be reached either by agreement or judgment of the courts, as the case may be, then Southern LNG shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions on such bond. In the event it is finally determined or agreed that no payments were due from Customer on such disputed bills, then Southern LNG will reimburse Customer for the cost of procuring the surety bond within ten (10) days after receipt of a detailed invoice therefor from Customer.

13.4 Prepayment in the Event of Default:

Upon default in payment for a period in excess of twenty (20) days, Southern LNG may require as a condition to the continuation or recommencement of services a deposit or other acceptable credit arrangement in an amount equal to not more than three estimated maximum monthly bills for services.

13.5 Conversion Factors:

Solely for purposes of billing reservation charges per dekatherm of service, any MDLQ expressed in Customer's Service Agreement in gallons per minute ("GPM") shall be converted to dekatherms by a conversion factor of 123.9. This adjustment in no manner changes Southern LNG's use of a different or actual conversion factor for other purposes.

16. CUSTOMER RELEASE OF FIRM CAPACITY

16.1 General:

This Section 16 sets forth the exclusive means by which a Customer for Firm Service (Releasing Customer) may, pursuant to Section 284.8 of the Commission's Regulations (18 C.F.R. § 284.8), release its capacity rights under a Service Agreement with Southern LNG under a Firm Rate Schedule to a Customer who is acquiring such capacity (Replacement Customer).

16.2 Capacity Eligible For Release:

A Customer with a Service Agreement with Southern LNG under any Firm Rate Schedule may release firm capacity for Terminal Service (in proportional quantities of storage and vaporization capacity). A Customer may not separately release capacity under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service (unless the Replacement Customer has firm storage demand or the Releasing Customer releases a proportionate amount of firm storage).

16.3 Types of Releases:

(a) Permanent Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, for the entire remaining term of the Service Agreement (Permanent Release) pursuant to the provisions of this Section 16.

A Permanent Release operates as an assignment of capacity. Therefore, the Replacement Customer must meet Southern LNG's requirements related to creditworthiness set forth in Section 2 of the GT&C or as applicable to the Releasing Customer's Service Agreement under the terms of a Precedent Agreement related to the expansion of Southern LNG's facilities. It will be necessary for Southern LNG to consent to the permanent release of the capacity, unless otherwise previously agreed under a precedent agreement for the construction of Southern LNG's facilities for an assignment to an Affiliate or Joint Venture Partner, or unless the credit support provided by the Releasing Customer remains in place to support the Replacement Customer's capacity, such consent not to be unreasonably withheld. In any event, Southern LNG shall allow a permanent release if the Replacement Customer meets the credit requirements in Section 2.1 (d) and all other applicable requirements of the GT&C. Upon the permanent release, Releasing Customer's credit support shall be proportionately decreased in relation to the capacity transferred to the Replacement Customer and the credit requirements associated with any such permanent release shall not result in an increase in value of the credit requirements associated with all such capacity. The Replacement Customer shall be required to execute a separate Service Agreement with Southern LNG for the released capacity (i) at the discounted, negotiated, or maximum rate applicable to Releasing Customer's Service Agreement (and attachments thereto) and (ii) for the primary term remaining under the Releasing Customer's Service Agreement with Southern LNG, unless Southern LNG agrees otherwise in a nondiscriminatory manner. Furthermore, the Replacement Customer must contract for the Receipt Point and Delivery Point specifically set forth in a Releasing Customer's Offer of firm capacity under Section 16.6 below.

The Replacement Customer then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 16. Upon the successful completion of a Permanent Release, the Releasing Customer shall be responsible only for those charges under its Service Agreement incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for capacity not released on a permanent basis; provided, however, that Releasing Customer shall, if reasonable given the circumstances of a particular permanent release, remain responsible for charges incurred after the effective date of the release.

(b) Temporary Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, on a temporary basis (i.e., for a term equal to or less than the remaining term) (Temporary Release), pursuant to one of the following methods and the further provisions of this Section 16.

(1) Firm Temporary Release:

A Releasing Customer may temporarily release capacity on a firm basis for a specified term without a right of recall, except as provided in Section 16.5 below. The minimum term for any Firm Temporary Release shall be one contract day. All Firm Temporary Releases exceeding one (1) contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(2) Temporary Release Subject to Recall:

Subject to the provisions of Section 16.3(b)(3), a Releasing Customer may temporarily release capacity subject to a right of recall by the Releasing Customer upon the occurrence of the condition precedent specified in the Releasing Customer's Offer under Section 16.6(c) below. The minimum term for any Temporary Release Subject to Recall shall be one contract day. Any Temporary Release Subject to Recall offered for more than one contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(3) Recall and Reput Rights:

A Releasing Customer has the right to define the condition(s) precedent which will result in a recall of the released firm capacity; provided, however, that the condition(s) shall not be inconsistent with the terms and conditions of the Releasing Customer's Service Agreement with Southern LNG nor with the provisions of Southern LNG's FERC Gas Tariff. Furthermore, the recall conditions specified by the Releasing Customer must be nondiscriminatory and identifiable events and should be specified at the time of the deal.

A Releasing Customer exercising its right to recall its capacity, may recall its capacity, i.e. reactivate its capacity, by giving notice to Southern LNG through its Interactive Website, however, the service flexibility available to either the Releasing Customer or the Replacement Customer(s) for the subject capacity should not be less as a result of the recall (NAESB WGQ Standard 5.1.3).

A Releasing Customer may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle, the Evening Nomination cycle, and recall unscheduled released capacity at the Intraday 1 and Intraday 2 and Intraday 3 Nomination cycles by providing notice to Southern LNG, and the first Replacement Customer, by the following times for each cycle: 8 a.m. for the Timely Nomination cycle on the day that Timely Nominations are due as set forth in GT&C Section 12.1(c); 3:00 p.m. as an Early Evening notification for the Evening Nomination cycle on the day that Evening Nominations are due; 5:00 p.m. for the Evening Nomination cycle on the day that the Evening Nominations are due; 7:00 a.m. for the Intraday 1 Nomination cycle on the day that the Intraday 1 Nominations are due, 12:00 p.m. for the Intraday 2 Nomination cycle on the day that the Intraday 2 Nominations are due, and 4:00 p.m. for the Intraday 3 Nomination cycle on the day that the Intraday 3 Nominations are due (NAESB WGQ Standard 5.3.44).

Notification to Replacement Customers will be provided by Southern LNG, pursuant to GT&C Section 14 above, within one hour of receipt of any recall notifications from Releasing Customer received between 7:00 a.m. and 5:00 p.m. For all recall notifications received between 5:00 p.m. and 7:00 a.m., notifications to Replacement Customers will be provided by Southern LNG no later than 8:00 a.m. (NAESB WGQ Standards 5.3.44 and 5.3.45). The recall notice shall specify the start date and nomination cycle for the specified effective Gas Day and an end date as well as any other information needed to uniquely identify the capacity being recalled. This notice should indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall (NAESB WGQ Standards 5.3.48 & 5.3.49). The obligation of Southern LNG to provide notification is waived until at least one functional e-mail address has been provided as set forth in GT&C Section 14.4 (NAESB WGQ Standard 5.3.47).

The Releasing Customer should provide in its notification to Southern LNG the quantity in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity (EPC) (NAESB WGQ Standard 5.3.55). The EPC shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity (NAESB WGQ Standard 5.2.3). In the event of an intraday capacity recall, Southern LNG should determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the EPC (NAESB WGQ Standard 5.3.56). Southern LNG is not obligated to deliver in excess of the total daily contract quantity of the release (NAESB WGQ Standard 5.3.57). The amount of capacity allocated to the Replacement Customer(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the EPC (NAESB WGQ Standard 5.3.58).

A Releasing Customer must notify, or cause to be notified, the first Replacement Customer at the same time it provides notice to Southern LNG as set forth above under the form of notification agreed upon by Releasing Customer and Replacement Customer (NAESB WGQ Standards 5.3.44(i)(a) & 5.1.2) in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions to avoid penalties (NAESB WGQ Standard 5.1.4). Affected Replacement Customer should manage internal distribution of modifications of recall received from Southern LNG (NAESB WGQ Standard 5.3.52). Southern LNG has the right to rely on a Releasing Customer's notice and a Releasing Customer shall defend and indemnify Southern LNG against any claims, losses, liabilities, or expenses resulting from claims by the Replacement Customer that it was not notified or that capacity was not recalled in accordance with the recall rights specified by the Releasing Customer in its Offer.

If, following the recall, time remains in the term for which the capacity as temporarily released, the capacity shall revert back to the last Replacement Customer at the end of the recall period, provided the offer either requires such reput or allows reput to be at the option of the Replacement Customer and such party elects for the capacity to be reput at the end of the recall period.. If following the recall no time remains in the term for which the capacity was temporarily released, the capacity rights shall remain with the Releasing Customer either for continued utilization by Releasing Customer or for release again pursuant to this Section 16. When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53). The deadline for notifying Southern LNG of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54).

(4) Secondary Release of Firm Capacity:

An Replacement Customer who has acquired capacity hereunder on a temporary basis may subsequently release the capacity it has acquired in accordance with the terms of this Section 16. The Replacement Customer thereby becomes a

Releasing Customer. A Secondary Release of capacity cannot operate to release greater capacity rights than the capacity acquired by the Releasing Customer. Furthermore, to the extent that a Releasing Customer acquired firm capacity subject to a right of recall, the capacity then released by the Releasing Customer, and any subsequent Secondary Release of the capacity, shall also be subject to the right of recall.

(c) Prearranged Release of Capacity:

A Releasing Customer who wishes to release its capacity to a prearranged bidder on a temporary basis may do so without posting an offer for its firm capacity, unless it elects to post its offer for competitive bidding, if the proposed capacity release is:

- (i) for a term of thirty-one (31) days or less,
- (ii) for a term of more than one (1) year for which customer has obtained a Prearranged Customer and the Prearranged Customer is paying the maximum rate and all other terms and conditions of the release are met,
- (iii) to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations, or
- (iv) to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

If such prearranged bid qualifies under (i)-(iv) above and the RELEASING Customer did not elect to post its offer for bidding, the release shall not be subject to the competitive bidding requirements of Section 16.6 below, but shall be subject to all other provisions of this Section 16.

Unless capacity is released pursuant to either an asset management arrangement or state-regulated retail access program, a Releasing Customer may not roll over, extend, or in any way continue the release to the same Replacement Customer using the thirty-one (31) days or less bidding exemption until twenty-eight (28) days after the first release period has ended. The twenty-eight (28)-day hiatus does not apply to any re-release to the same replacement Customer that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth herein.

The minimum term for a release of capacity for a period of thirty-one (31) days or less shall be one (1) contract day and the term must be for a consecutive number of days.

The timetables set forth in Section 16.6(a) shall not apply to the non-posted releases set forth above, except for those releases of thirty one (31) days or less which the Releasing Customer elects to post for competitive bidding.

Under any type of non-posted temporary release, the Releasing Customer and Replacement Customer shall notify Southern LNG electronically on its Interactive Website of the terms of the release at least one (1) hour prior to the applicable nomination deadline in which the release will go into effect so that the Replacement Customer may have the ability to nominate on the next available nomination cycle. The Replacement Customer must also be prequalified pursuant to the requirements of Section 16.6(e) below. Southern LNG shall post on its Interactive Website the terms of a prearranged release entered into under this Section 16.3(c) prior to or on the effective date of the release.

- (d) For purposes of bidding and awarding, any maximum and/or minimum rates specified by the Releasing Customer shall include the tariff reservation rate and all demand charges, specified as a total number or as stated separately. For temporary releases that become effective on or after July 30, 2008, the maximum and/or minimum rates specified by the Releasing Customer may exceed the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less. For purposes of applying any rate

cap applicable to temporary capacity releases with terms of more than one (1) year, the maximum rate shall be the maximum rate set forth in the applicable Rate Schedule.

16.4 Releasing Customer's and Replacement Customer's Obligations:

(a) Replacement Customer:

To bid on capacity for a Release under Section 16.3(a), Section 16.3(b), or Section 16.3(c) above, the bidder must be preapproved for credit as more particularly set forth in Section 16.6(e) below. Southern LNG will not award release offers to Customer until and unless Customer meets Southern LNG's creditworthiness requirements applicable to all services that it receives from Southern LNG, including the service requested by the capacity release (NAESB WGQ Standard 5.3.59).

Bids shall be binding until notice of written or electronic withdrawal is received by Southern LNG (NAESB WGQ Standard 5.3.13). Any bid submitted and not withdrawn by the end of the bid period will legally bind the bidder to the terms of the bid if Southern LNG chooses that bid as the "best bid" under Section 16.6(h) below. Once a bid on an Offer for a Permanent or Temporary Release of capacity is accepted, the Replacement Customer shall execute a Service Agreement with Southern LNG to utilize the capacity under the terms set forth in the accepted bid and the terms and conditions of Southern LNG's Tariff applicable to the capacity released, as more particularly set forth in Section 16.6(j) of these General Terms and Conditions. Before a Replacement Customer may execute an amendment to its Service Agreement with Southern LNG to utilize released capacity, the Replacement Customer must satisfy all of Southern LNG's requirements relating to the applicable Rate Schedule.

Once the Replacement Customer electronically executes its Service Agreement resulting from a Permanent Release or Southern LNG provides the Replacement Customer an electronic Service Agreement number and records pursuant to the provisions of Section 16.6(j) below, the Replacement Customer becomes an existing Customer with separate contract quantities like any other Customer and is subject to the applicable provisions of Southern LNG's Tariff, including but not limited to Southern LNG's billing, payment, and operational provisions.

(b) Releasing Customer:

The Releasing Customer shall remain fully liable on its existing Service Agreement with Southern LNG for the payment of all reservation charges for the contract quantity which has not been released permanently, associated surcharges, fixed charges, and direct bills owing to Southern LNG each month under the existing Service Agreement, as well as for services performed for the Releasing Customer under its firm Service Agreement with respect to any capacity not released.

16.5 Billing and Payment:

An Replacement Customer shall be billed by Southern LNG and shall make payments to Southern LNG in accordance with the terms of its executed Service Agreement.

On the Releasing Customer's bill for a month in which it released capacity on a temporary basis, Southern LNG shall credit all reservation charge revenues billed by Southern LNG to the Replacement Customer for the released capacity; provided, however, that in the event the Replacement Customer fails to pay Southern LNG for any part of the amount credited to the Releasing Customer's bill, Southern LNG reserves the right, after it exhausts any credit it has on file for the Replacement Customer, to reverse the credit on the Releasing Customer's bill in a later month up to the unpaid amount plus interest. If the Replacement Customer fails to pay its reservation charges pursuant to the provisions of GT&C § 15, then the Releasing Customer shall have the right to recall its capacity by notifying the Replacement Customer and Southern LNG pursuant to the provisions of Section 16.3(b)(3) above. Southern LNG shall provide Releasing Customer with e-mail notification within a reasonable time if Southern LNG sends any of the following formal notices to Replacement Customer:

- (1) Notice regarding the Replacement Customer's past due, deficiency, or default notice status pursuant to Section 15 hereof;
- (2) Notice regarding Replacement Customer's suspension of service notice;
- (3) Notice regarding Replacement Customer's contract termination notice due to default or credit-related issues; and
- (4) Notice that the Replacement Customer is no longer creditworthy and has not provided credit alternative(s) pursuant to Section 2.1(d) hereof (NAESB WGQ Standard 5.3.60).

All reservation charge credits to the Releasing Customer's bill shall be final and nonreversible upon Southern LNG's receipt of payment therefor from the Replacement Customer. To the extent Exhibit C or F, as applicable, of a Releasing Customer's firm Service Agreement provides for the following, Southern LNG shall not be required to credit all reservation charge revenues billed to the Replacement Customer when the Releasing Customer pays a discount or negotiated rate at less than the maximum recourse rate and would otherwise receive credits in excess of such discounted or negotiated rate.

The Replacement Customer shall be obligated to pay Southern LNG the Reservation Charge specified in the award, plus all surcharges and GRO and LAUF, applicable to the quantities that Southern LNG receives or delivers under the Replacement Customer's Service Agreement. Southern LNG will retain the charges, surcharges, and GRO and LAUF it receives from the Replacement Customer. If any of the maximum recourse rates billed to and paid by the Replacement Customer under its Service Agreement exceed the maximum recourse rate which the Commission determines to be just and reasonable, and if Southern LNG is ordered to make refunds, then the Replacement Customer shall be eligible to receive refunds to the extent of any payments it made in excess of the maximum recourse rates the Commission subsequently determines to be just and reasonable. For releases that become effective on or after July 30, 2008, the rate paid by the Replacement Customer in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund. For index-based capacity release when bidding is based upon a dollars and cents differential from the Rate Floor, the billed rate for the award will be calculated as the greater of (i) the result of the index-based formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed the maximum reservation charge, if applicable.

16.6 Offer and Bid Procedures:

(a) Offer/Bid Schedule:

As per NAESB Standard 5.3.2, the minimum days and times by which both offers and bids for releases of capacity must be electronically transmitted to Southern LNG in accordance with the procedures set forth in Section 16.6(c) and Section 16.6(f) below, as well as other minimum deadlines required by Southern LNG for successful completion of the bid/offer cycle, are set forth below. The timetables in this Section 16.6(a)(1), (2), and (3) below set forth the deadlines for standard offers to release capacity (i.e., those which contain no special terms and conditions). Offers which contain special terms and conditions, including but not limited to contingencies or best bid and tie breaker criteria other than those set forth in Sections 16.6(h) and (i) below, are deemed to be non-standard offers and shall require additional evaluation time. Releasing Customer must post its Offer in sufficient time to allow the release to occur on the date offered, given the schedule to be applied and any extensions of that schedule allowed by the Releasing Customer in its Offer (all times are CCT).

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season ends at 10:00 a.m. on the same or a subsequent Business Day; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is

posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(3) For non-biddable releases:

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

Timely Cycle – 12:00 pm

Evening Cycle – 5:00 pm

Intraday 1 Cycle – 9:00 am

Intraday 2 Cycle – 1:30 pm

Intraday 3 Cycle – 6:00 pm

The contract is issued within one hour of award posting (with a new contract number, when applicable). Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(4) The Releasing Customer may choose any bid period as long as it meets the minimum requirements in the applicable timetable set forth above in Section 16.6(a).

If the Releasing Customer allows contingent bids to be submitted, each bidder submitting a valid, contingent bid must notify Southern LNG, by the deadline set forth in the applicable timetable above in Section 16.6(a) unless the Releasing Customer specified another deadline pursuant to the foregoing procedures, that the contingency has been removed and that the bid is to remain eligible for processing.

(b) Offer of Capacity:

Pursuant to the applicable schedule established in Section 16.6(a) above, a Customer desiring to release capacity shall post on Southern LNG's Interactive Website, on the standard form provided by Southern LNG on its Interactive Website, an offer of capacity (Offer), except as provided otherwise in Section 16.3(c) above. Southern LNG shall date and time stamp all offers as they are received and shall post each Offer if it is complete, unless the Releasing Customer specifies a different time and date for its Offer to be posted. In that event, Southern LNG shall post the Offer at the time specified by the Releasing Customer, provided that such time does not conflict with the deadlines set forth above in Section 16.6(a).

The Releasing Customer agrees that its posted Offer specifically is subject to the following conditions:

- (1) Reserved.
- (2) Reserved.
- (3) Once a Releasing Customer's Offer is posted, the offer remains binding until withdrawn by the Releasing Customer at any time during the bid period when (i) unanticipated circumstances justify and (ii) no minimum bid has been made. (NAESB WGQ Standard Standard 5.3.14)
- (4) For releases that become effective on or after July 30, 2008, the release of firm capacity must commence within one (1) year of the date upon which Southern LNG is notified if the reservation charge requirement is in excess of the maximum tariff rate and the term of the proposed release is for one (1) year or less.

(c) Releasing Customer's Offer:

A Releasing Customer's Offer shall include, among other things, the following standard information, if applicable:

- (1) the name of the Releasing Customer;
- (2) the Rate Schedule under which Customer proposes to release capacity;
- (3) the contract number(s) of the Releasing Customer's Service Agreement(s);
- (4) whether the release is permanent or temporary;
- (5) if a temporary release:
 - (A) whether the release is firm or subject to a right of recall;
 - (B) if subject to recall, then the identifiable condition(s) precedent upon which the recall right will be asserted should be specified at the time of the deal;
 - (C) if subject to recall, then whether the reservation charge paid by the Replacement Customer is to be pro-rated for any days on which the capacity is actually recalled;
 - (D) (reserved for future use);
 - (E) if subject to recall, whether the release is recallable on a timely, early evening, evening, Intraday 1 or Intraday 2 or Intraday 3 recall notification period (NAESB WGQ Standard 5.3.50);
 - (F) if subject to recall, whether the recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51); and
 - (G) whether a Secondary Release may be made by the Replacement Customer (NAESB WGQ Standard 5.3.19).
- (6) the amount(s) of capacity, expressed as MSQ and MDVQ in proportional quantities of storage and vaporization capacity, to be released and whether bids for less than the full quantity offered are acceptable;
- (7) the proposed effective date of the release, term of the release and whether bids for less than the full term offered are acceptable;

- (8) whether the offer is subject to a Prearranged Bid and, if so, (i) the name of and DUNS number for the Prearranged Bidder;
- (9) whether the Releasing Customer desires bids in dollars, as a percentage of Southern LNG's reservation charge either daily or monthly (inclusive of reservation surcharges), or as an index-based formula (under one of the methods listed below) applicable to the capacity to be released;
 - (i) a percentage of the formula,
 - (ii) a dollars and cents differential from the formula, or
 - (iii) a dollars and cents differential from the Rate Floor;
- (10) any minimum reservation charge (inclusive of reservation surcharges) or percentage of the maximum reservation charge at which the bids must begin or whether the bids on the reservation charge (inclusive of reservation surcharges) should be submitted as an index-based formula; or, for releases that become effective on or after July 30, 2008, any minimum reservation charge requirement (inclusive of reservation surcharges) which is in excess of the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less;
- (11) reserved;
- (12) whether contingent bids may be submitted and the deadline for removing any such contingencies;
- (13) pursuant to the provisions of Section 16.6(a), any extensions in the deadlines established in Section 16.6(a);
- (14) the economic criteria, if any, to be utilized by Southern LNG in determining the "best bid" (these criteria to be (i) objectively stated, (ii) applicable to all bidders, and (iii) nondiscriminatory);
- (15) a non-discriminatory tie breaker, if any, to be utilized in determining the "best bid" in the event two or more bids generate equal revenues;
- (16) if capacity is released under a Firm Rate Schedule:
 - (A) the Delivery Point(s) at which released and the Point Code(s);
 - (B) the Receipt Point(s) at which released and the Point Code(s);
- (17) whether the Releasing Customer will sell to the Replacement Customer the LNG that Releasing Customer fails to withdraw or transfer by the effective date of the release and, if so, the price asked for that LNG;
- (18) whether the recalled capacity is to be reput to the original Replacement Customer (i) for the original terms of the release or (ii) at the option of the original Replacement Customer for the original terms of the release (NAESB WGQ Standard 5.3.7);
- (19) whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations, and the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect under the asset management arrangement; and
- (20) whether the proposed release is to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

Southern LNG will provide the following information with each Offer: (i) the reservation charge (and reservation surcharges) applicable to the capacity being released, (ii) the date and time the Offer was posted on Southern LNG's Interactive Website, and (iii) the date and time the bid period ends.

(d) Prearranged Bidders:

A Releasing Customer must identify in its Offer any "Prearranged Bid" to be made on the firm capacity offered for release. However, the "Prearranged Bidder" must also meet all of the requirements established for bidders pursuant to Section 16.6(e)-(g) below. A Prearranged Bidder must confirm its bid in accordance with Section 16.6(f) below.

For bids on Offers in which the Prearranged Bidder confirms a bid for the offered capacity at the maximum reservation charge applicable to the Releasing Customer's service or at a higher reservation charge applicable to releases that become effective on or after July 30, 2008 when the term proposed is for one (1) year or less and the release takes effect on or before one (1) year from the date on which Southern LNG was notified of such release, for the full quantity, capacity, and term offered by the Releasing Customer, and the Prearranged Bidder satisfies all of the requirements of Section 16.6(e)-(g) below, then the Prearranged Bid will be deemed the "best bid." Southern LNG shall thereafter post on its Interactive Website, as set forth in Section 16.3(c) above, the identity of the Prearranged Bidder, and the terms upon which the capacity was released.

In all other situations, but except in those situations where Releasing Customer is not required to post the Offer as set forth above in Section 16.3(c), the Prearranged Bid shall constitute the minimum bid price for all other bidders, and shall be posted on the Releasing Customer's Offer as the minimum bid. If Southern LNG does not receive any better bid by the date on which all bids are due, then the Prearranged Bid shall be deemed the best bid. If Southern LNG does receive a better bid by the date on which all bids are due, then the Prearranged Bidder shall have the right to match the terms of the better bid by the deadline established in Section 16.6(a) above. If the Prearranged Bidder matches the better bid, then the Prearranged Bidder shall be deemed to have made the best bid.

(e) Prequalified Bidder Requirements:

(1) All parties desiring to bid on capacity offered by a Releasing Customer must be prequalified by Southern LNG as creditworthy before submitting a bid on an Offer of released capacity. Unless Southern LNG agrees it has already determined the bidder to be creditworthy or to have suitable credit on file with Southern LNG, the potential bidder must submit to Southern LNG the information set forth in GT&C § 2.1(a) to enable Southern LNG to determine the party's creditworthiness. A bidder's creditworthiness shall be assessed on the same basis as a Customer's creditworthiness under the terms of the Tariff applicable to the capacity being offered. If the potential bidder fails to demonstrate creditworthiness, then the bidder may still prequalify if it provides one of the credit alternatives set forth in GT&C § 2. If a party does not prequalify pursuant to this Section 16.6(e), then the party shall not bid on a Releasing Customer's Offer.

(2) (reserved for future use).

(3) (reserved for future use).

(f) Bidding Procedures:

All bids on a Releasing Customer's Offer, except as provided in Section 16.3(c) above, shall begin at 12 pm on the bid period start date and be transmitted electronically to Southern LNG on Southern LNG's Interactive Website in the standard form provided therein. Southern LNG shall date and time stamp all bids as they are received. Southern LNG shall post for viewing by other parties during the bid period all bids, if complete, received on a Releasing Customer's Offer, except for the names of the bidders. A

separate bid shall be submitted for each separate Releasing Customer's Offer on which a bidder wishes to bid. The price bid on any Offer of capacity must be submitted on a reservation charge basis.

The bid shall include, among other things, the following information included in the standard bid form on Southern LNG's Interactive Website:

- (1) the bidder's name, phone number, and email address;
- (2) the bidder's DUNS number;
- (3) the Offer number and contract number(s) of the Releasing Customer's Service Agreement(s) on which the bid is being made;
- (4) the Reservation Charge, the percentage of Reservation Charge, or the index-based formula bid for the released capacity based on the requirements of the Offer;
- (5) whether the bidder is a Prearranged Bidder;
- (6) the term for which the bid is being made, if the Offer allows bids on less than the term offered;
- (7) if the Offer allows bids on less than the full capacity offered, then the capacity requested, expressed in MSQ;
- (8) (reserved for future use);
- (9) if contingent bids are allowed by the Offer, then a description of the contingency;
- (10) the information required by Section 250.16 of the Commission's Regulations (18 C.F.R. § 250.16) to the extent necessary to allow Southern LNG to comply with its reporting/posting requirements.

A bidder may withdraw its bid on an Offer at any time prior to the end of the bid period, but any subsequent bids submitted by the bidder on that Offer during the bid period must equal or exceed the bidder's previous bid(s).

(g) Southern LNG's Initial Review:

Upon receipt of all bids, Southern LNG shall engage in an initial review to determine the eligibility of each bid for consideration as the best bid. Any bid deemed ineligible pursuant to this Section 16.6(g) shall be eliminated from consideration. A bid shall be deemed ineligible if:

- (1) the bid (or bidder) does not comply with all of the terms, conditions, and deadlines of this Section 16; or
- (2) the bid submitted exceeds the bidder's pre-approved credit term or limits; or
- (3) the bid does not meet the minimum terms of the Releasing Customer's Offer; or
- (4) the bidder has not removed a contingency by the deadline set forth in the Offer.

(h) The Best Bid Determination:

All bids that remain eligible following Southern LNG's initial review shall be considered in determining the best bid. The best bid shall be determined by Southern LNG pursuant to the objective criteria for determining the best bid set forth in the Releasing Customer's Offer.

If the Offer does not specify non-standard best-bid criteria, then the eligible bids will be evaluated by Southern LNG by multiplying the price bid times the volume bid. Bids for a term of more than one (1) month that vary in price or term shall be discounted to present value based on currently effective Commission interest rates (18 C.F.R. § 154.501(d)) or such other published, objective financial measure as posted by Southern LNG in advance of the offer/bid cycle. This formula will generate a revenue number for comparison of the bids and the bid producing the most revenue shall be the best bid. For temporary releases that become effective on or after July 30, 2008, potential Replacement or Prearranged Customers may submit bids in excess of the maximum tariff rate for the applicable service agreement if the term of the proposed release is one (1) year or less and such release is to take effect on or before one (1) year from the date on which Southern LNG is notified of such release. Such rate will be utilized in the determination of the best bid.

If the Releasing Customer specifies an index-based formula in its capacity release offer, the rate used in the bid evaluation will be based on:

- (1) the dollars differential or percentage of the Rate Default, or
- (2) the dollars differential of the Rate Floor, as applicable.

The best bid shall be subject to the rights of a Prearranged Bidder to match the bid in accordance with Section 16.6(d) above. If two or more bids are equivalent, then they will be subject to the outcome of the tie-breaker stipulated in the Releasing Customer's Offer as explained in Section 16.6(i) below.

In its Offer the Releasing Customer may specify any best bid criteria and tie breaker that comply with Sections 16.6(c)(13) and (14) above. However, if the Releasing Customer chooses (i) Southern LNG's best bid criteria set forth above or (ii) one of the following pre-programmed criteria, and one of the tie breakers listed in Section 16.6(i) below, then the Offer will be eligible for the accelerated schedules set forth above in Section 16.6(a) to the GT&C:

- (1) Highest rate;
- (2) Price times quantity (regardless of term);
- (3) Price times quantity times term (net revenue); or
- (4) Present value

If the best bid does not utilize all of the capacity being offered for release, then Southern LNG will award the capacity in the order of best bids until it has awarded all of the offered capacity.

(i) Tie Breaker:

If two or more bids tie, and no Prearranged Bidder has agreed to match the best bid, then the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Customer's Offer. The Releasing Customer may specify one of the following tie-breakers or a different tie-breaker that is objective, nondiscriminatory, and can be applied by Southern LNG.

If the Releasing Customer fails to specify a tie-breaker, Southern LNG shall apply the following tie-breakers in the order shown, if necessary:

- (1) the bid generating the greatest present value of revenues over the shortest term;
- (2) the bid submitted first in time as established by Southern LNG's electronic date and time stamp.

(j) Notification and Contract Award:

Upon completion of the best bid determination, Southern LNG will notify through its Interactive Website the party submitting the best bid (i.e., the Replacement Customer). Southern LNG shall further notify all bidders through its Interactive Website that a best bid has been accepted.

If the capacity was released on a permanent basis, a firm Service Agreement, incorporating the terms of the accepted bid, shall be tendered and executed electronically by the Replacement Customer and Southern LNG through Southern LNG's Interactive Website by the applicable execution deadline set forth in Section 16.6(a) above. For all other types of releases, Southern LNG shall provide the Replacement Customer with a new firm contract number and electronic records on its Interactive Website reflecting the terms of the Replacement Customer's winning bid. A paper copy of the service agreements generated electronically hereunder will be available upon the Replacement Customer's request.

Southern LNG shall post on its Interactive Website the details of the winning bid and the Replacement Customer's name on or before the start date of the release. This notice shall stay on Southern LNG's Interactive Website for at least ninety (90) days.

- (k) If no bids are submitted by the date upon which all bids are due, the Releasing Customer's Offer shall be removed from Southern LNG's Interactive Website.
- (l) All Releasing Customers and Replacement Customers must comply with the deadlines set forth in Section 16.6(a) above in order to avoid cancellation of their offers or bids by Southern LNG.

16.7 Offers to Purchase Capacity:

Southern LNG agrees to post on its Interactive Website, at a party's request, offers to purchase firm capacity on a permanent or temporary basis pursuant to GT&C § 20. Each offer will remain on Southern LNG's Interactive Website for ninety (90) days before it is removed, unless the requesting party notifies Southern LNG prior to the expiration of any ninety-day period that it wishes to extend the posting for an additional ninety (90) days.

16.8 Capacity Release Nominations:

Southern LNG will permit Replacement Customers to submit a nomination at the earliest available nomination opportunity after the acquisition of capacity.

23. OPERATIONAL FLOW ORDERS

23.1 Implementation of OFOs:

Whenever Southern LNG notifies affected parties that an OFO or critical period exists under one of the provisions referenced below, such notice shall describe the condition and the specific responses required from the affected parties. Each potential OFO condition set forth below contains the amount of notice Southern LNG is required to give prior to implementing the OFO, if applicable, through its Interactive Website. Section 14 states the notification method applicable.

23.2 Types of OFOs:

Southern LNG will have the right to issue an OFO to any Customer directing Customer to adjust receipts or deliveries as the case may be, when in Southern LNG's sole judgment, the OFO is required (i) to alleviate conditions that threaten the facilities' integrity, safety, or service or (ii) to ensure compliance with the provisions contained in this Tariff.

Examples of conditions for which Southern LNG may issue OFOs include, without limitation:

- (a) Failure of Customer to nominate and schedule deliveries for vaporization in sufficient quantities to timely accommodate receipt by Southern LNG from Customer's Vessel(s) or accommodate Boil-Off;
- (b) Force majeure or operating condition pursuant to Section § 8.3;
- (c) Non-compliance with curtailment orders, when non-compliance threatens the integrity of Southern LNG's facilities;
- (d) Failure of Customer to tender LNG for receipt as scheduled, when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities;
- (e) The release of capacity under Section 16, if Releasing Customer does not reduce its LNG Balance accordingly;
- (f) The recall of capacity under Section 16, if Replacement Customer does not reduce its LNG Balance accordingly; or
- (g) Failure of Customer to cycle receipts of LNG pursuant to Section § 10; or
- (h) Failure of Customer to arrange for the receipt of scheduled deliveries when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities.
- (i) Failure of Customer to arrange for adequate storage capacity if Customer's LNG Balance is equal to its MSQ and Customer is attempting to nominate LNG into the Southern LNG storage tanks at Elba Island.

23.3 If an OFO directs Customer to send out or take delivery of LNG or Vaporized LNG, and Customer fails to nominate and schedule as directed, then Southern LNG may, as provided in the applicable Rate Schedule, take title to those quantities free and clear of any adverse claims. Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Customer to remove such quantities and the disposal of such quantities by Southern LNG, including storage charges under the applicable rate schedule. Southern LNG shall be permitted to sell the quantities to which it takes title in accordance with this Section 23. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

23.4 An OFO may be issued on a contract basis for all or a portion of the facilities. An OFO issued by 10:00 a.m. on a Gas Day will generally be effective at the beginning of the following Gas Day. When operating conditions threaten the terminal's integrity, three hours notice, or lesser notice if

necessary, may be given. An OFO may be issued for a specific period of time or until further notice is given. Before issuing an OFO, Southern LNG will attempt to remedy those operating conditions through requests for voluntary action provided, however, exigent circumstances may exist which require immediate issuance of an OFO.

- 23.5 Nothing shall limit Southern LNG's right to take action as required to physically adjust actual receipts and actual deliveries of Gas in order to alleviate conditions that threaten the integrity of the facilities.
- 23.6 Southern LNG will provide Customer with as much advance notice of OFO's as is reasonable under then existing conditions through its Interactive Website, and pursuant to the notice provisions set forth in Section 14.3 above. The notice will provide the time and date the OFO is to become effective, the time the OFO is expected to remain in effect, the action required of the Customer, the reason for issuing the OFO, together with operating variables providing the basis for issuing the order, and any other information which may be required in the circumstances. Ordinarily, the notice will be issued by 10:00 a.m. on the Gas Day before the OFO is to be effective. The OFO will ordinarily become effective at 9:00 a.m. on the following Gas Day.
- 23.7 Follow-up Reports
- Within thirty (30) days after lifting an OFO, Southern LNG shall provide, via posting on its Interactive Website, a report which details the underlying causes which warranted the issuance of the OFO, explains why the actions required by the OFO were necessary to alleviate the identified problems, and provides the factors that caused the OFO to be lifted.
- 23.8 Indemnity
- (a) Southern LNG shall have no responsibility to inform Customer's end users, suppliers, other transporters or any others involved in the transaction, as to any OFO.
 - (b) Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of Southern LNG's performance under this Section 23.

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 Compressor.
- (xii) Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 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 Compressor per month.
- (xvi) Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 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 Electric Power Cost, the K-7 Boil Off 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.

26. REVENUE CREDITING MECHANISM

This section shall govern the manner in which Southern LNG provides credits for "Net Interruptible Revenues", "Gas Sales Proceeds," "K-6 Boil Off Compressor Usage Surcharge Revenues," or "K-7 Boil Off Compressor Usage Surcharge Revenues," defined below, collected by Southern LNG under Rate Schedule LNG-2. Southern LNG will provide credits to Customers with Firm Service Agreements and with Interruptible Service Agreements.

At the end of the twelfth (12th) full calendar month after this provision becomes effective, and at the end of each subsequent twelve (12) month period, Southern LNG shall determine the Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, MDLQ Overrun Proceeds and Gas Sales Proceeds during the 12-month period. The Net Interruptible Revenues shall equal the interruptible revenues collected under Rate Schedule LNG-2 minus the total surcharge, commodity rate, and electric power cost adjustment (but not Dredging Surcharges) revenues billed to LNG-2 service agreements during the 12-month period, which Southern LNG shall have the right to retain. K-6 Boil Off Compressor Usage Surcharge Revenue and K-7 Boil Off Compressor Usage Surcharge Revenue shall equal the total non reservation based revenues collected in association with the K-6 Boil Off Compressor Usage Surcharge and the K-7 Boil Off Compressor Usage Surcharge, respectively. Gas Sales Proceeds shall equal the proceeds collected from the sale of Gas that Southern LNG has taken title to and disposed of pursuant to the Tariff minus any expenses incurred by Southern LNG. The MDLQ Overrun Proceeds shall equal the proceeds collected from providing Ship Loading Service for Customers that have no MDLQ.

The credit to Customers shall equal the total Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, and Gas Sales Proceeds less any net imbalance payments made by or plus any net imbalance payments received by Southern LNG pursuant to an operational balance agreement. The credit for Net Interruptible Revenues will be allocated pro rata to Customers based on the proportion of the revenue collected by Southern LNG through each Firm Customer's Monthly Reservation Charge and each Interruptible Customer's Monthly Storage Charge to the total Monthly Reservation Charge and Monthly Storage Charge revenues collected by Southern LNG for the 12-month period. The credit for K-6 Boil Off Compressor Usage Surcharge Revenues and K-7 Boil Off Compressor Usage Surcharge Revenues will be allocated pro rata to Customers based on the proportion of reservation based revenues for K-6 boil off disposition and K-7 boil off disposition, respectively, attributable to each Customer to the total reservation based revenues for K-6 boil off handling and K-7 boil off handling, respectively. The credit for Gas Sales Proceeds will be allocated pro rata to Customers whose Gas has not been taken during the 12-month period ("Non-offending Customers") based on the proportion of the revenue collected by Southern LNG through each Non-offending Customer's Monthly Reservation Charge or Monthly Storage Charge, as applicable, to the total such charges collected from Non-offending Customers for the 12-month period. The credit for MDLQ Overrun Proceeds will be allocated pro rata to Customers which hold MDLQ under their Firm Service Agreement based on their MDLQ. Credits under this section shall be calculated within sixty (60) days after the end of each 12-month period. Each eligible Customer shall receive its credit within thirty (30) days following the date on which the credit is calculated.

Section 6.1

FORM OF SERVICE AGREEMENT
Under Rate Schedules LNG-1 or LNG-3
(For Use Under a Firm Rate Schedule)

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

W I T N E S S E T H:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization of LNG and delivery of vaporized LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations;

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule as applicable [LNG-1 or LNG-3] ("the Firm Rate Schedule") and has submitted to Southern LNG a request for such service in compliance with Section 7 of the Firm Rate Schedule;

WHEREAS, Southern LNG agrees to render Terminal Service to Customer pursuant to the provisions of the Firm Rate Schedule, this Agreement, and the Commission's Regulations; and

WHEREAS, Customer may acquire, from time to time, released firm capacity under Section 16 of the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff).

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I
QUANTITY OF SERVICE

Subject to the terms and provisions of this agreement; and the Firm Rate Schedule, and the GT&C of Southern LNG's Tariff, as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, as follows:

- 1.1 Southern LNG shall store LNG for Customer's account up to the Maximum Storage Quantity (MSQ) set forth on Exhibit A hereto.
- 1.2 Southern LNG shall deliver a volume of vaporized LNG net of fuel, as provided in GT&C § 24.1, to Customer at the Delivery Point. Southern LNG's obligation to withdraw LNG from Storage for delivery at the Delivery Point on any day is limited to the available Maximum Daily Vaporization Quantity (MDVQ) specified on Exhibit A hereto and Customer's LNG Balance, as defined in the Firm Rate Schedule.
- 1.3 If Customer is the successful bidder on released firm capacity under Section 16 of Southern LNG's GT&C, the terms of such acquired capacity shall be maintained on Southern LNG's Interactive Website. Upon the effective date of such acquired capacity, subject to the terms, conditions and limitations hereof and the Firm Rate Schedule, Southern LNG agrees to provide the released Firm Service to Customer under the Firm Rate Schedule, the GT&C thereto, and this Agreement.

ARTICLE II
CONDITIONS OF SERVICE

- 2.1 It is recognized that the Terminal Service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of the Firm Rate Schedule, and the GT&C thereto, which are contained in Southern LNG's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the Firm Rate Schedule, the terms of any non-conforming Agreement, or Negotiated Rate, which has been approved by the FERC, shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in Southern LNG's Tariff.
- 2.2 This Agreement shall be subject to all provisions of the GT&C specifically made applicable to the Firm Rate Schedule, as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to the Firm Rate Schedule.
- 2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

- 2.4 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, or consequential damages (including, without limitation, loss of profits, business interruptions, or demurrage) arising out of or in any manner related to this Agreement or the Terminal Service provided hereunder.
- 2.5 This Agreement is subject to the provision of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 10 of Rate Schedule LNG-1 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.
- 2.6 If requested by Customer, deliveries shall occur at a pressure not less than the Terminal Outlet Pressure shown on Exhibit "A" hereto at the Elba Island Terminal outlet.
- 2.7 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit B to the Service Agreement under Rate Schedule LNG-1 or LNG-3.

ARTICLE III NOTICES

- 3.1 Notices hereunder shall be given pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses as provided by the parties from time to time.

ARTICLE IV TERM

- 4.1 Subject to the provisions hereof, this Agreement shall be effective as of the date first written above and shall be in full force and effect for the primary term(s) set forth on Exhibit A hereto, if applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit A hereto unless canceled by either party giving the required amount of written notice specified on Exhibit A to the other party prior to the end of the primary term(s) or any extension thereof.
- 4.2 [If Applicable] In the event Shipper has not contracted for Rate Schedule LNG-1 or LNG-3 service under this Agreement directly with Company, as set forth on Exhibit A hereto, then the term of this Agreement shall be the effective start and end dates of the capacity acquired by Customer from another Customer and awarded by Southern LNG pursuant to the provisions of Section 16 of the General Terms and Conditions of Southern LNG's Tariff. This Agreement shall terminate upon the expiration of such Capacity Release Transaction provided that Customer shall still be responsible for payment of all charges incurred hereunder.

ARTICLE V REMUNERATION

- 5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with the Agreement, including any discounted or negotiated rate exhibit applicable hereto, the Firm Rate Schedule and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.
- 5.2 Unless agreed otherwise with Customer in Customer's Exhibit C or F, Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) firm character of service, (ii) term of agreement (as set forth in Article IV above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Unless agreed otherwise with Customer in Customer's Exhibit C or F, regarding the rates for its service under this agreement, Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI MISCELLANEOUS

- 6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

- 6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:
- _____
- _____
- _____
- 6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.
- 6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.
- 6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.
- 6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.
- 6.7 This Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein. After the execution of this Agreement for firm storage capacity from Southern LNG, each party shall make and diligently prosecute, all necessary filings with federal or other governmental bodies, or both, as may be required for the initiation and continuation of the storage service which is the subject of this Agreement. Each party shall have the right to seek such governmental authorizations, as it deems necessary, including the right to prosecute its requests or applications for such authorization the manner it deems appropriate. Upon either party's requests, the other party shall timely provide or cause to be provided to the requesting party such information and material not within the requesting party's control and/or possession that may be required for such filings. Each party shall promptly inform the other party of any changes in the representations made by such party herein and/or in the information provided pursuant to this paragraph. Each party shall promptly provide the other party with a copy of all filings, notices, approvals, and authorizations in the course of the prosecution of its filings.
- 6.8 The exhibits attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

[CUSTOMER]

By _____
[L.S.]

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.

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

(CUSTOMER)

SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____

EXHIBIT B

CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT Under Rate Schedule LNG-2

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

W I T N E S S E T H:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization, and delivery of LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations; and

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule LNG-2 and has submitted to Southern LNG a request for such service in compliance with Section 7 of Rate Schedule LNG-2; and

WHEREAS, Southern LNG agrees to render interruptible Terminal Service to Customer pursuant to the provisions of Rate Schedule LNG-2, this Agreement, and the Commission's Regulations.

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I STORAGE ACCOUNT

1.1 Subject to the terms and provisions of this Agreement; Southern LNG's Rate Schedule LNG-2, and the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff), as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, on an interruptible basis.

1.2 To the extent Southern LNG receives LNG for Customer's storage account, Southern LNG shall credit the receipt, less applicable charges set forth in Rate Schedule LNG-2, to Customer's LNG Balance.

1.3 Subject to the terms and provisions of this Agreement, Southern LNG's Rate Schedule LNG-2 and the GT&C thereto, Southern LNG shall deliver an equivalent volume of vaporized LNG, as provided in GT&C 24.1, less applicable charges as set forth in Rate Schedule LNG-2, to Customer at the Delivery Point described in Rate Schedule LNG-2 and shall deduct the delivery and charges from Customer's LNG Balance.

ARTICLE II CONDITIONS OF SERVICE

2.1 It is recognized that the Terminal Service hereunder is provided on an interruptible basis pursuant to, in accordance with and subject to the provisions of Southern LNG's Rate Schedule LNG-2, and the GT&C thereto, which are contained in Southern LNG's Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and Rate Schedule LNG-2, the terms of Rate Schedule LNG-2 shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in the Tariff. Southern LNG makes no representation, assurance or warranty that capacity will be available for service hereunder and Customer agrees that Southern LNG shall bear no responsibility or liability to any person if capacity does not exist on any day to provide service hereunder

2.2 This Agreement shall be subject to all provisions of the GT&C specifically applicable to Southern LNG's Rate Schedule LNG-2 as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to Rate Schedule LNG-2.

2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

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

2.5 This Agreement is subject to the provisions of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 9 of Rate Schedule LNG-2 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.

2.6 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit A to the Service Agreement under Rate Schedule LNG-2.

ARTICLE III
NOTICES

3.1 Notices hereunder shall be given by both parties pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV
TERM OF AGREEMENT

Subject to the provisions hereof, this agreement shall be effective as of the date first written above and shall continue in force and effect on a month to month basis unless terminated by either Party upon at least five (5) days prior written notice to the other Party. This agreement may be terminated by Southern LNG if no activity occurs hereunder during a period of 12 consecutive months.

ARTICLE V
REMUNERATION

5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with Southern LNG's Rate Schedule LNG-2 and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.

5.2 Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) interruptible character of service, (ii) term of agreement (as set forth in Article III above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI
MISCELLANEOUS

6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:

6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.

6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.

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

6.8 The Exhibits, (if applicable), attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

CUSTOMER

By _____
[L.S.]

EXHIBIT A

CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____

APPENDIX H

Marked Version of Option B Tendered Tariff Records

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SECTION 1.2

PRELIMINARY STATEMENT

Southern LNG Company, L.L.C. (Southern LNG) is a natural gas company principally engaged in the business of receiving and storing liquefied natural gas (LNG) and (a) delivering Vaporized LNG in interstate commerce and/or (b) ship loading of LNG (collectively, Terminal Service) under authorization granted by, and subject to the jurisdiction of, the Federal Energy Regulatory Commission (Commission or FERC). Southern LNG owns and operates a marine terminal located on Elba Island, near Savannah, Georgia (Terminal). Southern LNG uses the Terminal to provide open-access Terminal Service pursuant to this FERC Gas Tariff (Tariff).

The location of the Terminal is shown on the following general system map.

Southern LNG provides Terminal Service only under executed and effective agreements for service, entered after Southern LNG considers existing commitments, available capacity, and other factors that Southern LNG deems pertinent as set forth in this Tariff.

SECTION 2.1

LNG-1 RATES
FIRM TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-1 (Firm Terminal Service)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.6712	\$0.00
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825 /Dth of Gas compressed	\$0.0825/Dth of Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Monthly Reservation Charge per Dth of MDLQ	<u>\$1.0308</u>	\$0
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section	See GT&C Section

		21	21
	6. K-7 Boil Off Compressor Usage Surcharge	<u>\$2.0624</u> /Dth of Gas compressed	\$0/Dth of Gas compressed
	7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
	8. MDLQ Overrun Rate	<u>\$0.0339</u> /Dth of exports	\$0/Dth of exports
	Total Charges and Surcharges per Dth (excluding items 2, 3, 4, 5, 6, 7 and 8 above)	\$0.0019/Dth of exports	\$0.0019/Dth of exports

SECTION 2.2

LNG-2 RATES
INTERRUPTIBLE TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-2 (Interruptible Terminal Service)</u>		
Monthly Storage Charge per Dth	\$0.6712	\$0.00
Dredging Surcharge per Dth	\$0.0450	\$0.00
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of Gas compressed	\$0.0825/Dth of Gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries

Charges and Surcharges for Interruptible Ship Loading Service

1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Commodity Rate	\$0.0339 /Dth of exports	\$0/Dth of exports
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section 21	See GT&C Section 21

	6. K-7 Boil Off Compressor Usage Surcharge	<u>\$2.0624</u> /Dth of Gas compressed	\$0/Dth of Gas compressed
	7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
	Total Charges and Surcharges per Dth (excluding items 2, 4, 5, 6, and 7 above)	<u>\$0.0358</u> /Dth of export deliveries	\$0.0019/Dth of export deliveries

SECTION 2.3

LNG-3 RATES

FIRM TERMINAL SERVICE – ELBA III

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-3 (Firm Terminal Service – Elba III)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.7532	\$0.0000
Monthly Reservation Charge per Dth of MDVQ	\$2.4920	\$0.0000
Dredging Surcharge per Dth of MSQ	\$0.0450	\$0.0000
<u>Additional Charges and Surcharges for delivery of Vaporized LNG</u>		
1. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
1a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of Gas compressed	\$0.0825/Dth of Gas compressed
2. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
3. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of Gas compressed	\$0.0000/Dth of Gas compressed
Total additional charges and surcharges (excluding items 1a, 3, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries
<u>Charges and Surcharges for Ship Loading Service</u>		
1. Ship Loading Electric Power Cost Charge	\$0.0019/Dth of exports	\$0.0019/Dth of exports
2. K-7 Boil Off Compressor Electric Power Cost Charge	\$0.1645/Dth of Gas compressed	\$0.1645/Dth of Gas compressed
3. Monthly Reservation Charge per Dth of MDLQ	\$1.0308	\$0
4. Fuel (GT&C §24.1)	Pro Rata Share	Pro Rata Share
5. ACA Surcharge	See GT&C Section 21	See GT&C Section 21

	6. K-7 Boil Off Compressor Usage Surcharge	<u>\$2.0624</u> /Dth of Gas compressed	\$0/Dth of Gas compressed
	7. Ship Cool Down Excess Lay Charge	\$65,000/day	\$65,000/day
	8. MDLQ Overrun Rate	<u>\$0.0339</u> /Dth of exports	\$0/Dth of exports
	Total Charges and Surcharges per Dth (excluding items 2, 3, 4, 5, 6, 7, and 8 above)	\$0.0019/Dth of exports	\$0.0019/Dth of exports

SECTION 2.4

Negotiated RatesFIRM RATE SCHEDULE

Shipper	Contract #	MDVQ	Term
BG LNG Services, LLC	450002-LNG1SLNG	643,230 Dth	4/30/2027

Negotiated Rate/Formula: In addition to the Reservation Charge, Dredging Surcharge, and all other applicable Charges and Surcharges set forth in Rate Schedule LNG-1, as amended by FERC Order from time to time, Customer shall pay to Southern LNG the following additional Commodity Charges per month: (1) A variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of LNG treated with nitrogen for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the Southern LNG GHV tariff specifications, regardless of the amount of treatment required; and (2) A variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

In addition to the charges set forth above, during the period from the date the facilities associated with the K-6 Capacity are placed in service until the earlier of the fourteenth (14th) anniversary of such date or the date on which recourse rates are placed in effect that include the costs of the compression facilities associated with the K-6 Capacity, Customer shall pay an additional Reservation Charge per month equal to the result of multiplying Customer's firm K-6 Capacity entitlement by a unit rate equal to the result of dividing (i) the product of multiplying the reasonably incurred actual cost of installing the K-6 capacity stated in dollars by 0.0152, by (ii) 12,000 Mcf, provided that the unit rate shall not be less than \$13.8067 per MMBtu nor greater than \$16.4667 per MMBtu. Customer's firm K-6 Capacity entitlement shall be 12,000 Mcf/d from the date the K-6 Facilities are placed in service through the expiration date above or termination of Contract #SLNG9. Subsequent to the fourteenth anniversary of the in-service date of the K-6 Capacity, Customer shall pay the K-6 Boil Off Compressor Usage Surcharge; provided, however, if any cost of service associated with the initial capital costs of the K-6 compression facilities associated with the K-6 Capacity for which Customer has already paid through the reservation charge above are included in the K-6 Boil Off Compressor Usage Surcharge, the K-6 Boil Off Compressor Usage Surcharge paid by Customer shall be reduced to reflect the elimination of such cost of service associated with the initial costs of the compression facilities attributable to the K-6

Capacity. During the initial fourteen year or less period described above in this paragraph, Customer shall pay the reservation charge set forth in this paragraph in lieu of paying the K-6 Boil Off Compressor Usage Surcharge set forth in Southern LNG's Tariff.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450010-LNG1SLNG	551,340 Dth	1/31/2036

Negotiated Rate/Formula:

1. Customer shall pay to Southern LNG a daily rate of \$110,268.00, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.

2. For billing purposes, Customer's reservation charge in a month shall be calculated by using a rate of \$0.20 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-1.

3. LAUF and GRO charges shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-1 and shall not be included in the differential set forth in 1. and 2. above. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ shall be assessed in accordance with Southern LNG's Tariff and not included in the differential set forth in 1. and 2. above.

4. In addition to the charges set forth in Paragraphs 1. through 3. above, Customer shall pay to Southern LNG the following: (a) A variable charge per month equal to the product of (i) \$0.003/Dth and (ii) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required); and (b) A variable charge per month equal to the product of (i) a Wobbe Spread Unit Cost ("WSUC") times (ii) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (i) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (ii) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

Shipper	Contract #	MDVQ	Term
Shell NA LNG LLC	450011-LNG3SLNG	413,505 Dth	6/30/2035

Negotiated Rate/Formula:

1. Until December 31, 2013, Customer shall pay to Southern LNG a daily rate of \$256,373.00, inclusive of any and all commodity charges and surcharges and other charges and fees, except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.
2. For billing purposes, Customer's reservation charge in a month applicable to the period set forth in paragraph 1. above shall be calculated by using a rate of \$0.62 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 2. and the terms of paragraph 1. above, the terms of paragraph 1. shall govern.
3. During the period from January 1, 2014 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG a daily rate of \$246,725, inclusive of any and all commodity charges and surcharges and other charges and fees except only for 1) GRO, 2) LAUF, and 3) any commodity charges applicable to quantities delivered in excess of Customer's MDVQ.
4. For billing purposes, Customer's reservation charge set forth in paragraph 3. above shall be calculated by using a rate of \$0.5967 multiplied by the product of Customer's MDVQ and the number of days in the applicable month less the sum of the monthly charges associated with any and all commodity charges and any and all surcharges which shall be billed to Customer at the applicable tariff rate under Rate Schedule LNG-3. In the event of any conflict between this paragraph 4. and the terms of paragraph 3. above, the terms of paragraph 3. shall govern.
5. In addition to the reservation charge paid by Customer under Section 3. above, Customer shall pay to Southern LNG an additional reservation charge equal to a daily rate of \$209,049.75, designed and formulated in connection with the incremental costs associated with the Ship Loading Service to be performed by Southern LNG under this Service Agreement for the remainder of the Primary Term to commence on the date that the Ship Loading Expansion Facilities ("Expansion Facilities") and authorizations are placed in service.
6. LAUF and GRO charges and Electric Power Charges associated with the Ship Loading Service or K-7 Boil Off Compressor Usage shall be assessed hereunder at the applicable tariff rate under Rate Schedule LNG-3 and shall not be included in the daily rate set forth above in paragraphs 1 through 5.

7. Any charges or surcharges associated with any quantities taken above the applicable MSQ or MDVQ or any charges or surcharges associated with ship loading service shall be assessed in accordance with Southern LNG's Tariff and not included in the daily rate set forth above in paragraphs 1 through 5.

8. In addition to the charges set forth in Paragraphs 1. through 7. above, during the period from September 18, 2010 to the end of the Primary Term set forth above, Customer shall pay to Southern LNG as follows: (1) a reservation charge per month equal to \$35,153 for the first three years and \$2,528 for the remainder of the term and (2) a variable charge per month equal to the product of (a) \$0.003/Dth and (b) the Dth of treated LNG for Customer during the month (where LNG shall be considered to be treated if its untreated shipboard LNG specifications for LNG to be unloaded exceeds the SLNG GHV or Wobbe tariff specifications, regardless of the amount of treatment required) and (3) a variable charge per month equal to the product of (a) a Wobbe Spread Unit Cost ("WSUC") times (b) the Wobbe Spread Amount ("WSA") which shall be the shipboard volume received by Southern LNG for Shipper's account during such month in MMcf times the positive difference if any between the shipboard Wobbe value and 1396. The WSUC shall be computed by dividing (a) Southern LNG's total cost of purchasing, transporting and storing liquid nitrogen to and on Elba Island during the prior calendar year as adjusted to reflect any actual over or under collection of such costs from the previous calendar year by (b) the total WSA for all customers during the prior calendar year. For calendar year 2010, and, until the first full calendar year after a WSA exists in order to be able to calculate a WSUC, the WSUC shall be \$1.825/Dth.

For any nitrogen injection service associated with weathering, the Customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on the Elba Island Terminal as may be adjusted to reflect any actual over or under collection of such costs from the previous calendar year. For the first calendar year of such service, SLNG may estimate such costs based on the market cost for nitrogen in such year.

Section 3.1

RATE SCHEDULE LNG-1
Firm Terminal Service
(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-1 available to any party (Customer) who requests Firm Service under this Rate Schedule from 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;
- (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-1 (Service Agreement); and
- (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-1 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-1; 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 of LNG from Customer's Vessel(s), during loading of 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 and loading 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 for the Boil-Off Gas as provided in (x) above (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-1 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-1, 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 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; (iii) 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, Ship Loading Electric Power Cost Charge, Dredging Surcharge and K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, as more particularly described in Section 24.1, 24.2, and 24.3 of this Tariff, 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, if applicable and, if applicable, a Ship Cool Down Excess Lay Charge as more particularly described in Section 5.1 of this Rate Schedule; 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 CUSTOMER'S 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 event 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-1, 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 the 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 on Southern LNG's 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.

Section 3.2

RATE SCHEDULE LNG-2
Interruptible Terminal Service
(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-2 available to any party (Customer) who requests interruptible service 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 without any detriment to Firm Service Customers;
 - (ii) Customer has complied with the requirements of Section 2 of the General Terms and Conditions (GT&C) of this Tariff;
 - (iii) Customer and Southern LNG have executed a service agreement for Terminal Service under Rate Schedule LNG-2 (Service Agreement); and
 - (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 (Interruptible Ship Loading Service) under Rate Schedule LNG-2 available to any party (Customer) who requests such services under this Rate Schedule from Southern LNG provided that:
- (i) Southern LNG has sufficient capacity and is able to provide the Interruptible Ship Loading Service requested;
 - (ii) Customer has complied with the requirements of Section 2 of the GT&C of this Tariff; and
 - (iii) for Interruptible Ship Loading Service, Customer currently has a sufficient LNG Balance as defined below;
 - (iv) Customer and Southern LNG have executed a service agreement under Rate Schedule LNG-2; 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 Interruptible 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 service is subject to interruption and prior claim by another Customer or another class of service. GT&C § 12 provides for the scheduling priority of nominations for service, and GT&C § 8.4 provides for the allocation of constrained capacity. Service under this Rate Schedule LNG-2 shall also be interrupted upon notice to Customer whenever Southern LNG, in its sole judgment, deems the interruption necessary due to operating conditions or system requirements, or to maintain the integrity of the system or to assure that Southern LNG can render service to higher priority customers.

Services provided under this Rate Schedule LNG-2 shall have a priority subordinate to any and all Firm Services provided by Southern LNG.

3. DEFINITIONS

3.1 Liquefied Natural Gas Balance (Customer Account Balance):

- (a) The Liquefied Natural Gas Balance (LNG Balance or Customer Account 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, 6.1(c), and 6.2(c) of this Rate Schedule, Customer shall have the obligation to manage Customer's 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 of LNG from Customer's Vessel(s), during loading of 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 or loading 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 Customer fails to make all necessary arrangements (including nomination and confirmation), 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 brought as a result of 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 Southern LNG receives 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.

4. RATES AND FUEL

4.1 The rates for service under this Rate Schedule are set forth in the currently effective Rate Sheet LNG-2 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 B to the Service Agreement.

4.2 For service rendered to Customer under Rate Schedule LNG-2, Customer shall pay Southern LNG each month (i) a Monthly Storage Charge equal to the applicable rate multiplied by the average for the month of Customer's maximum daily LNG Balance and (ii) a Commodity Rate per Dth of the aggregate quantities delivered for Customer's account (both for vaporized quantities scheduled and for LNG quantities delivered under Southern LNG's Interruptible Ship Loading Service) 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.

4.3 Southern LNG shall retain from quantities received, delivered to or for the account of Customer a percentage of Gas as compensation for GRO and LAUF or charge an equivalent monetary amount if there are insufficient deliveries, as described in GT&C § 24. 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, Ship Loading Electric Power Cost Charge, Dredging Surcharge, K-6 and K-7 Boil Off Compressor Electric Power Cost Charges, 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, if applicable, a K-6 and K-7 Boil Off Compressor Usage Surcharge per dth of Gas compressed; 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.

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

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

- 5.1 Customer shall give 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, for Customer. 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, delivery or transfer of LNG from or to Customers' Vessel(s) cannot be accommodated 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 Scheduled Firm; Unscheduled Arrival:

If a Customer under Rate Schedule LNG-2 has scheduled a receipt or delivery for the date and hour subsequently requested by a Customer under a Firm Rate Schedule, then Southern LNG shall preserve the priority of Firm Service by scheduling the Customer under a Firm Rate Schedule at that date and hour and rescheduling the Customer under Rate Schedule LNG-2 for the first available time without causing detriment to any Firm Service. If Customer's Vessel does not arrive as scheduled pursuant to § 5.1(a) to this Rate Schedule, then Southern LNG shall receive or deliver the LNG at the first time available without causing detriment to any other scheduled 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/unloading, 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 Management of LNG Balance:

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 3.1(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 the tank heel.

- (b) Uniform Hourly Vaporization Quantity:

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

If Customer requests, Southern LNG shall endeavor, as operating conditions permit, to deliver Vaporized LNG at greater than the uniform hourly rate.

- (c) 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 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 the tank Heel.
- (b) Loading Rates:
 - (i) With regard to Interruptible Ship Loading Service, the Loading Rate for loading LNG onto Customer's Vessel(s) shall be a maximum of 46,230 gallons per minute ("GPM") from the LNG Storage tanks of the Elba Island Terminal.
 - (ii) The Customer will be allowed to do any combination of ship loading and vaporization send out deliveries provided that such Customer's combined total of nominated ship loading (expressed in gallons per minute (GPM)) plus nominated vaporization (expressed in terms of equivalent GPM (where equivalent GPM is equal to the send out rate in Mcf per day divided by 119)) does not impair the ability of Rate Schedule LNG-1 and Rate Schedule LNG-3 Customers to utilize their full MDLQ and MDVQ rights, plus any firm overrun rights available to such Customers, for such day.
- (c) Minimum LNG Balance; Management of LNG Balance:

With regard to Interruptible Ship Loading Service, upon receipt of the notice from Customer's Vessel that it is ready to receive LNG, Southern LNG shall 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.

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. 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.

9. WITHDRAWAL OF LNG BALANCE

9.1 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's Service Agreement terminates;
- (c) Southern LNG issues an OFO pursuant to GT&C § 23; or
- (d) Interruption of service under this Rate Schedule.

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

- (a) if constrained capacity under Section 9.1(a) above, then the earliest practicable time consistent with Southern LNG's delivery capacity;
- (b) if termination under Section 9.1(b) above, then the time the Service Agreement terminates;
- (c) if ordered under Section 9.1(c) above, then the time specified in the OFO; or
- (d) if interrupted service under Section 9.1(d) above, then within the time permitted by the available vaporization and delivery capacity at the time of Southern LNG's notice.

9.2 Withdrawal by Southern LNG:

(a) General Rule:

If any Customer fails to withdraw LNG pursuant to this Section 9, 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.

10. 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. In the event of any inconsistencies 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. In the event of 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, Southern LNG shall provide Customer new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

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").

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

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 item(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 part of the Terminal Service. 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 K-7 compressors used to compress Boil-Off Gas to be delivered into the downstream pipeline. This K-7 Capacity is a part of the Ship Loading Service. 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.

2. INQUIRIES AND CONDITIONS FOR SERVICE; ALLOCATION OF CAPACITY

2.1 Any inquiries regarding the availability of service and the rates charged for such service should be directed to Southern LNG's Marketing Department. Southern LNG shall inform each potential Customer inquiring about service as to the availability of and rates applicable to a particular service. Any potential Customer interested in service may obtain a copy of Southern LNG's Tariff from Southern LNG's Interactive Website. The procedures for submitting valid requests for service are as follows.

- (a) Requests for service shall be provided to Southern LNG in the format provided by COMPANY on its Interactive Website.

The request shall contain all of the following information to be deemed a valid request.

- (i) Full legal name of potential Customer; identity of the potential Customer; DUN & BRADSTREET number; address; contact person(s), including 24-hour telephone number and email address, type of legal entity and, if a corporation, state of incorporation;
- (ii) For Firm Service, the maximum storage quantity (MSQ) requested;
- (iii) For Firm Service, the requested term (duration) of service, including proposed commencement and termination dates;
- (iv) A certification by potential Customer that potential Customer has entered into or will enter into those arrangements necessary to assure that all downstream transportation will be in place prior to the commencement of service under a Service Agreement with Southern LNG;
- (v) A certification by potential Customer that potential Customer has received from the United States Government all necessary authorizations for the lawful import or export, as applicable, of all volumes that Southern LNG will receive for potential Customer or, in the event potential Customer intends to rely on Southern LNG's export license from the Department of Energy, potential Customer shall provide a certification that potential Customer will comply with the registration and reporting obligations specified in the Department of Energy's order granting the Southern LNG export license on which potential Customer intends to rely;
- (vi) A certification by potential Customer that potential Customer has title or a current contractual right to acquire title to LNG to be received for potential Customer by Southern LNG;
- (vii) Certification that Customer's vessel will meet the specifications of Southern LNG's unloading facilities;
- (viii) Most recent audited financial statements, annual report, Form 10-K (or other filings with regulatory agencies that discuss potential Customers financial status), a list of affiliates, and three (3) credit references and the names of two representatives who are authorized to receive notices regarding potential Customer's creditworthiness, including the e-mail addresses of such representatives, in order to enable Southern LNG to evaluate potential Customers creditworthiness. Written requests and response for this credit information should be provided by e-mail, unless other forms of communication are otherwise agreed upon by Southern LNG and potential Customer. The obligation of Southern LNG to provide creditworthiness notification is waived until potential Customer provides Southern LNG with e-mail addresses. The potential customer shall manage internal distribution of any such confirmations (NAESB 0.3.7 & 0.3.10);

- (ix) The affiliation, if any, of potential Customer with Southern LNG; and
 - (x) The source and quality of LNG, including heat content in Btu/scf, expected to be received.
- (b) Allocation of Capacity: Firm capacity that is or becomes available from Southern LNG from time to time shall be allocated pursuant to the following procedures:
- (i) Subject to all requirements for submitting a valid request for Firm Service herein, firm capacity will be allocated to the request(s) that on an aggregate basis generate the highest net present value to Southern LNG. Requests for service shall be considered together under the same criteria. Net present value will be determined based on the discounted cash flow of revenues to Southern LNG produced, lost, or affected by the request(s) for service. In determining the highest net present value, Southern LNG will consider objective criteria only. Such criteria may include, without limitation, the MSQ requested, the duration of the service requested, the date on which the requested service would commence, the applicable rate, and such other factors available based on the requests for service received by Southern LNG. The net present value discount factor used by Southern LNG will be applied consistently to all requests for capacity being evaluated at the same time.
 - (ii) If Southern LNG receives two (2) or more requests for service that produce comparable net present values, whether during an open season or otherwise, then available capacity will be allocated to the completed request submitted first in time. If capacity remains available, then Southern LNG will offer the remaining capacity to the requester next in time.
 - (iii) If capacity is not available to satisfy a request, then the request for service will be maintained, if such potential Customer or potential Customer desires, for future allocations. If capacity subsequently becomes available, then such capacity will be allocated to pending requests, on the date such capacity becomes available, based on the highest net present value of the pending requests as provided above, unless Southern LNG elects to conduct an open season. If an open season is conducted, Customers or potential Customers with pending requests shall be individually notified and given an opportunity to participate in such open season. If such Customer or potential Customer elects not to participate in the open season, then, at the end of the open season, its pending requests shall be deemed null and void.
 - (iv) Southern LNG may, in its sole discretion, hold open seasons from time to time for potential expansion projects or for capacity that has become available. During any such open season, Southern LNG will allocate capacity subject to the open season on the basis of the highest net present value to Southern LNG. To the extent Southern LNG has available unsubscribed capacity, Southern LNG shall have the right, but not the obligation, to reserve that capacity for any open seasons that are to be held within the next twelve (12) months. All requests received during an open season remain binding on the requesting Customer through the end of the open season unless withdrawn by the requesting Customer; provided, however, a requesting Customer may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting Customer nor an affiliate thereof may submit a request with a lower net present value during the open season. At the end of the open season, all requests either withdrawn or not accepted shall be deemed null and void. If the Customer awarded capacity does not execute a Service Agreement within the time period described in Section 2.1(c) below, then Southern LNG may elect to offer the capacity to other Customers on the basis of the next highest net present value.
 - (v) Notwithstanding the net present value determination, Southern LNG reserves the right to decline requests for service (i) that offer less than the maximum rate; (ii) that may detrimentally impact the operational integrity of Southern

LNG's system; (iii) that do not satisfy all the terms of a specific open season; (iv) that do not demonstrate creditworthiness; or (v) that contain terms and conditions other than those set forth in the Tariff.

- (c) Within five (5) business days (or a mutually agreed-upon time) after accepting the request, subject to the other provisions of this section, Southern LNG shall prepare and tender to Customer for execution a Service Agreement under the applicable Rate Schedule in the pro forma format attached to this Tariff. If Customer fails to execute or return to Southern LNG the Service Agreement within thirty (30) days of the date tendered, then Southern LNG may deem the request for service null and void, and the available capacity then will be reallocated according to Section 2.1(b) above.
- (d) Southern LNG shall not be required to perform services under a Service Agreement for any Customer who
 - (i) is or has become insolvent,
 - (ii) fails to demonstrate creditworthiness either before initiation of service or on an ongoing basis after initiation of service, or
 - (iii) fails to make payments pursuant to GT&C § 13 (except if Customer has disputed a bill and made provision for partial payment in accordance with GT&C § 13). If during the ongoing credit evaluation process following initiation of service, Southern LNG should desire additional credit information from Customer, Southern LNG will provide the reason(s) to Customer for requesting such additional information unless Southern LNG and Customer have mutually agreed to waive this requirement. Southern LNG and Customer shall comply with the following guidelines for credit evaluation (NAESB 0.3.3):
 - (A) Southern LNG shall designate on its Interactive Website or by written notice two representatives who are authorized to receive notice and information regarding Customer's creditworthiness, and Southern LNG shall manage internal distribution of any such information (NAESB 0.3.7);
 - (B) Southern LNG shall designate a date that the credit information is due from Customer (NAESB 0.3.5);
 - (C) Upon receipt of either an initial or follow-up request from Southern LNG for credit evaluation information, Customer's authorized representatives should acknowledge receipt of Southern LNG's request unless Southern LNG and Customer have mutually agreed to waive this requirement. The Customer's obligation to provide confirmation of receipt is met by sending such confirmation to the representatives described in Section 2.1(d)(A) above (NAESB 0.3.4);
 - (D) Customer shall provide Southern LNG with all the credit information requested by Southern LNG's designated due date, or provide to Southern LNG the reason(s) why the information cannot be provided (NAESB 0.3.5); and
 - (E) Once Southern LNG receives all required credit information from Customer, Southern LNG will notify Customer's authorized representative(s) of such receipt unless Southern LNG and Customer have mutually agreed to waive this requirement (NAESB 0.3.6);
 - (F) If Customer is determined to be non-creditworthy by Southern LNG, Customer may initiate with Southern LNG a re-evaluation of its credit. As part of this re-evaluation process Customer should either update or confirm in writing or electronically in the manner the prior information provided to Southern LNG related to Customer's creditworthiness.

This update should include any event(s) that Customer believes could lead to a material change in its creditworthiness (NAESB 0.3.8);

- (G) After Southern LNG receives Customer's request for re-evaluation, including the information in (F) above, Southern LNG will provide Customer with a response in writing or via email within five (5) Business Days, which will include either a determination of Customer's creditworthiness status clearly stating the reason(s) for Southern LNG's decision, or will provide Customer with an explanation supporting a future date when a re-evaluation determination will be made. This re-evaluation process will not exceed twenty (20) Business Days from the date of the receipt of Customer's request, unless Southern LNG and Customer mutually agree to some later date (NAESB 0.3.9).

In lieu of the above credit requirements such Customer may receive or continue to receive service if Customer provides (i) where the service is associated with a permanent release of capacity associated with the original construction of Southern LNG's facilities or an expansion of Southern LNG's facilities, either (x) the proposed Acquiring Customer, at the time of such permanent release has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement customer or assignee), or (y) the proposed Acquiring Customer provides a guarantee from a credit provider that, at the time of such permanent release or assignment, has a credit rating of not less than Investment Grade (taking into account for this purpose the lowest published rating of S&P and Moody's if both such rating agencies have published ratings in respect of such proposed replacement credit support provider), and in all cases (z) the credit support is equivalent in amount for the portion of capacity being permanently released, the duration, and any other material applicable terms as the credit support previously agreed to in the Releasing Customer's precedent agreement related to such capacity being released or (ii) where service is not associated with a permanent release, the greater of the credit support agreed to for its Service Agreement or the following:

- (x) security deposit in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, or of any extension, of the Service Agreement and a three (3) month period;
 - (y) good and sufficient surety, as determined by Southern LNG in its reasonable discretion, in an amount equal to the cost of performing the maximum service for Customer for the lesser of the remaining primary term, as may be extended, of the Service Agreement and a three (3) month period;
 - (z) a guaranty in a form agreed to between Southern LNG and Customer from a creditworthy party and such creditworthy party will be responsible for payment of all charges and penalties assessed by Southern LNG but not paid by Customer.
- (e) Subject to other provisions of the Rate Schedule and the GT&C, the term of any Service Agreement may be extended wherein the parties have agreed to an "evergreen" or "rollover" provision. Also, a Customer having more than one firm Service Agreement each with a primary term of at least nineteen (19) years, unless Southern LNG agrees otherwise, shall have the right, to be exercised by written notice to Southern LNG only once and no later than the tenth (10th) anniversary of the effectiveness of the earlier Service Agreement, to enter into an amendment to such Service Agreement to extend the primary term to end no later than the end of the primary term of the later Service Agreement and to specify the same evergreen extension provisions as the later Service Agreement, in exchange for which extension period Customer agrees in the amendment to pay the higher of (i) the rate agreed to in the Service Agreement being extended, or (ii) the maximum recourse rate on file for service under such Rate Schedule. The right provided Customer in the preceding sentence shall not, however, prohibit Southern LNG and any Customer from otherwise agreeing to amendments of the primary term or other

provisions of any Service Agreement. Such changes shall not affect Customer's priority of service. To request any changes to a Service Agreement, Customer shall submit a request in writing or electronically in the manner set forth in Section 2.1(a) above, provided that electronic copies shall be equivalent to original writings.

- (f) Southern LNG shall not be obligated to accept any request for service unless adequate firm capacity is available without the construction of (or contribution for) additional facilities (including Receipt and Delivery Point(s)) by Southern LNG.

3. QUALITY

- 3.1 In order to permit delivery into downstream facilities and Customer's Vessel(s), the LNG received and delivered by and from Southern LNG under any Service Agreement shall be merchantable and shall have in its gaseous state:
- (a) A Wobbe Index with an upper limit of 1,396 and a gross heating value (GHV) of not less than 1,000 Btu and not more than 1,100 Btu after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; provided, however, with respect to LNG in its gaseous state to be delivered into downstream facilities until such time that the two Conditions Precedent specified in the settlement in Docket No. RP10-829-000 are satisfied, the Wobbe Index multiplied by 1.667, plus the GHV, of such LNG in its gaseous state to be delivered into downstream facilities shall not be greater than 3412 (*i.e.*, $\text{Wobbe Index} \times 1.667 + \text{GHV} \leq 3412$) after considering the effects of any nitrogen that is able to be injected from the nitrogen injection facilities located at the Elba Island Terminal up to the nitrogen specification provided in (b)(iii) below; and
 - (b) Constituent elements conforming to the following:
 - (i) free of objectionable liquids and solids and be commercially free from dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of vaporization or transportation through any downstream pipeline;
 - (ii) not contain more than 200 grains of total sulphur or 10 grains of hydrogen sulphide, or 0.30 gallons of isopentane and heavier hydrocarbons, per Mcf;
 - (iii) not contain by volume more than 1% of carbon dioxide, 2% nitrogen or 0.2% oxygen;
 - (iv) not contain any water; and
 - (v) free of liquids at 800 psig and 50° F.
- 3.2 The gas delivered by Southern LNG will be merchantable gas.
- 3.3 All LNG received by Southern LNG shall conform to the specifications set forth in this section, and Customer agrees to analyze or caused to be analyzed each cargo or delivery of LNG as provided in this section. Customer agrees to test each LNG cargo or delivery in the manner prescribed.
- (a) Hydrogen Sulfide:

The LNG received by Southern LNG shall contain not more than the specified volume of hydrogen sulfide as determined by methods presented in Standards for Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide if a strip of white filter paper, moistened with a solution containing five per cent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution after the first paper has been exposed to the Vaporized LNG for one (1) minute in an apparatus of approved form, through which the Vaporized LNG is flowing at the rate of approximately five (5) standard cubic feet per hour, the Vaporized LNG not impinging directly from a jet upon the test paper.
 - (b) Total Sulfur:

The LNG received by Southern LNG shall contain not more than the specified total sulfur as determined by the method prescribed in American Society for Testing and Materials, Standard Method of Test for Total Sulphur in Fuel Gases, No. D 1072-56.
- 3.4 For all Ship Loading Service and Interruptible Ship Loading Service, at the time Customer provides Southern LNG with its first notice under Section 5.1 of the applicable Rate Schedule, Southern LNG shall provide Customer with notice of the projected quality of LNG inventory stored in the

Southern LNG storage tanks at Elba Island that will be loaded onto Customer's vessel under Rate Schedules LNG-1 and LNG-3 or under the Interruptible Ship Loading Service under Rate Schedule LNG-2.

- 3.5 Should any LNG for receipt by Southern LNG fail at any time to conform to any of the specifications provided for in this Section 3, Southern LNG may, at its option, suspend all or a portion of the receipt of any such LNG. Southern LNG shall be relieved of any of its obligations for the duration of such suspension. Upon receipt of Southern LNG's notice of such a failure, Customer shall make a diligent effort to correct the failure by treatment or dehydration or nitrogen injection consistent with prudent operation so as to tender LNG conforming to the specifications provided for in this Section 3.

Notwithstanding the above, Southern LNG agrees to grant a waiver of the GHV specification set forth above in Section 3.1(a) for receipts and deliveries of LNG the heating value of which, when blended with the total projected LNG inventory stored in the tanks at Elba Island at the anticipated time of ship unloading, will (i) achieve a gross heating value of not more than the GHV specification based on a blending calculation, and (ii) conform to all of the other specifications provided for in this Section 3. Such blending calculation performed by Southern LNG will take into account estimated receipt and delivery volumes, storage inventory, projected heat content of the LNG in storage and being shipped or delivered, nitrogen injection, the heat content of LNG from the Liquefaction Facility, and the ship arrival dates and whether such ships will be for receipts or deliveries. Any deviations or changes in the estimated data points used in the blending calculation which result in a blended LNG with GHV higher than the GHV specification set forth in Section 3.1(a) above, may result in partial acceptance of the receipt or delivery and/or limitation of delivery or receipt nominations from the Receipt Point or Delivery Point causing the deviations or changes from the GHV specification until such time that the actual LNG volumes when blended achieve the GHV specification. Customer agrees to assist Southern LNG in updating the blending calculation by providing Southern LNG with the necessary information to arrive at the blending calculation and with any changes from the estimated heating values up to and through the time the cargo unloading or delivery commences. Notwithstanding the above, nothing contained herein will limit any Customer's right to deliver LNG from the Liquefaction Facility or bring in cargos for receipt or delivery of LNG that meet the GHV specification without blending or obligate any Customer to in any way alter their shipping schedule, unloading or loading schedule, or send-out schedule to accommodate blending of out-of-spec receipts and deliveries and all receipts and deliveries will continue to be scheduled pursuant to Section 5 of the applicable rate schedule in Southern LNG's Tariff, provided that it meets the GHV specifications in Section 3.1(a) above.

To the extent blended volumes in the LNG tanks exceed the Btu or GHV limits established in Section 3.1(a) above as a result of weathering due to extended inventory latency periods, then the Customer requesting delivery of volumes may request that Southern LNG treat such LNG volumes using existing nitrogen injection facilities (to the extent practical adhering to the equipment's physical injection limitations and not to exceed the maximum volumetric nitrogen specifications set forth in the tariff) to blend such weathered LNG which is out of specification with nitrogen in order to allow such LNG to meet the GHV and Btu specifications. For such nitrogen injection service associated with weathering the customer will pay SLNG an amount equal to the estimated actual cost of purchasing, transporting and storing such nitrogen to and on Elba Island as may adjusted to reflect any actual over or under collection of such costs from the previous calendar year. For the first calendar year of such service SLNG may estimate such costs based on the market cost for nitrogen in such year.

- 3.6 Noncompliance with Specifications:
- (a) Should Customer tender for Southern LNG's receipt any LNG that causes the composite gas stream in Southern LNG's facilities to fail the requirements of the downstream pipeline, Southern LNG may take whatever action necessary on Southern LNG's own accord or use of a third party, as solely determined by Southern LNG, at Customer's sole cost and expense, to treat and/or process the gas stream such that the gas stream can be delivered to the downstream pipeline. Until remedial action is taken to make gas acceptable to the downstream pipeline, Southern LNG may refuse to accept receipt of any gas, in Southern LNG's sole discretion, which prevents Southern LNG from making deliveries into the downstream pipeline. Any reduction in the energy content of the gas treated and/or processed shall be determined and deducted from Southern LNG's transportation volumes tendered for delivery to the downstream pipeline.

- (b) No waiver by Southern LNG of any default by Customer in any of the specifications set forth above or in any other provision of this Tariff shall operate as a continuing waiver of such specification or as a waiver of any subsequent default whether of a like or different character.

4. MEASUREMENT

4.1 Measurement of Quantity of LNG Received from or transferred to Customer's Vessel(s):

- (a) The volume of LNG received by Southern LNG from Customer's Vessel(s) or delivered by Southern LNG to Customer's Vessel(s) and reflected as a net change in Customer's LNG Balance shall exclude the amount of vapor transferred between Southern LNG and Customer's Vessel during loading and/or unloading of LNG. Southern LNG shall have no obligation to receive quantities that cause Customer to exceed the volume equivalent of its MSQ (or that part of its MSQ allocated to Customer during periods of constrained capacity) or deliver quantities that cause Customer to exceed the volume equivalent LNG that is shown in Customer's LNG Balance.
- (b) The volume expressed in units of cubic meters of LNG received at the Receipt Point, as defined in Section 6.1 below, or delivered to Customer's Vessel(s) shall be measured in metric units by gauging of the liquid in the tanks of Customer's Vessel(s). Customer shall cause the first gauging to be made after the Captain of Customer's Vessel has given his notice of readiness to unload/load LNG and before starting the pumps. A second gauging shall take place immediately after completion of the transfer of LNG. Representatives of Customer and Southern LNG shall have the right to be present at such gaugings, but the absence of a representative shall not prohibit any gauging.
- (c) Customer shall send or cause to be sent to Southern LNG a certified copy of the gauging standards, in metric units approved by the United States Bureau of Standards in Washington, D.C., as well as correction charts (list, trim, contraction, etc.), for each tank of each of Customer's Vessels. Such standards and charts shall be used throughout the term of the Service Agreement, except in the case of physical change in the tanks, in which case new standards and charts shall be sent to Southern LNG. LNG measuring devices shall be approved by both Southern LNG and Customer. Each tank shall be equipped with two level-measuring devices of different types.
- (d) The density of the LNG shall be calculated using the revised Klosek and McKinley method and density coefficients as defined in ISO 6578, "Refrigerated hydrocarbon liquids – Static measurement – Calculation procedure", First Edition, 1991.
- (e) The temperature of the LNG contained in the tanks of any of Customer's Vessels shall be determined by using the arithmetic average of the temperature indicated by special thermo-couples or resistance thermometers spaced at various locations from top to bottom of each tank with an accuracy of plus or minus two-tenths of a degree centigrade. Such temperatures shall be either logged or printed at each gauging.
- (f) Samples of the LNG shall be taken with a frequency adequate to assure a representative analysis of the LNG being transferred, at a suitable point near the Receipt Point or at Customer's Vessel. The sampling device shall be such as to permit the total and continuous vaporization of a quantity of LNG sufficient for the taking of a gaseous sample representative for the LNG then being transferred. Such samples shall be analyzed by means of a suitable gas chromatograph. An analysis or the average of such analyses shall determine the molecular composition of the LNG. A calibration of the chromatograph utilized shall be performed before the analysis of the samples taken from each transfer. Representatives of Customer and Southern LNG shall have the right to be present at such calibrations, but the absence of a representative shall not prohibit any calibration. Such calibration shall be effected with the aid of a gaseous mixture having a known composition closely similar to the Vaporized LNG being measured.
- (g) The Gross Heating Value (GHV) of LNG shall be calculated using an enthalpy equivalent of 60 degrees Fahrenheit as computed from its molecular composition and the GHV of each of its components. The values of physical constants to be used for such calculations shall conform to those contained in the most current publication of the Gas Processor's Association Report, GPA 2145.
- (h) The quantity of energy transferred, expressed in dekatherms (Dth), between Southern LNG and Customer's Vessel(s) shall be calculated on the basis of the following formula:

$$Q = V \times M \times P_c$$

where:

Q = the number of Dth transferred

V = the volume of LNG transferred, in m³, as determined in accordance with GT&C § 4.1(b)

M = the density of the LNG in kg/m³ calculated in accordance with GT&C § 4.1(d)

P_c = the GHV of LNG per unit of mass, in Dth/kg calculated in accordance with GT&C § 4.1(g)

Alternatively, the volume and density may also be expressed in customary United States imperial units of measure.

- (i) Gauging equipment:
 - (1) Customer shall cause to be supplied, operated, and maintained equipment for accurately gauging the level of liquid and liquid temperature in the tanks of Customer's Vessel(s). Southern LNG shall supply, operate and maintain all equipment, instruments, and devices used for the sampling of and for the density, quality, and composition of the LNG transferred.
 - (2) All measurements and calculations relating to gauging and determination of the density of the LNG and the testing of the quality and composition of the LNG shall be performed by Southern LNG. Representatives of Customer shall have the right to be present, but the absence of a representative shall not prohibit any measurement, calculations, or testing.
 - (3) Both parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information shall be made available to the parties and preserved for a period of not less than three years.
- (j) Verification of accuracy:
 - (1) The accuracy of the instruments used shall be verified at the request of either Southern LNG or Customer. Such verifications shall be made in the presence of the Party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
 - (2) If, at any time of verification, a measuring instrument is found to produce errors of one percent or less of transferred LNG, then such instrument's previous measurements shall be considered accurate for purposes of delivery calculations. Such instrument shall be adjusted as necessary. If, at the time of verification, a measuring instrument is found to produce errors of more than one percent, then such instrument's previous measurements shall be brought to a zero difference by comparison with calibration results for any period known definitely or agreed to have been affected the error, and the calculation of LNG transferred during this period shall be corrected accordingly. If the period that the error affected is not definitely known or agreed upon, correction shall be made for those quantities transferred during the last half of the period since the date of the last calibration of the instrument.
- (k) The installation and operation of devices for measuring the level of LNG and temperature in the tanks of Customer's Vessel(s), as well as chromatographs, shall be carried out according to the manufacturers' specifications.

- (l) All instruments and gauges used for computing the quantity of LNG transferred shall be calibrated in the following manner:
 - (1) in cubic meters (m³);
 - (2) in degrees Celsius (°C); and
 - (3) on a dual scale calibrated in bars or millibars on one side and psig on the other.

4.2 Measurement for Delivery of Vaporized LNG or natural gas:

- (a) Unit of Volume:

The unit of volume shall be a cubic foot.
- (b) Measurement of Volume:
 - (1) When gas is delivered at a pressure different from 14.73 psia, then for the purpose of measurement hereunder, such volumes of gas shall be corrected to a pressure of 14.73 psia. It is assumed that the atmospheric pressure is 14.4 pounds per square inch or such other pressure as agreed upon by Southern LNG and Customer. The measurement of gas volumes shall be adjusted for deviation from Boyle's Law in accordance with generally accepted engineering practice; provided, however, that where gas is delivered through positive displacement meters at a pressure not in excess of 20 psig, the gas may be assumed to obey Boyle's Law.
 - (2) Where orifice meters are used, volumes delivered shall be computed in accordance with formulae, tables, and methods prescribed in Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, AGA Report No. 3 -- ANSI/API 2530, as revised September 1985, and as such report may hereafter be further revised. Exact measurements of inside diameters of meter tubes shall be obtained by means of a micrometer to the nearest one-thousandth inch. Volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of paragraphs (3) and (4) below.
 - (3) The flowing temperature of the gas shall be determined for the purpose of measured volume correction. Volume shall be corrected for variation in the flowing temperature from 60 degrees Fahrenheit. The flowing temperature will be measured by RTD's, thermocouples, thermometers, etc. and shall be either (1) recorded using charts, digital recorders, etc., in which case the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time during which gas was flowing; or (2) used for on-site flow computations in electronic flow computers in which case the instantaneous measurement of temperature will be used in such computations. Where no temperature measuring device is installed, the temperature of the gas shall be assumed to be 60 degrees Fahrenheit.
 - (4) A specific gravity correction shall be applied to measured volumes. The specific gravity to be used for such correction shall be determined at an appropriate location by a gravimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the specific gravity recorder) of such record shall be the specific gravity of the gas being measured; or (2) used for flow computations in electronic flow computers in which case the value of the specific gravity being measured will be used as appropriate in such computations. If a specific gravity measuring device is not installed or available at an appropriate location, then specific gravity shall be determined by a mutually agreeable method.

- (5) The gross heating value shall be determined at an appropriate location by a calorimeter, chromatograph, or other device of standard manufacture and shall be either (1) recorded using charts, digital recorders, etc., in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the gross heating value recorder) of such record shall be the gross heating value of the gas being measured; or (2) entered as an input to electronic flow computers in which case the gross heating value being measured will be used in the computation of the Btu content of the gas. If a gross heating value measuring device is not installed or available at an appropriate location, then the gross heating value shall be determined by a mutually agreeable method.

6. RECEIPT AND DELIVERY POINTS

6.1 Receipt Point:

The Receipt Point shall be (a) for all LNG unloaded from Customer's Vessel(s) at the point, whether one or more, at which the flange at the outlet of the unloading piping of Customer's Vessel joins the flange at the entry of the receiving LNG pipeline at Southern LNG's marine terminal or (b) for all other LNG, at the point at the outlet of the meter station interconnecting with any liquefaction facility whether owned by SLNG or a third party liquefaction facility ("Liquefaction Facility"). Southern LNG shall receive natural gas only in a liquefied state.

6.2 Delivery Point:

The Delivery Point shall be (a) an interconnection between the Terminal and a downstream pipeline for Vaporized LNG delivered by Southern LNG to Customer ("Downstream Pipeline Interconnect") or (b) an interconnect between the Terminal and Vessel for LNG delivered by Southern LNG to Customer.

6.3 Facilities:

Pursuant to Section 154.109(b) of the Commission's Regulations (18 C.F.R. § 154.109(b)), Southern LNG states as follows:

(a) Facilities Owned and Operating by Southern LNG:

(i) Reimbursement by Customer:

If Customer requests the installation or modification of the facilities necessary to perform Firm Service that Customer requests under the applicable Rate Schedule and agrees to reimburse Southern LNG for the full cost of that installation or modification, and if Southern LNG agrees to install the facilities or to modify existing facilities, then Customer and Southern LNG agree that Southern LNG will construct and install (or cause to be constructed and installed) the facilities, or will modify (or cause to be modified) its existing facilities. Southern LNG will own and operate these and all appurtenant facilities.

(ii) No Reimbursement by Customer:

If Customer does not agree to reimburse Southern LNG for the full cost of those facilities, then Southern LNG may agree to construct or modify facilities if Southern LNG has constructed or modified similar facilities for similarly situated Customers. Southern LNG will own and operate these and all appurtenant facilities.

(b) Facilities Owned and Operated by Customer; Contributions in Aid of Construction:

If conditions favor Customer's constructing, owning, and operating facilities at or near the Receipt or Delivery Point, then Southern LNG may provide to Customer a contribution in aid of construction (CIAC). Southern LNG will provide CIACs in a manner not unduly discriminatory to similarly situated Customers.

7. PRESSURE

7.1 Receipt Point:

The receipt of LNG from Customer's Vessel under GT&C Section 6.1 (a) shall be carried out by use of pumps and other equipment on Customer's Vessel(s) at an hourly rate of approximately one-twelfth (1/12) of the maximum cargo capacity of Customer's Vessel and at an average pressure of forty (40) psig at the Receipt Point; provided, however, that the hourly rate shall not exceed an hourly rate of one-tenth (1/10) of the cargo capacity of Customer's Vessel. Southern LNG shall not be obligated to receive LNG at a rate or pressure that exceeds prudent operating conditions under conditions that exist at that time.

All LNG delivered to Southern LNG under GT&C Section 6.1 (b) shall be delivered at pressures sufficient to enter Southern LNG's facilities at such working pressures maintained by Southern LNG at each Receipt Point; provided, however, that such pressures shall not exceed Southern LNG's maximum allowable operating pressures at each such Receipt Point. Southern LNG and Customer may on a case-by-case basis agree that scheduled receipts may, subject to applicable regulatory requirements, be made at a lower pressure if such lower pressure may be accommodated by Southern LNG's facilities.

7.2 Delivery Point:

Southern LNG shall deliver LNG and/or Vaporized LNG at the pressure psig stated in the Service Agreement; however, Southern LNG shall not be obligated to deliver LNG and/or Vaporized LNG at a rate or pressure in excess of the Loading Rate or that exceeds prudent operating conditions under conditions that exist at that time.

8. LIABILITY OF CUSTOMER AND SOUTHERN LNG; ALLOCATION OF CONSTRAINED CAPACITY

8.1 Risk of Loss

(a) Control and Possession of Gas:

For the purpose of determining the liability of Southern LNG and Customer, respectively, Customer shall be deemed to be in exclusive control and possession of any Gas until actually received by Southern LNG at the Receipt Point, and after the Gas has been delivered to the account of Customer by Southern LNG at the Delivery Point. Southern LNG shall be deemed to be in exclusive control and possession of any Gas only while it is in Southern LNG's facilities. Title to that share of Gas deemed to be (i) used as GRO, (ii) disposed of pursuant to the take-title provision of this Tariff, and (iii) LAUF shall pass to Southern LNG at the Receipt Point.

(b) Control and Responsibility:

The party deemed to be in control and possession of the Gas in accordance with GT&C § 8.1 shall exclusively bear all risk of loss therefor. For all matters within Customer's control, Customer warrants that service from Southern LNG and all incidental arrangements conform to applicable regulations and agrees to indemnify and save Southern LNG harmless against any actions, suits, or proceedings concerning service and arrangements that are brought before or instituted by any authority having jurisdiction.

Customer assumes responsibility for all port or wharfage fees, pilotage fees, agent fees, duties, taxes, levies or charges imposed on Customer's Vessels, any actions associated therewith, or the Gas Customer tenders for receipt by Southern LNG.

Customer agrees to indemnify, defend, and save Southern LNG harmless against any loss, damage, cost, expense, claim, or action resulting from performance or nonperformance by Customer; customer's agents, affiliates, or contractors; Customer's Vessels; or the owners or operators of those vessels; in connection with this Tariff.

8.2 Insurance

In addition to the other requirements of the Rate Schedule, Southern LNG and Customer shall maintain insurance adequate to cover losses that may reasonably arise during the course of service under this Tariff.

8.3 Force Majeure & Operating Condition:

If Southern LNG or Customer becomes unable, wholly or in part, by either force majeure or operating condition, as applicable, to carry out its obligations under the Service Agreement (other than to make payments due thereunder) it is agreed that, on such party's giving notice and full particulars in writing of such force majeure or operating condition, by telephone (followed by written confirmation) to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party giving such notice (other than to make payments due under the Service Agreement), so far as they are affected by the force majeure or operating condition, shall be suspended during the continuance of any inability so caused but for no longer period; and the cause shall as far as possible be remedied with all reasonable dispatch.

The term "force majeure" means, with respect to either Southern LNG or Customer, any event or circumstance beyond the reasonable control of a party while acting and having acted as a Reasonable and Prudent Operator, defined below, and that results in or causes the failure by the party affected to perform any one or more of its obligations under the Service Agreement and applicable Rate Schedule and GT&C. Events or circumstances of force majeure include without limitation acts of God, acts of government agents, hurricanes, storms, fires, explosions, and unplanned outages and repairs to Southern LNG's facilities. Southern LNG shall also be excused for failure to carry out its obligations under this Tariff to the extent that the event of force majeure relates to the downstream facilities or equipment of Southern Natural Gas Company

(Southern Natural) that enable Gas delivered by Southern LNG to enter the mainline facilities of Southern Natural or other downstream pipeline.

For the purposes of the definition of "force majeure," a Reasonable and Prudent Operator shall mean a person acting in good faith with the intention of performing its contractual obligations, and who in so doing and in the general conduct of its undertaking exercised the degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances and conditions. Southern LNG shall provide to Customer, or to a third party designated by Customer, reasonable access to data in Southern LNG's possession regarding the operation and maintenance of the Terminal.

A party shall be excused for failure to carry out its obligations only to the extent that and only for the period during which it is rendered unable to carry out such obligations by reason of force majeure, provided, however, that such party shall:

- (i) promptly notify the other party of the invocation of force majeure and the reasons therefor;
- (ii) thereafter provide interim reports of the force majeure event, reasons for continued invocation of force majeure, and an estimate of the anticipated time of the force majeure period;
- (iii) use reasonable endeavors to overcome and minimize the effects of any such force majeure and resume performance of obligations as soon as practicable after removal of the force majeure;
- (iv) not be excused by reason of force majeure from an obligation to indemnify or to make any payments due;
- (v) upon request in writing by the other party, give or procure access insofar as is reasonably practicable to do so for a reasonable number of representatives of that other party at that other party's sole risk and cost, to examine the scene of the relevant event of circumstances of force majeure.

The term "operating condition" means the necessity to make scheduled repairs to or tests, inspections, or modifications of, Southern LNG's facilities. Southern LNG will exercise reasonable diligence to minimize disruptions of service to Customers.

8.4 Allocation of Constrained Capacity:

If a constraint in receipt, delivery, or working storage capacity occurs such that Southern LNG cannot meet the requirements of Customers, then the available capacity shall be allocated as follows:

- (a) for a reduction in working storage capacity, the available working storage capacity shall be allocated (i) first to each firm Customer in a proportional share based on the ratio of each firm Customer's MSQ to the total MSQ contracted for by all firm Customers; and (ii) then, if any capacity remains available, to interruptible Customers based on the rate paid for service, higher rate first, and then pro rata among Customers paying the same rate. An interruptible Customer paying a discount or negotiated rate less than the maximum rate may elect to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise to allow for the Customer's interruptible service to be queued up with other maximum-rate interruptible services. Customer must make such election to pay the maximum rate by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section;

- (b) for a reduction in the capacity to receive LNG from Customer's Vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule;
- (c) for a reduction in vaporization capacity, the available vaporization capacity shall be allocated according to the priorities set forth in GT&C § 12.5; and
- (d) for a reduction in the capacity to deliver LNG to Customer's Vessel(s), the available capacity will be allocated according to the priorities set forth in Section 5.2 of the applicable rate schedule.

8.5 Odorization:

Except where otherwise required by law, Gas delivered by Southern LNG will be delivered in its natural state without the addition of any odorizing agent. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has not odorized such Gas prior to its delivery.

Southern LNG will add odorizing agents to Gas delivered by it where required by law. Southern LNG does not assume any responsibility for damages, claims or liabilities by reason of the fact that it has odorized such Gas prior to its delivery, nor does Southern LNG warrant the delivery of odorized Gas.

8.6 Buyout Election for Extended Force Majeure:

(a) Applicability:

The following provisions govern Customer's election to terminate a firm Service Agreements upon payment of the applicable buyout amounts set out below. The following provisions shall apply only to a firm Service Agreement for which a qualifying Buyout Election is noted therein. For purposes of this Section 8.6, a qualifying electing Customer shall be referred to as "Electing Customer."

(b) Evaluation Periods

(1) Initial Evaluation Period

If Southern LNG invokes force majeure pursuant to the GT&C of this Tariff, and the event of force majeure renders Southern LNG unable to make available at least eighty percent (80%) of Customer's MDVQ, MSQ, or MDLQ under a Service Agreement for which the Buyout Election was made, then Southern LNG shall immediately begin consulting with Electing Customer and provide Electing Customer within one-hundred and eighty (180) days thereafter with a notice in writing of Southern LNG's initial report. The initial report shall include the estimated capital cost associated with restoring the capacity lost due to the event of force majeure, the availability of funds from both property damage insurance and a resolution of Southern LNG's governing board to fund such restoration (the sum of insurance proceeds and board resolution, the "Available Funds"), and the estimated duration of activities prior to restoring the capacity starting from satisfaction of any conditions precedent in Section 8.6(b)(1)(D) below (such initial report, the "Initial Restoration Report").

- (A) If the later of the Initial Restoration Report and the Initial Expert Decision, as defined in Section 8.6(c)(1) below, estimates both that (i) the duration of the force majeure event is no more than forty-eight (48) months and (ii) the capital cost to restore the capacity is no more than the Available Funds, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoring the capacity.

- (B) If the Initial Expert Decision either (i) estimates the duration of the force majeure event at more than forty-eight (48) months or (ii) estimates the capital cost to restore the capacity at more than the Available Funds, then Southern LNG may within sixty (60) days thereafter notify Electing Customer in writing of its intent to supplement the Available Funds to either shorten the estimated duration to within forty-eight (48) months, increase the Available Funds to cover the estimated capital cost, or both as applicable ("Supplemental Restoration Report"), which Supplemental Restoration Report the parties agree shall be referred to expert decision as provided below. If the Supplemental Expert Decision affirms the Supplemental Restoration Report, then Customer and Southern LNG hereby agree that Southern LNG shall commence restoration.
 - (C) If either Southern LNG does not provide a Supplemental Restoration Report or the Supplemental Expert Decision does not affirm the Supplemental Restoration Report, then within thirty (30) days thereafter, Electing Customer may terminate its Service Agreement for which a Buyout Election was made. Termination shall occur upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations to pay the reservation charges applicable to such Service Agreement ("Initial Buyout Amount"), which Buyout Amount for each Service Agreement to be terminated shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the net present value at the Commission refund rate of the remaining monthly reservation charges for the MSQ, MDVQ, and MDLQ calculated at the higher of Customer's negotiated rate or the effective maximum recourse rate for such MSQ, MDVQ, and MDLQ for the duration of the primary term of the Service Agreement ("NPV Prepayment").
 - (D) If the estimated cost of restoration (from the later of the Initial Restoration Report, the Initial Expert Decision or the Supplemental Restoration Report) exceeds the available insurance funds stated in the Initial Restoration Report ("Cost Exceedance"), then Southern LNG's obligation to commence and continue restoration activities shall be subject to the following conditions precedent:
 - (I) Electing Customer enters into a negotiated rate agreement with Southern LNG providing for Customer' paying charges that recover the full cost of service of the Cost Exceedance and operating expenses to restore the capacity under its Service Agreements "Excess Negotiated Rate"; and
 - (II) Electing Customer provides credit support in the form of either a standby, irrevocable letter of credit issued by a financial institution having a long-term unsecured debt rating of either BBB from Moody's Investor Services or Baa from Standard and Poors or comparable credit support for an amount in U.S. dollars equal to the Cost Exceedance ("Excess Credit Support").
- (2) Interim Evaluation Period
- (A) If Southern LNG commences restoration under Section 8.6(b)(1) above, then starting at the end of every sixth (6th) month thereafter until restoration of firm capacity to serve at least eighty percent (80%) of each of Customer's MSQ, MDVQ, and MDLQ, Southern LNG shall provide to Electing Customer by notice in writing with an update to the Initial Restoration Report or, if affirmed, the Supplemental Restoration Report ("Interim Restoration Report"). The Interim Restoration Report

shall provide the estimated duration and cost of restoration based on information available to Southern LNG since the last report.

- (B) If the estimated duration in the later of the Interim Restoration Report and the Interim Expert Decision estimates that either (i) the duration will exceed sixty (60) months starting from satisfaction of the conditions precedent; or (ii) the cost will exceed the Available Funds, then within thirty (30) days thereafter Electing Customer may either direct Southern LNG to continue with restoration or terminate its Service Agreement upon receipt by Southern LNG from or on behalf of Electing Customer in immediately available U.S. dollars an amount in settlement of Electing Customer's obligations ("Interim Buyout Amount"), which Interim Buyout Amount shall not, unless Southern LNG expressly agrees otherwise in writing, equal less than the sum of (I) the NPV Prepayment plus (II) Customer's pro rata share of the Available Funds Southern LNG has expended or committed to expend during restoration (less proceeds Southern LNG has received for such restoration under property damage insurance). Customer's pro rata share for the preceding sentence shall equal the total amount multiplied by the ratio of Customer's total reservation charge obligations per month divided by the total reservation charges owed Southern LNG per month under currently effective Service Agreements.
- (C) If Electing Customer does not terminate its Service Agreements and pay the Interim Buyout Amount, then Southern LNG's obligation to continue with restoration shall be subject to the following conditions precedent:
 - (I) Electing Customer and Southern LNG's amending the Excess Negotiated Rate under Section 8.6(b)(1)(D)(I) above to provide for Customer's paying increased charges that recover the increased cost of service of the capital cost (less proceeds paid to Southern LNG from property damage insurance) and operating expenses to restore the capacity under its Service Agreements; and
 - (II) Electing Customer provides Excess Credit Support in addition to the amount provided pursuant to Section 8.6(b)(1)(D)(II) above equal to the estimated increase in cost to restore (from the later of the Interim Restoration Report or the Interim Expert Decision).

(c) Dispute Resolution:

- (1) Initial Restoration Report. If Electing Customer provides Southern LNG no later than thirty (30) days after receiving the Initial Restoration Report with notice in writing that Electing Customer disagrees with the cost and/or duration estimated in the Initial Restoration Report and believes either the estimated cost to be higher than the Available Funds or the estimated duration to be longer than sixty (60) months, such disagreement to be based on substantial evidence included with the notice along with Electing Customer's estimate of the cost and duration ("Electing Customer's Notice"), then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than sixty (60) days following the later of the Initial Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimate between the Initial Restoration Report and Electing Customer's Notice ("Initial Expert Decision").
- (2) Supplemental Restoration Report. Southern LNG and Electing Customer hereby agree to refer the Supplemental Restoration Report to a single, independent

expert qualified to review and dispose of issues with respect to the estimated cost and duration. If reasonably available, the expert issuing the Initial Expert Decision shall be used. No later than thirty (30) days following the later of the Supplemental Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer either affirming or denying the reasonableness of the Supplemental Restoration Report ("Supplemental Expert Decision").

- (3) Interim Restoration Report. If Electing Customer provides Southern LNG no later than fifteen (15) days after receiving an Interim Restoration Report with Electing Customer's Notice of disagreement, then Southern LNG and Electing Customer hereby agree to refer such disagreement to a single, independent expert qualified to review and dispose of issues with respect to the estimated cost and duration. No later than thirty (30) days following the later of the Interim Restoration Report or the referral, the expert shall issue a decision in writing to Southern LNG and Electing Customer to resolve the disagreement by selecting the more accurate of the cost and duration estimates between the Interim Restoration Report and Electing Customer's Notice ("Interim Expert Decision"). Southern LNG and Electing Customer hereby agree to waive any and all challenges to the Interim Expert Decision, which shall be preclusive for purposes of the rights and obligations set out in Section 8.6(b)(2) above.

(d) Abandonment

A Customer exercising its right herein to terminate its Service Agreement shall not challenge, directly or indirectly, any application by Southern LNG to abandon capacity associated with such firm service.

9. WARRANTY OF TITLE AND INDEMNIFICATION

Both Customer and Southern LNG warrant good title or good right to all Gas transferred by it to the other party. Unless otherwise provided in this Tariff, Customer shall retain title to Gas while in the control and possession of Southern LNG. Customer further represents and warrants that it will pay and satisfy, or make provision for the payment and satisfaction of, any and all claims of every nature to the title to all Gas received by Southern LNG. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all suits, judgments, claims, demands, causes of action, costs, losses, and expenses arising out of or in any way connected with any claims to the title to all Gas received by Southern LNG.

Southern LNG assumes no obligation whatever to any royalty owner or to the owner of any other interest of any kind in any Gas received by Southern LNG for the account of Customer, and Customer or its seller shall pay all such royalties or other interests upon or in respect to such Gas.

Customer warrants permission and any requisite licensing or certification from government agencies having jurisdiction for the receipt by Southern LNG of Gas for Customer's account. Customer agrees to defend at its cost, and when notified by Southern LNG to indemnify Southern LNG against, all enforcement actions, penalties, and sanctions arising out of or in any way connected with any failure to obtain that permission, license, or certificate.

10. CYCLING

Within one hundred twenty (120) days after a quantity of LNG is received by Southern LNG at the Terminal for Customer's account, Customer shall have caused that quantity to have been (a) vaporized and delivered by Southern LNG or (b) delivered to Customer's Vessel(s), unless Southern LNG agrees otherwise. If Customer fails to so withdraw such LNG, then Southern LNG may, at its option, take title to such LNG free and clear of any adverse claims, in which case Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of Customer to remove such LNG and the disposal of such LNG by Southern LNG, including charges under the applicable rate schedule. Southern LNG shall credit any net proceeds from the sale of LNG to which it takes title hereunder. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff. Southern LNG shall extend the time available for Customer to remove its Gas from Storage by one Day for every Day that Customer has been unable to withdraw properly nominated quantities due to force majeure or operating conditions invoked by Southern LNG.

12. NOMINATIONS, SCHEDULING, AND DETERMINATION OF DELIVERIES

Section 12.1 through 12.6 shall govern the delivery by Southern LNG of Vaporized LNG for Customer's account. Section 12.7 shall govern the delivery by Southern LNG of LNG for Customer's account.

12.1 Nomination Procedures:

- (a) General: Customer, or its agent designated in an executed Agency Agreement, shall nominate Gas for all quantities for deliveries under any Service Agreement by notifying Southern LNG, pursuant to the provisions of this Section 12, of the daily quantity of Gas, expressed in Dth, that it has available for delivery.

Customer shall also specify the first date that the nomination is to be effective ("begin date") and the last date that the nomination is to be effective ("end date"). Customers may nominate for multiple days, up to six (6) months, provided the begin and end dates are within the term of Customer's Service Agreement with Southern LNG. All nominations, excluding intraday nominations, shall have roll-over options. Unless Customer wishes to change its nomination, Customer shall not be required to resubmit its nomination during the begin and end dates.

By submitting a nomination, Customer warrants that it has obtained all necessary regulatory approvals to deliver LNG to Southern LNG.

Southern LNG shall not be obligated to deliver quantities in excess of Customer's MDVQ.

With respect to the various deadlines set forth in this Section 12, the party receiving the information has the right to waive the deadline at its option. Southern LNG shall waive any such deadlines in a nondiscriminatory manner for similarly situated Customers.

- (b) Method of Submitting Nominations: Customer must submit its nomination through Southern LNG's Interactive Website. Customer's nominations shall be submitted to Southern LNG in the format set forth on Southern LNG's Interactive Website. If Southern LNG's Interactive Website is unavailable, nominations will be based on the most recent nominations submitted by Customer via Southern LNG's Interactive Website until Southern LNG's Interactive Website is restored. Southern LNG may waive the requirement for a Customer to submit its nomination electronically if Southern LNG determines, in its reasonable judgment, that Customer has experienced an event of force majeure that renders it incapable of transmitting such nomination electronically. Southern LNG will use its best efforts to work with Customer to enter nomination changes Customer provides in sufficient time prior to the nomination deadline under such limited circumstances.
- (c) Except as set forth in Section 12.2 below, the following nomination deadlines shall apply to nominations, confirmations and scheduling under this Section 12, including nominations from title transfer tracking (TTT) Service Providers. There will be two nomination cycles: timely and evening. For the timely and evening nomination cycles, scheduled quantities shall be effective at the start of the next Gas Day.

Timely (NAESB WGQ Standard 1.3.2(i))	Evening (NAESB WGQ Standard 1.3.2(ii))
1:00 p.m.	6:00 p.m. Nominations must leave control of Customer
1:15 p.m.	6:15 p.m. Nominations must be received by Southern LNG
1:30 p.m.	6:30 p.m. Southern LNG must issue quick response
4:30 p.m.	8:30 p.m. Receipt of all completed confirmations by transporters
5:00 p.m.	Receipt of scheduled quantities by Customer and point operator

9:00 p.m. Southern LNG to provide scheduled quantities to affected Customer and point operator, including bumped parties

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

In addition, Southern LNG will support three intraday nomination cycles on the current Gas Day (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17). In the first cycle (NAESB WGQ Standard 1.3.2(iii)), the intraday nomination shall leave the control of the nominating party by 10:00 a.m., and Southern LNG must receive such nomination no later than 10:15 a.m. Southern LNG will have until 10:30 a.m. to send a quick response, until 12:30 p.m. to complete confirmation and until 1:00 p.m. to provide scheduled quantities to affected customers and point operators, including bumped parties. Scheduled quantities resulting from this first intraday nomination cycle should be effective at 2:00 p.m. on the current Gas Day. In the second intraday nomination cycle (NAESB WGQ Standard 1.3.2(iv)), the intraday nomination shall leave the control of the nominating party by 2:30 p.m. and must be received by Southern LNG by 2:45 p.m. Southern LNG will have until 3:00 p.m. to send a quick response, until 5:00 p.m. to complete confirmations and until 5:30 p.m. to provide scheduled quantities to affected Customers and point operators, including bumped parties. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 6:00 p.m. on the current Gas Day. In the third intraday nomination cycle (NAESB WGQ Standard 1.3.2(v)), the intraday nomination shall leave the control of the nominating party by 7:00 p.m. and must be received by Southern LNG by 7:15 p.m. Southern LNG will have until 7:30 p.m. to send a quick response, until 9:30 p.m. to complete confirmations and until 10:00 p.m. to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from this second intraday nomination cycle should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the third intraday nomination cycle.

For intraday nominations under this Section, there is no limitation as to the number of intraday nominations which a service requestor may submit at any one standard nomination cycle or in total across all standard nomination cycles (NAESB WGQ Standard 1.3.32).

For purposes of NAESB WGQ Standard 1.3.2(ii), (iii), and (iv), "provides" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (d) Late Nominations: If, on any day, Southern LNG determines that it can extend the nomination deadline, pursuant to the waiver provisions of Section 12.1(a) above, without adversely affecting the processing of timely nominations, then all nominations received prior to the extended deadline shall be processed at the same time. Nominations for the next day submitted after the nomination deadline (as may be extended by Southern LNG) shall be processed on the next day as an intraday nomination submitted pursuant to Section 12.2 below.
- (e) Nomination Ranks: Rankings may be provided by the nominating party and, if so provided, shall be used to prioritize reductions to the corresponding requested quantities when such prioritization is not in conflict with other provisions of this Tariff (NAESB WGQ Standard 1.3.23). If rankings are not provided, prioritization will occur on a prorata basis.
- (f) Posting of Capacity Constraints Affecting Nominations: On a day when Southern LNG anticipates that requests for capacity for the following day of service will exceed the capacity of its facilities, Southern LNG shall post on its Interactive Website, the day

preceding the day on which service will commence, the available capacity on the segments of its facilities which Southern LNG anticipates will be affected.

- (g) Southern LNG shall have the right to refuse to deliver Vaporized LNG not timely or properly nominated in accordance with GT&C § 12. Southern LNG shall not be liable to Customer or any other person as a direct or indirect consequence of such refusal and Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal.
- (h) Reserved.
- (i) Payback Nominations: When making its nomination, Customer shall specify by Service Agreement which portion of the quantities to be received or delivered by Southern LNG is attributable to current service and which portion of the quantities is attributable to payback within the month of an estimated imbalance (either positive or negative). As between quantities of Gas received or delivered by Southern LNG for current service and Gas received or delivered by Southern LNG as payback of estimated imbalances, the Gas received or delivered as current service shall be deemed to be received or delivered prior to any payback Gas.
- (j) Package ID: A Package ID is a way to differentiate between discrete business transactions. Use of the Package ID is at the discretion of the service requester and, if sent, will be accepted and processed by Southern LNG. When used, Package IDs shall be supported for nominating, scheduling, and allocating, but not for invoicing unless mutually agreeable.
- (k) Additional Information Requirements:

Customer shall comply with requests by Southern LNG for additional information that Southern LNG believes is necessary to perform service hereunder or to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction. Customer shall notify Southern LNG immediately of any unexpected changes in quantities tendered for delivery, whether or not such notice conforms to the times set out herein. Customer shall cause the operator of each vessel or downstream pipeline designated in any nomination or changes to confirm all such nominations or changes to nominations electronically prior to implementation by Southern LNG.

12.2 Scheduling of Nominations:

Notice of Scheduled Quantities: After receiving notice of the next-day nominations requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantities of Gas for current service it will schedule at the Delivery Point under Customer's Service Agreement by 5:00 p.m. for the 1:00 p.m. nomination cycle and by 9:00 p.m. for the evening cycle on the day prior to the Gas Day for which Customer has made its nominations. In addition to making scheduled quantities information available by the times set forth above, Southern LNG shall also make available to Customer information containing scheduled quantities, including scheduled intraday nominations and any other scheduling changes.

At the end of each Gas Day, Southern LNG shall provide to Customers the final scheduled quantities for the just completed Gas Day. With respect to Customers using EDI, Southern LNG shall send by EDI an end of the day Scheduled Quantity document. Any Customer may waive the delivery of such end of the day Scheduled Quantity document.

After receiving notice of the intraday nomination changes requested by Customer under its Service Agreement, Southern LNG shall advise Customer of the quantity of Gas for current service that it is able to schedule on an intraday basis prior to the effective time for such change. Southern LNG shall also notify any interruptible Customers of any interruption in service prior to such interruption being effective.

12.3 Confirmation:

(a) Customer's Responsibilities:

Southern LNG shall be entitled to rely conclusively on Customer's nomination as authorized for purchase or sale.

Customer shall not nominate for service in excess of (i) the quantities of LNG to be purchased/sold by Customer, or (ii) the quantities of Vaporized LNG that third-party transporter(s) have agreed to accept for transportation upon delivery by Southern LNG, or (iii) the quantities of Vaporized LNG that third-party transporter(s) have agreed to accept for delivery by Southern LNG, whichever is less. Customer shall be responsible for all dispatching notices to its seller(s) and third-party transporter(s), for notifying third-party transporter(s) of any changes in nominations, and for ensuring that third-party transporter(s) comply with such changes.

(b) Southern LNG's Procedures:

Prior to final scheduling of any nominations by Customer, Southern LNG shall make such inquiries as it deems necessary, including but not limited to contacting the responsible dispatching party at the Delivery Point, to determine that the portion of Customer's nomination that can be scheduled by Southern LNG will be implemented as stated by Customer ("Confirmation Request"). Absent mutual agreement by the dispatching party at the Delivery Point, the confirmation request provided by Southern LNG shall be at the entity level. All confirmation activities on Southern LNG's system for next-day Gas flow, both those confirmations received by Southern LNG and those given by Southern LNG at pipeline interconnects, must be completed no later than 4:30 p.m. for the timely nomination cycle and by 8:30 p.m. for the evening nomination cycle. The confirming party may relieve Southern LNG of its obligations to send a confirmation notice. If Southern LNG does not receive any communication from the confirming party, it will schedule the lesser of the nomination or the quantity Southern LNG determines will be implemented based on other available information.

12.4 Reserved.

12.5 Scheduling Priorities for Delivery Nominations of Vaporized LNG:

- (a) If, on any day, Southern LNG determines it has insufficient delivery capacity to vaporize all Customers' Firm and Interruptible Services for that day, then Southern LNG shall first allocate all of its available vaporization capacity to Firm Services.
- (b) If Southern LNG further determines that it has insufficient delivery capacity to provide services allocated under the preceding paragraph 12.5(a) on that day, then Southern LNG shall allocate all of its reduced capacity to the Firm Services based on the ratio of each Customer's total MDVQ to the total aggregate MDVQ of all firm Customers submitting nominations. Each firm Customer shall be allocated its proportionate share of the available capacity based on its percentage share calculated from this ratio.
- (c) If Southern LNG does not have to limit its firm delivery services on a day, Southern LNG shall allocate the remaining capacity on its system to Interruptible Services. If the remaining capacity is insufficient to satisfy all of the nominations for Interruptible Services, then the interruptible Customers shall be served on the basis of the rate paid for service, higher rate first, and pro rata among Customers paying the same rate based on each Customer's confirmed nomination relative to the total confirmed nominations by all Customers for such Interruptible Services. If an interruptible Customer receiving a discount or negotiated rate less than the maximum rate elects to pay the maximum rate applicable to its service on any day that its capacity would be allocated otherwise, Customer's service will be queued up with other maximum-rate interruptible Customers. Customer must elect by the nomination deadline for the day capacity is to be allocated. For negotiated rate transactions for interruptible service in which Customer is paying a rate exceeding the maximum rate, Customer shall be deemed to be paying the maximum rate for purposes of this Section.

- (d) If quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity to each Customer with a firm K-6 Capacity entitlement pro rata based on the ratio of Customer's firm K-6 Capacity entitlement to the K-6 Capacity. Customers that do not have a firm K-6 Capacity entitlement shall be treated as interruptible users of such K-6 Capacity and shall be allocated the remainder of any K-6 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.
- (e) If quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(X)(3) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-7 Capacity, then Southern LNG shall first allocate all of the available K-7 Capacity to each Customer with a firm K-7 Capacity entitlement pro rata based on the ratio of Customer's firm K-7 Capacity entitlement to the K-7 Capacity. Customers that do not have a firm K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

12.6 Delivery Point Allocation of Vaporized LNG:

- (a) Use of PDAs:

On a daily basis at the Delivery Point, Southern LNG shall allocate the quantities of Gas metered at the point among the quantities of Gas scheduled at the point for the account of its Customers, based on the Pro Rata PDA method unless another PDA method is provided by the party that owns or operates the downstream facilities interconnecting with Southern LNG's facilities at the Delivery Point (the "downstream operator"). The alternative PDA methodologies from which the downstream operator may choose include the Swing PDA, a Ranked PDA, a Percentage PDA, or any other mutually agreeable allocation methodology. A new allocation detail may be needed when a nomination changes. The PDA shall be provided by the downstream operator for each nominating Customer to its Delivery Point. Southern LNG shall then allocate pro-rata to Customer's scheduled contracts, unless Customer has provided a ranking by contract, and then for each contract, use the downstream ranks provided by Customer in its nomination for applying the PDA to the downstream Package ID level at the Delivery Point. Customer agrees that Southern LNG shall have the right to rely conclusively on the PDA provided pursuant to this Section 12 for the purposes of determining the daily quantities of Gas delivered by Southern LNG for the account of Customer at each Delivery Point. Downstream operators should communicate to the other customers that their transaction(s) for allocation purposes are lowest ranked or swing, when such customers' transaction(s) are identified by the downstream operator in the PDA statement submitted to Southern LNG as being lowest ranked or swing (NAESB WGQ Standard 2.3.63).

- (b) PDA Deadlines:

Each PDA must be submitted to Southern LNG, through its Interactive Website, by 5:00 p.m. on the second business day after the calendar day on which the Gas Day ends. COMPANY shall extend the PDA deadline to no later than four (4) business days following the end of the month in which the Gas was delivered in the event all of the affected parties send notice to COMPANY through email that they are in agreement on the PDA to be used and have no objection to a change in the PDA.. The current PDA will stay in effect as submitted until it is changed pursuant to the foregoing procedures. A new allocation detail may be needed when a nomination changes. In the event Customer adds a nomination at the Delivery Point, then Southern LNG must provide, or cause to be provided, as set forth above, a PDA at the Delivery Point which recognizes Customer's nomination.

(c) Maximization:

To better maximize the use of Customer's Firm Services for which it is paying a Reservation Charge, Southern LNG shall maximize Customer's services as follows prior to billing Customer under its Service Agreements with Southern LNG. The total quantity allocated to Customer at the Delivery Point pursuant to the PDA in effect for the day shall be deemed to be allocated among Customer's various services in effect at the point on that day in the following order, as applicable: Firm Service, acquired capacity release charged on a reservation basis, interruptible service, then overrun.

(d) Application of NAESB Standards' Timelines:

The NAESB timelines applicable to standard NAESB predetermined allocation (PDA) methods shall also apply to any additional PDA methods offered by Southern LNG pursuant to the provisions of this Section 12.6.

(e) Time Limit on Disputes of Allocations:

If Customer disputes any of the allocations of Gas made to its agreements with Southern LNG under this Section 12.6, Customer must notify Southern LNG of such dispute, with supporting documentation, no later than six (6) months following the month of service being disputed. Southern LNG shall have three (3) months within which to resolve or rebut the dispute. These time limits do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

12.7 Nominations and Deliveries of LNG; Boil-Off Gas Allocation.

- (a) Customer may utilize Southern LNG's Ship Loading Service or Interruptible Ship Loading Service by nominating deliveries of LNG to a vessel from the LNG Storage tanks of the Elba Island Terminal up to its MDLQ as further defined in Sections 3.4 and 6.2 of the applicable Rate Schedule.
- (b) The Interruptible Ship Loading Service shall be secondary in nature to Southern LNG's firm Terminal Services, including Ship Loading Service; provided, however, Interruptible Ship Loading Service for Customers that have also subscribed to Firm Service shall have a priority over Interruptible Ship Loading Service for Customers that have only subscribed to Interruptible Service. To the extent that Southern LNG cannot schedule nominations or ship berthing associated with the Interruptible Ship Loading Service because they would prevent, hamper, impair or impede services under Southern LNG's firm Terminal Services, then the nominations or ship berthing for the firm services, including Ship Loading Service, shall have priority.
- (c) If the quantity of the Boil-Off Gas subject to allocation pursuant to Section 3.3(b)(ii)(x)(2) of Rate Schedules LNG-1, LNG-2, or LNG-3 exceeds the K-6 Capacity or K-7 Capacity, then Southern LNG shall first allocate all of the available K-6 Capacity or K-7 Capacity to each Customer with a firm K-6 Capacity or K-7 Capacity entitlement, respectively, pro rata based on the ratio of Customer's firm K-6 Capacity or K-7 Capacity entitlement to the K-6 Capacity or K-7 Capacity. Customers that do not have a firm K-6 Capacity or K-7 Capacity entitlement shall be treated as interruptible users of such K-7 Capacity and shall be allocated the remainder of any K-6 Capacity or K-7 Capacity pro rata based on their allocated share of the Boil-Off Gas for that day.

13. BILLING AND PAYMENT

13.1 Billing:

On or before the ninth (9th) business day of each calendar month, Southern LNG shall render to Customer a statement of the Reservation Charges for service for the preceding month and the amount due for firm or interruptible services rendered in the preceding month, which shall include any necessary adjustments, including capacity release, to the Reservation Charges. Rendered is defined as time-stamped and delivered (made available) to the site designated by Southern LNG on its Interactive Website or delivered to Customer by the U.S. Postal Service, a nationally reputable courier service, or electronically through e-mail. Southern LNG shall provide to Customer notice electronically when Customer's invoice is available on its Interactive Website. The invoice will be deemed rendered once Southern LNG sends such notice of invoice availability. Prior to rendering an invoice to Customer, Southern LNG shall offset the invoice by all amounts owed by Southern LNG to the Customer for that month; provided, however, that this offset shall not affect disputed amounts.

13.2 Payment:

Billing statement shall be deemed to be received by each Customer on the date of the postmark, timestamp or electronic delivery of the notice rendered by Southern LNG. Customer shall make payment to Southern LNG for the Reservation Charge levied and for the services performed or charges levied hereunder by electronic bank transfer (i.e. wire transfer, ACH transfer or other mutually acceptable transfer method), at such address as Southern LNG may hereafter designate, no later than ten (10) days after the Customer's receipt thereof. All payments made by Customer shall include Southern LNG's invoice number(s) for purposes of matching the payment to the invoice.

13.3 Invoice Disputes and Interest on Unpaid Amounts:

If Customer disputes, in good faith, the amount of any invoice from Southern LNG, it shall provide a description and supporting documentation of its position and timely submit payment of the amount it states is due to Southern LNG along with remittance detail. In the event Customer pays such invoice through a wire transfer of funds, then Customer shall provide Southern LNG with the remittance detail in writing within two days of payment. Southern LNG shall apply such payment in accordance with Customer's documentation. Customer agrees that Southern LNG's acceptance of a partial payment does not waive Southern LNG's right to full payment after resolution of the disputed invoice in the future.

Should Customer fail to pay any amount when due, interest on the unpaid amount shall accrue at the rate equal to the rate then set forth in section 154.501 of the Commission's Regulations (18 C.F.R. § 154.501) from the date payment was due until payment is made. Southern LNG agrees to waive interest charges on a late payment if such charge is not in excess of \$100.00 or if Customer, through no fault of its own, fails to receive its notice of invoice availability by the payment due date and notifies Southern LNG of such failure. If any such failure to make payment continues for twenty (20) days or more, Southern LNG may suspend further service upon ten (10) days' prior written notice to Customer, but the exercise of such right shall be in addition to any other remedy available to Southern LNG; provided, however, that if Customer, in good faith, has disputed the amount of any such bills or parts thereof and paid Southern LNG in a timely manner such amounts as it concedes to be correct and, at any time thereafter within thirty (30) days of a demand made by Southern LNG, shall furnish a good and sufficient surety bond in an amount and with sureties satisfactory to Southern LNG conditioned upon the payment of any amounts ultimately found due upon such bills after a final determination, which may be reached either by agreement or judgment of the courts, as the case may be, then Southern LNG shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions on such bond. In the event it is finally determined or agreed that no payments were due from Customer on such disputed bills, then Southern LNG will reimburse Customer for the cost of procuring the surety bond within ten (10) days after receipt of a detailed invoice therefor from Customer.

13.4 Prepayment in the Event of Default:

Upon default in payment for a period in excess of twenty (20) days, Southern LNG may require as a condition to the continuation or recommencement of services a deposit or other acceptable credit arrangement in an amount equal to not more than three estimated maximum monthly bills for services.

13.5 Conversion Factors:

Solely for purposes of billing reservation charges per dekatherm of service, any MDLQ expressed in Customer's Service Agreement in gallons per minute ("GPM") shall be converted to dekatherms by a conversion factor of 123.9. This adjustment in no manner changes Southern LNG's use of a different or actual conversion factor for other purposes.

16. CUSTOMER RELEASE OF FIRM CAPACITY

16.1 General:

This Section 16 sets forth the exclusive means by which a Customer for Firm Service (Releasing Customer) may, pursuant to Section 284.8 of the Commission's Regulations (18 C.F.R. § 284.8), release its capacity rights under a Service Agreement with Southern LNG under a Firm Rate Schedule to a Customer who is acquiring such capacity (Replacement Customer).

16.2 Capacity Eligible For Release:

A Customer with a Service Agreement with Southern LNG under any Firm Rate Schedule may release firm capacity for Terminal Service (in proportional quantities of storage and vaporization capacity). A Customer may not separately release capacity under Southern LNG's Ship Loading Service or Interruptible Ship Loading Service (unless the Replacement Customer has firm storage demand or the Releasing Customer releases a proportionate amount of firm storage).

16.3 Types of Releases:

(a) Permanent Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, for the entire remaining term of the Service Agreement (Permanent Release) pursuant to the provisions of this Section 16.

A Permanent Release operates as an assignment of capacity. Therefore, the Replacement Customer must meet Southern LNG's requirements related to creditworthiness set forth in Section 2 of the GT&C or as applicable to the Releasing Customer's Service Agreement under the terms of a Precedent Agreement related to the expansion of Southern LNG's facilities. It will be necessary for Southern LNG to consent to the permanent release of the capacity, unless otherwise previously agreed under a precedent agreement for the construction of Southern LNG's facilities for an assignment to an Affiliate or Joint Venture Partner, or unless the credit support provided by the Releasing Customer remains in place to support the Replacement Customer's capacity, such consent not to be unreasonably withheld. In any event, Southern LNG shall allow a permanent release if the Replacement Customer meets the credit requirements in Section 2.1 (d) and all other applicable requirements of the GT&C. Upon the permanent release, Releasing Customer's credit support shall be proportionately decreased in relation to the capacity transferred to the Replacement Customer and the credit requirements associated with any such permanent release shall not result in an increase in value of the credit requirements associated with all such capacity. The Replacement Customer shall be required to execute a separate Service Agreement with Southern LNG for the released capacity (i) at the discounted, negotiated, or maximum rate applicable to Releasing Customer's Service Agreement (and attachments thereto) and (ii) for the primary term remaining under the Releasing Customer's Service Agreement with Southern LNG, unless Southern LNG agrees otherwise in a nondiscriminatory manner. Furthermore, the Replacement Customer must contract for the Receipt Point and Delivery Point specifically set forth in a Releasing Customer's Offer of firm capacity under Section 16.6 below.

The Replacement Customer then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 16. Upon the successful completion of a Permanent Release, the Releasing Customer shall be responsible only for those charges under its Service Agreement incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for capacity not released on a permanent basis; provided, however, that Releasing Customer shall, if reasonable given the circumstances of a particular permanent release, remain responsible for charges incurred after the effective date of the release.

(b) Temporary Release:

A Releasing Customer may release all or part of its firm capacity, with all associated receipt, storage, and delivery rights under a Service Agreement with Southern LNG, on a temporary basis (i.e., for a term equal to or less than the remaining term) (Temporary Release), pursuant to one of the following methods and the further provisions of this Section 16.

(1) Firm Temporary Release:

A Releasing Customer may temporarily release capacity on a firm basis for a specified term without a right of recall, except as provided in Section 16.5 below. The minimum term for any Firm Temporary Release shall be one contract day. All Firm Temporary Releases exceeding one (1) contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(2) Temporary Release Subject to Recall:

Subject to the provisions of Section 16.3(b)(3), a Releasing Customer may temporarily release capacity subject to a right of recall by the Releasing Customer upon the occurrence of the condition precedent specified in the Releasing Customer's Offer under Section 16.6(c) below. The minimum term for any Temporary Release Subject to Recall shall be one contract day. Any Temporary Release Subject to Recall offered for more than one contract day must be offered for a consecutive number of days, but the release can commence on any day during the month.

(3) Recall and Reput Rights:

A Releasing Customer has the right to define the condition(s) precedent which will result in a recall of the released firm capacity; provided, however, that the condition(s) shall not be inconsistent with the terms and conditions of the Releasing Customer's Service Agreement with Southern LNG nor with the provisions of Southern LNG's FERC Gas Tariff. Furthermore, the recall conditions specified by the Releasing Customer must be nondiscriminatory and identifiable events and should be specified at the time of the deal.

A Releasing Customer exercising its right to recall its capacity, may recall its capacity, i.e. reactivate its capacity, by giving notice to Southern LNG through its Interactive Website, however, the service flexibility available to either the Releasing Customer or the Replacement Customer(s) for the subject capacity should not be less as a result of the recall (NAESB WGQ Standard 5.1.3).

A Releasing Customer may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle, the Evening Nomination cycle, and recall unscheduled released capacity at the Intraday 1 and Intraday 2 and Intraday 3 Nomination cycles by providing notice to Southern LNG, and the first Replacement Customer, by the following times for each cycle: 8 a.m. for the Timely Nomination cycle on the day that Timely Nominations are due as set forth in GT&C Section 12.1(c); 3:00 p.m. as an Early Evening notification for the Evening Nomination cycle on the day that Evening Nominations are due; 5:00 p.m. for the Evening Nomination cycle on the day that the Evening Nominations are due; 7:00 a.m. for the Intraday 1 Nomination cycle on the day that the Intraday 1 Nominations are due, 12:00 p.m. for the Intraday 2 Nomination cycle on the day that the Intraday 2 Nominations are due, and 4:00 p.m. for the Intraday 3 Nomination cycle on the day that the Intraday 3 Nominations are due (NAESB WGQ Standard 5.3.44).

Notification to Replacement Customers will be provided by Southern LNG, pursuant to GT&C Section 14 above, within one hour of receipt of any recall notifications from Releasing Customer received between 7:00 a.m. and 5:00 p.m. For all recall notifications received between 5:00 p.m. and 7:00 a.m., notifications to Replacement Customers will be provided by Southern LNG no later than 8:00 a.m. (NAESB WGQ Standards 5.3.44 and 5.3.45). The recall notice shall specify the start date and nomination cycle for the specified effective Gas Day and an end date as well as any other information needed to uniquely identify the capacity being recalled. This notice should indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall (NAESB WGQ Standards 5.3.48 & 5.3.49). The obligation of Southern LNG to provide notification is waived until at least one functional e-mail address has been provided as set forth in GT&C Section 14.4 (NAESB WGQ Standard 5.3.47).

The Releasing Customer should provide in its notification to Southern LNG the quantity in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity (EPC) (NAESB WGQ Standard 5.3.55). The EPC shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity (NAESB WGQ Standard 5.2.3). In the event of an intraday capacity recall, Southern LNG should determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the EPC (NAESB WGQ Standard 5.3.56). Southern LNG is not obligated to deliver in excess of the total daily contract quantity of the release (NAESB WGQ Standard 5.3.57). The amount of capacity allocated to the Replacement Customer(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the EPC (NAESB WGQ Standard 5.3.58).

A Releasing Customer must notify, or cause to be notified, the first Replacement Customer at the same time it provides notice to Southern LNG as set forth above under the form of notification agreed upon by Releasing Customer and Replacement Customer (NAESB WGQ Standards 5.3.44(i)(a) & 5.1.2) in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions to avoid penalties (NAESB WGQ Standard 5.1.4). Affected Replacement Customer should manage internal distribution of modifications of recall received from Southern LNG (NAESB WGQ Standard 5.3.52). Southern LNG has the right to rely on a Releasing Customer's notice and a Releasing Customer shall defend and indemnify Southern LNG against any claims, losses, liabilities, or expenses resulting from claims by the Replacement Customer that it was not notified or that capacity was not recalled in accordance with the recall rights specified by the Releasing Customer in its Offer.

If, following the recall, time remains in the term for which the capacity as temporarily released, the capacity shall revert back to the last Replacement Customer at the end of the recall period, provided the offer either requires such reput or allows reput to be at the option of the Replacement Customer and such party elects for the capacity to be reput at the end of the recall period.. If following the recall no time remains in the term for which the capacity was temporarily released, the capacity rights shall remain with the Releasing Customer either for continued utilization by Releasing Customer or for release again pursuant to this Section 16. When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53). The deadline for notifying Southern LNG of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54).

(4) Secondary Release of Firm Capacity:

An Replacement Customer who has acquired capacity hereunder on a temporary basis may subsequently release the capacity it has acquired in accordance with the terms of this Section 16. The Replacement Customer thereby becomes a

Releasing Customer. A Secondary Release of capacity cannot operate to release greater capacity rights than the capacity acquired by the Releasing Customer. Furthermore, to the extent that a Releasing Customer acquired firm capacity subject to a right of recall, the capacity then released by the Releasing Customer, and any subsequent Secondary Release of the capacity, shall also be subject to the right of recall.

(c) Prearranged Release of Capacity:

A Releasing Customer who wishes to release its capacity to a prearranged bidder on a temporary basis may do so without posting an offer for its firm capacity, unless it elects to post its offer for competitive bidding, if the proposed capacity release is:

- (i) for a term of thirty-one (31) days or less,
- (ii) for a term of more than one (1) year for which customer has obtained a Prearranged Customer and the Prearranged Customer is paying the maximum rate and all other terms and conditions of the release are met,
- (iii) to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations, or
- (iv) to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

If such prearranged bid qualifies under (i)-(iv) above and the RELEASING Customer did not elect to post its offer for bidding, the release shall not be subject to the competitive bidding requirements of Section 16.6 below, but shall be subject to all other provisions of this Section 16.

Unless capacity is released pursuant to either an asset management arrangement or state-regulated retail access program, a Releasing Customer may not roll over, extend, or in any way continue the release to the same Replacement Customer using the thirty-one (31) days or less bidding exemption until twenty-eight (28) days after the first release period has ended. The twenty-eight (28)-day hiatus does not apply to any re-release to the same replacement Customer that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth herein.

The minimum term for a release of capacity for a period of thirty-one (31) days or less shall be one (1) contract day and the term must be for a consecutive number of days.

The timetables set forth in Section 16.6(a) shall not apply to the non-posted releases set forth above, except for those releases of thirty one (31) days or less which the Releasing Customer elects to post for competitive bidding.

Under any type of non-posted temporary release, the Releasing Customer and Replacement Customer shall notify Southern LNG electronically on its Interactive Website of the terms of the release at least one (1) hour prior to the applicable nomination deadline in which the release will go into effect so that the Replacement Customer may have the ability to nominate on the next available nomination cycle. The Replacement Customer must also be prequalified pursuant to the requirements of Section 16.6(e) below. Southern LNG shall post on its Interactive Website the terms of a prearranged release entered into under this Section 16.3(c) prior to or on the effective date of the release.

- (d) For purposes of bidding and awarding, any maximum and/or minimum rates specified by the Releasing Customer shall include the tariff reservation rate and all demand charges, specified as a total number or as stated separately. For temporary releases that become effective on or after July 30, 2008, the maximum and/or minimum rates specified by the Releasing Customer may exceed the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less. For purposes of applying any rate

cap applicable to temporary capacity releases with terms of more than one (1) year, the maximum rate shall be the maximum rate set forth in the applicable Rate Schedule.

16.4 Releasing Customer's and Replacement Customer's Obligations:

(a) Replacement Customer:

To bid on capacity for a Release under Section 16.3(a), Section 16.3(b), or Section 16.3(c) above, the bidder must be preapproved for credit as more particularly set forth in Section 16.6(e) below. Southern LNG will not award release offers to Customer until and unless Customer meets Southern LNG's creditworthiness requirements applicable to all services that it receives from Southern LNG, including the service requested by the capacity release (NAESB WGQ Standard 5.3.59).

Bids shall be binding until notice of written or electronic withdrawal is received by Southern LNG (NAESB WGQ Standard 5.3.13). Any bid submitted and not withdrawn by the end of the bid period will legally bind the bidder to the terms of the bid if Southern LNG chooses that bid as the "best bid" under Section 16.6(h) below. Once a bid on an Offer for a Permanent or Temporary Release of capacity is accepted, the Replacement Customer shall execute a Service Agreement with Southern LNG to utilize the capacity under the terms set forth in the accepted bid and the terms and conditions of Southern LNG's Tariff applicable to the capacity released, as more particularly set forth in Section 16.6(j) of these General Terms and Conditions. Before a Replacement Customer may execute an amendment to its Service Agreement with Southern LNG to utilize released capacity, the Replacement Customer must satisfy all of Southern LNG's requirements relating to the applicable Rate Schedule.

Once the Replacement Customer electronically executes its Service Agreement resulting from a Permanent Release or Southern LNG provides the Replacement Customer an electronic Service Agreement number and records pursuant to the provisions of Section 16.6(j) below, the Replacement Customer becomes an existing Customer with separate contract quantities like any other Customer and is subject to the applicable provisions of Southern LNG's Tariff, including but not limited to Southern LNG's billing, payment, and operational provisions.

(b) Releasing Customer:

The Releasing Customer shall remain fully liable on its existing Service Agreement with Southern LNG for the payment of all reservation charges for the contract quantity which has not been released permanently, associated surcharges, fixed charges, and direct bills owing to Southern LNG each month under the existing Service Agreement, as well as for services performed for the Releasing Customer under its firm Service Agreement with respect to any capacity not released.

16.5 Billing and Payment:

An Replacement Customer shall be billed by Southern LNG and shall make payments to Southern LNG in accordance with the terms of its executed Service Agreement.

On the Releasing Customer's bill for a month in which it released capacity on a temporary basis, Southern LNG shall credit all reservation charge revenues billed by Southern LNG to the Replacement Customer for the released capacity; provided, however, that in the event the Replacement Customer fails to pay Southern LNG for any part of the amount credited to the Releasing Customer's bill, Southern LNG reserves the right, after it exhausts any credit it has on file for the Replacement Customer, to reverse the credit on the Releasing Customer's bill in a later month up to the unpaid amount plus interest. If the Replacement Customer fails to pay its reservation charges pursuant to the provisions of GT&C § 15, then the Releasing Customer shall have the right to recall its capacity by notifying the Replacement Customer and Southern LNG pursuant to the provisions of Section 16.3(b)(3) above. Southern LNG shall provide Releasing Customer with e-mail notification within a reasonable time if Southern LNG sends any of the following formal notices to Replacement Customer:

- (1) Notice regarding the Replacement Customer's past due, deficiency, or default notice status pursuant to Section 15 hereof;
- (2) Notice regarding Replacement Customer's suspension of service notice;
- (3) Notice regarding Replacement Customer's contract termination notice due to default or credit-related issues; and
- (4) Notice that the Replacement Customer is no longer creditworthy and has not provided credit alternative(s) pursuant to Section 2.1(d) hereof (NAESB WGQ Standard 5.3.60).

All reservation charge credits to the Releasing Customer's bill shall be final and nonreversible upon Southern LNG's receipt of payment therefor from the Replacement Customer. To the extent Exhibit C or F, as applicable, of a Releasing Customer's firm Service Agreement provides for the following, Southern LNG shall not be required to credit all reservation charge revenues billed to the Replacement Customer when the Releasing Customer pays a discount or negotiated rate at less than the maximum recourse rate and would otherwise receive credits in excess of such discounted or negotiated rate.

The Replacement Customer shall be obligated to pay Southern LNG the Reservation Charge specified in the award, plus all surcharges and GRO and LAUF, applicable to the quantities that Southern LNG receives or delivers under the Replacement Customer's Service Agreement. Southern LNG will retain the charges, surcharges, and GRO and LAUF it receives from the Replacement Customer. If any of the maximum recourse rates billed to and paid by the Replacement Customer under its Service Agreement exceed the maximum recourse rate which the Commission determines to be just and reasonable, and if Southern LNG is ordered to make refunds, then the Replacement Customer shall be eligible to receive refunds to the extent of any payments it made in excess of the maximum recourse rates the Commission subsequently determines to be just and reasonable. For releases that become effective on or after July 30, 2008, the rate paid by the Replacement Customer in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund. For index-based capacity release when bidding is based upon a dollars and cents differential from the Rate Floor, the billed rate for the award will be calculated as the greater of (i) the result of the index-based formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed the maximum reservation charge, if applicable.

16.6 Offer and Bid Procedures:

(a) Offer/Bid Schedule:

As per NAESB Standard 5.3.2, the minimum days and times by which both offers and bids for releases of capacity must be electronically transmitted to Southern LNG in accordance with the procedures set forth in Section 16.6(c) and Section 16.6(f) below, as well as other minimum deadlines required by Southern LNG for successful completion of the bid/offer cycle, are set forth below. The timetables in this Section 16.6(a)(1), (2), and (3) below set forth the deadlines for standard offers to release capacity (i.e., those which contain no special terms and conditions). Offers which contain special terms and conditions, including but not limited to contingencies or best bid and tie breaker criteria other than those set forth in Sections 16.6(h) and (i) below, are deemed to be non-standard offers and shall require additional evaluation time. Releasing Customer must post its Offer in sufficient time to allow the release to occur on the date offered, given the schedule to be applied and any extensions of that schedule allowed by the Releasing Customer in its Offer (all times are CCT).

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season ends at 10:00 a.m. on the same or a subsequent Business Day; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is

posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

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

offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day; open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days; evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken; if no match is required, the evaluation period ends and the award is posted by 11:00 a.m.; where match is required, the match is communicated by 11:00 a.m.; the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m.; the contract is issued within one hour of the award posting (with a new contract number, when applicable); nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(3) For non-biddable releases:

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

Timely Cycle – 12:00 pm

Evening Cycle – 5:00 pm

Intraday 1 Cycle – 9:00 am

Intraday 2 Cycle – 1:30 pm

Intraday 3 Cycle – 6:00 pm

The contract is issued within one hour of award posting (with a new contract number, when applicable). Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(4) The Releasing Customer may choose any bid period as long as it meets the minimum requirements in the applicable timetable set forth above in Section 16.6(a).

If the Releasing Customer allows contingent bids to be submitted, each bidder submitting a valid, contingent bid must notify Southern LNG, by the deadline set forth in the applicable timetable above in Section 16.6(a) unless the Releasing Customer specified another deadline pursuant to the foregoing procedures, that the contingency has been removed and that the bid is to remain eligible for processing.

(b) Offer of Capacity:

Pursuant to the applicable schedule established in Section 16.6(a) above, a Customer desiring to release capacity shall post on Southern LNG's Interactive Website, on the standard form provided by Southern LNG on its Interactive Website, an offer of capacity (Offer), except as provided otherwise in Section 16.3(c) above. Southern LNG shall date and time stamp all offers as they are received and shall post each Offer if it is complete, unless the Releasing Customer specifies a different time and date for its Offer to be posted. In that event, Southern LNG shall post the Offer at the time specified by the Releasing Customer, provided that such time does not conflict with the deadlines set forth above in Section 16.6(a).

The Releasing Customer agrees that its posted Offer specifically is subject to the following conditions:

- (1) Reserved.
- (2) Reserved.
- (3) Once a Releasing Customer's Offer is posted, the offer remains binding until withdrawn by the Releasing Customer at any time during the bid period when (i) unanticipated circumstances justify and (ii) no minimum bid has been made. (NAESB WGQ Standard Standard 5.3.14)
- (4) For releases that become effective on or after July 30, 2008, the release of firm capacity must commence within one (1) year of the date upon which Southern LNG is notified if the reservation charge requirement is in excess of the maximum tariff rate and the term of the proposed release is for one (1) year or less.

(c) Releasing Customer's Offer:

A Releasing Customer's Offer shall include, among other things, the following standard information, if applicable:

- (1) the name of the Releasing Customer;
- (2) the Rate Schedule under which Customer proposes to release capacity;
- (3) the contract number(s) of the Releasing Customer's Service Agreement(s);
- (4) whether the release is permanent or temporary;
- (5) if a temporary release:
 - (A) whether the release is firm or subject to a right of recall;
 - (B) if subject to recall, then the identifiable condition(s) precedent upon which the recall right will be asserted should be specified at the time of the deal;
 - (C) if subject to recall, then whether the reservation charge paid by the Replacement Customer is to be pro-rated for any days on which the capacity is actually recalled;
 - (D) (reserved for future use);
 - (E) if subject to recall, whether the release is recallable on a timely, early evening, evening, Intraday 1 or Intraday 2 or Intraday 3 recall notification period (NAESB WGQ Standard 5.3.50);
 - (F) if subject to recall, whether the recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51); and
 - (G) whether a Secondary Release may be made by the Replacement Customer (NAESB WGQ Standard 5.3.19).
- (6) the amount(s) of capacity, expressed as MSQ and MDVQ in proportional quantities of storage and vaporization capacity, to be released and whether bids for less than the full quantity offered are acceptable;
- (7) the proposed effective date of the release, term of the release and whether bids for less than the full term offered are acceptable;

- (8) whether the offer is subject to a Prearranged Bid and, if so, (i) the name of and DUNS number for the Prearranged Bidder;
- (9) whether the Releasing Customer desires bids in dollars, as a percentage of Southern LNG's reservation charge either daily or monthly (inclusive of reservation surcharges), or as an index-based formula (under one of the methods listed below) applicable to the capacity to be released;
 - (i) a percentage of the formula,
 - (ii) a dollars and cents differential from the formula, or
 - (iii) a dollars and cents differential from the Rate Floor;
- (10) any minimum reservation charge (inclusive of reservation surcharges) or percentage of the maximum reservation charge at which the bids must begin or whether the bids on the reservation charge (inclusive of reservation surcharges) should be submitted as an index-based formula; or, for releases that become effective on or after July 30, 2008, any minimum reservation charge requirement (inclusive of reservation surcharges) which is in excess of the maximum tariff rate for the applicable service if the term of the proposed release is one (1) year or less;
- (11) reserved;
- (12) whether contingent bids may be submitted and the deadline for removing any such contingencies;
- (13) pursuant to the provisions of Section 16.6(a), any extensions in the deadlines established in Section 16.6(a);
- (14) the economic criteria, if any, to be utilized by Southern LNG in determining the "best bid" (these criteria to be (i) objectively stated, (ii) applicable to all bidders, and (iii) nondiscriminatory);
- (15) a non-discriminatory tie breaker, if any, to be utilized in determining the "best bid" in the event two or more bids generate equal revenues;
- (16) if capacity is released under a Firm Rate Schedule:
 - (A) the Delivery Point(s) at which released and the Point Code(s);
 - (B) the Receipt Point(s) at which released and the Point Code(s);
- (17) whether the Releasing Customer will sell to the Replacement Customer the LNG that Releasing Customer fails to withdraw or transfer by the effective date of the release and, if so, the price asked for that LNG;
- (18) whether the recalled capacity is to be reput to the original Replacement Customer (i) for the original terms of the release or (ii) at the option of the original Replacement Customer for the original terms of the release (NAESB WGQ Standard 5.3.7);
- (19) whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations, and the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect under the asset management arrangement; and
- (20) whether the proposed release is to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

Southern LNG will provide the following information with each Offer: (i) the reservation charge (and reservation surcharges) applicable to the capacity being released, (ii) the date and time the Offer was posted on Southern LNG's Interactive Website, and (iii) the date and time the bid period ends.

(d) Prearranged Bidders:

A Releasing Customer must identify in its Offer any "Prearranged Bid" to be made on the firm capacity offered for release. However, the "Prearranged Bidder" must also meet all of the requirements established for bidders pursuant to Section 16.6(e)-(g) below. A Prearranged Bidder must confirm its bid in accordance with Section 16.6(f) below.

For bids on Offers in which the Prearranged Bidder confirms a bid for the offered capacity at the maximum reservation charge applicable to the Releasing Customer's service or at a higher reservation charge applicable to releases that become effective on or after July 30, 2008 when the term proposed is for one (1) year or less and the release takes effect on or before one (1) year from the date on which Southern LNG was notified of such release, for the full quantity, capacity, and term offered by the Releasing Customer, and the Prearranged Bidder satisfies all of the requirements of Section 16.6(e)-(g) below, then the Prearranged Bid will be deemed the "best bid." Southern LNG shall thereafter post on its Interactive Website, as set forth in Section 16.3(c) above, the identity of the Prearranged Bidder, and the terms upon which the capacity was released.

In all other situations, but except in those situations where Releasing Customer is not required to post the Offer as set forth above in Section 16.3(c), the Prearranged Bid shall constitute the minimum bid price for all other bidders, and shall be posted on the Releasing Customer's Offer as the minimum bid. If Southern LNG does not receive any better bid by the date on which all bids are due, then the Prearranged Bid shall be deemed the best bid. If Southern LNG does receive a better bid by the date on which all bids are due, then the Prearranged Bidder shall have the right to match the terms of the better bid by the deadline established in Section 16.6(a) above. If the Prearranged Bidder matches the better bid, then the Prearranged Bidder shall be deemed to have made the best bid.

(e) Prequalified Bidder Requirements:

(1) All parties desiring to bid on capacity offered by a Releasing Customer must be prequalified by Southern LNG as creditworthy before submitting a bid on an Offer of released capacity. Unless Southern LNG agrees it has already determined the bidder to be creditworthy or to have suitable credit on file with Southern LNG, the potential bidder must submit to Southern LNG the information set forth in GT&C § 2.1(a) to enable Southern LNG to determine the party's creditworthiness. A bidder's creditworthiness shall be assessed on the same basis as a Customer's creditworthiness under the terms of the Tariff applicable to the capacity being offered. If the potential bidder fails to demonstrate creditworthiness, then the bidder may still prequalify if it provides one of the credit alternatives set forth in GT&C § 2. If a party does not prequalify pursuant to this Section 16.6(e), then the party shall not bid on a Releasing Customer's Offer.

(2) (reserved for future use).

(3) (reserved for future use).

(f) Bidding Procedures:

All bids on a Releasing Customer's Offer, except as provided in Section 16.3(c) above, shall begin at 12 pm on the bid period start date and be transmitted electronically to Southern LNG on Southern LNG's Interactive Website in the standard form provided therein. Southern LNG shall date and time stamp all bids as they are received. Southern LNG shall post for viewing by other parties during the bid period all bids, if complete, received on a Releasing Customer's Offer, except for the names of the bidders. A

separate bid shall be submitted for each separate Releasing Customer's Offer on which a bidder wishes to bid. The price bid on any Offer of capacity must be submitted on a reservation charge basis.

The bid shall include, among other things, the following information included in the standard bid form on Southern LNG's Interactive Website:

- (1) the bidder's name, phone number, and email address;
- (2) the bidder's DUNS number;
- (3) the Offer number and contract number(s) of the Releasing Customer's Service Agreement(s) on which the bid is being made;
- (4) the Reservation Charge, the percentage of Reservation Charge, or the index-based formula bid for the released capacity based on the requirements of the Offer;
- (5) whether the bidder is a Prearranged Bidder;
- (6) the term for which the bid is being made, if the Offer allows bids on less than the term offered;
- (7) if the Offer allows bids on less than the full capacity offered, then the capacity requested, expressed in MSQ;
- (8) (reserved for future use);
- (9) if contingent bids are allowed by the Offer, then a description of the contingency;
- (10) the information required by Section 250.16 of the Commission's Regulations (18 C.F.R. § 250.16) to the extent necessary to allow Southern LNG to comply with its reporting/posting requirements.

A bidder may withdraw its bid on an Offer at any time prior to the end of the bid period, but any subsequent bids submitted by the bidder on that Offer during the bid period must equal or exceed the bidder's previous bid(s).

(g) Southern LNG's Initial Review:

Upon receipt of all bids, Southern LNG shall engage in an initial review to determine the eligibility of each bid for consideration as the best bid. Any bid deemed ineligible pursuant to this Section 16.6(g) shall be eliminated from consideration. A bid shall be deemed ineligible if:

- (1) the bid (or bidder) does not comply with all of the terms, conditions, and deadlines of this Section 16; or
- (2) the bid submitted exceeds the bidder's pre-approved credit term or limits; or
- (3) the bid does not meet the minimum terms of the Releasing Customer's Offer; or
- (4) the bidder has not removed a contingency by the deadline set forth in the Offer.

(h) The Best Bid Determination:

All bids that remain eligible following Southern LNG's initial review shall be considered in determining the best bid. The best bid shall be determined by Southern LNG pursuant to the objective criteria for determining the best bid set forth in the Releasing Customer's Offer.

If the Offer does not specify non-standard best-bid criteria, then the eligible bids will be evaluated by Southern LNG by multiplying the price bid times the volume bid. Bids for a term of more than one (1) month that vary in price or term shall be discounted to present value based on currently effective Commission interest rates (18 C.F.R. § 154.501(d)) or such other published, objective financial measure as posted by Southern LNG in advance of the offer/bid cycle. This formula will generate a revenue number for comparison of the bids and the bid producing the most revenue shall be the best bid. For temporary releases that become effective on or after July 30, 2008, potential Replacement or Prearranged Customers may submit bids in excess of the maximum tariff rate for the applicable service agreement if the term of the proposed release is one (1) year or less and such release is to take effect on or before one (1) year from the date on which Southern LNG is notified of such release. Such rate will be utilized in the determination of the best bid.

If the Releasing Customer specifies an index-based formula in its capacity release offer, the rate used in the bid evaluation will be based on:

- (1) the dollars differential or percentage of the Rate Default, or
- (2) the dollars differential of the Rate Floor, as applicable.

The best bid shall be subject to the rights of a Prearranged Bidder to match the bid in accordance with Section 16.6(d) above. If two or more bids are equivalent, then they will be subject to the outcome of the tie-breaker stipulated in the Releasing Customer's Offer as explained in Section 16.6(i) below.

In its Offer the Releasing Customer may specify any best bid criteria and tie breaker that comply with Sections 16.6(c)(13) and (14) above. However, if the Releasing Customer chooses (i) Southern LNG's best bid criteria set forth above or (ii) one of the following pre-programmed criteria, and one of the tie breakers listed in Section 16.6(i) below, then the Offer will be eligible for the accelerated schedules set forth above in Section 16.6(a) to the GT&C:

- (1) Highest rate;
- (2) Price times quantity (regardless of term);
- (3) Price times quantity times term (net revenue); or
- (4) Present value

If the best bid does not utilize all of the capacity being offered for release, then Southern LNG will award the capacity in the order of best bids until it has awarded all of the offered capacity.

(i) Tie Breaker:

If two or more bids tie, and no Prearranged Bidder has agreed to match the best bid, then the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Customer's Offer. The Releasing Customer may specify one of the following tie-breakers or a different tie-breaker that is objective, nondiscriminatory, and can be applied by Southern LNG.

If the Releasing Customer fails to specify a tie-breaker, Southern LNG shall apply the following tie-breakers in the order shown, if necessary:

- (1) the bid generating the greatest present value of revenues over the shortest term;
- (2) the bid submitted first in time as established by Southern LNG's electronic date and time stamp.

(j) Notification and Contract Award:

Upon completion of the best bid determination, Southern LNG will notify through its Interactive Website the party submitting the best bid (i.e., the Replacement Customer). Southern LNG shall further notify all bidders through its Interactive Website that a best bid has been accepted.

If the capacity was released on a permanent basis, a firm Service Agreement, incorporating the terms of the accepted bid, shall be tendered and executed electronically by the Replacement Customer and Southern LNG through Southern LNG's Interactive Website by the applicable execution deadline set forth in Section 16.6(a) above. For all other types of releases, Southern LNG shall provide the Replacement Customer with a new firm contract number and electronic records on its Interactive Website reflecting the terms of the Replacement Customer's winning bid. A paper copy of the service agreements generated electronically hereunder will be available upon the Replacement Customer's request.

Southern LNG shall post on its Interactive Website the details of the winning bid and the Replacement Customer's name on or before the start date of the release. This notice shall stay on Southern LNG's Interactive Website for at least ninety (90) days.

- (k) If no bids are submitted by the date upon which all bids are due, the Releasing Customer's Offer shall be removed from Southern LNG's Interactive Website.
- (l) All Releasing Customers and Replacement Customers must comply with the deadlines set forth in Section 16.6(a) above in order to avoid cancellation of their offers or bids by Southern LNG.

16.7 Offers to Purchase Capacity:

Southern LNG agrees to post on its Interactive Website, at a party's request, offers to purchase firm capacity on a permanent or temporary basis pursuant to GT&C § 20. Each offer will remain on Southern LNG's Interactive Website for ninety (90) days before it is removed, unless the requesting party notifies Southern LNG prior to the expiration of any ninety-day period that it wishes to extend the posting for an additional ninety (90) days.

16.8 Capacity Release Nominations:

Southern LNG will permit Replacement Customers to submit a nomination at the earliest available nomination opportunity after the acquisition of capacity.

23. OPERATIONAL FLOW ORDERS

23.1 Implementation of OFOs:

Whenever Southern LNG notifies affected parties that an OFO or critical period exists under one of the provisions referenced below, such notice shall describe the condition and the specific responses required from the affected parties. Each potential OFO condition set forth below contains the amount of notice Southern LNG is required to give prior to implementing the OFO, if applicable, through its Interactive Website. Section 14 states the notification method applicable.

23.2 Types of OFOs:

Southern LNG will have the right to issue an OFO to any Customer directing Customer to adjust receipts or deliveries as the case may be, when in Southern LNG's sole judgment, the OFO is required (i) to alleviate conditions that threaten the facilities' integrity, safety, or service or (ii) to ensure compliance with the provisions contained in this Tariff.

Examples of conditions for which Southern LNG may issue OFOs include, without limitation:

- (a) Failure of Customer to nominate and schedule deliveries for vaporization in sufficient quantities to timely accommodate receipt by Southern LNG from Customer's Vessel(s) or accommodate Boil-Off;
- (b) Force majeure or operating condition pursuant to Section § 8.3;
- (c) Non-compliance with curtailment orders, when non-compliance threatens the integrity of Southern LNG's facilities;
- (d) Failure of Customer to tender LNG for receipt as scheduled, when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities;
- (e) The release of capacity under Section 16, if Releasing Customer does not reduce its LNG Balance accordingly;
- (f) The recall of capacity under Section 16, if Replacement Customer does not reduce its LNG Balance accordingly; or
- (g) Failure of Customer to cycle receipts of LNG pursuant to Section § 10; or
- (h) Failure of Customer to arrange for the receipt of scheduled deliveries when the failure interferes with Southern LNG's ability to provide scheduled service or with prudent operation of the facilities.
- (i) Failure of Customer to arrange for adequate storage capacity if Customer's LNG Balance is equal to its MSQ and Customer is attempting to nominate LNG into the Southern LNG storage tanks at Elba Island.

23.3 If an OFO directs Customer to send out or take delivery of LNG or Vaporized LNG, and Customer fails to nominate and schedule as directed, then Southern LNG may, as provided in the applicable Rate Schedule, take title to those quantities free and clear of any adverse claims. Customer shall indemnify Southern LNG and hold it harmless from all costs, damages, and liabilities arising out of the failure of the Customer to remove such quantities and the disposal of such quantities by Southern LNG, including storage charges under the applicable rate schedule. Southern LNG shall be permitted to sell the quantities to which it takes title in accordance with this Section 23. Crediting of Southern LNG's net proceeds under this section is set forth in Section 26 of the GT&C of this Tariff.

23.4 An OFO may be issued on a contract basis for all or a portion of the facilities. An OFO issued by 10:00 a.m. on a Gas Day will generally be effective at the beginning of the following Gas Day. When operating conditions threaten the terminal's integrity, three hours notice, or lesser notice if

necessary, may be given. An OFO may be issued for a specific period of time or until further notice is given. Before issuing an OFO, Southern LNG will attempt to remedy those operating conditions through requests for voluntary action provided, however, exigent circumstances may exist which require immediate issuance of an OFO.

- 23.5 Nothing shall limit Southern LNG's right to take action as required to physically adjust actual receipts and actual deliveries of Gas in order to alleviate conditions that threaten the integrity of the facilities.
- 23.6 Southern LNG will provide Customer with as much advance notice of OFO's as is reasonable under then existing conditions through its Interactive Website, and pursuant to the notice provisions set forth in Section 14.3 above. The notice will provide the time and date the OFO is to become effective, the time the OFO is expected to remain in effect, the action required of the Customer, the reason for issuing the OFO, together with operating variables providing the basis for issuing the order, and any other information which may be required in the circumstances. Ordinarily, the notice will be issued by 10:00 a.m. on the Gas Day before the OFO is to be effective. The OFO will ordinarily become effective at 9:00 a.m. on the following Gas Day.
- 23.7 Follow-up Reports
- Within thirty (30) days after lifting an OFO, Southern LNG shall provide, via posting on its Interactive Website, a report which details the underlying causes which warranted the issuance of the OFO, explains why the actions required by the OFO were necessary to alleviate the identified problems, and provides the factors that caused the OFO to be lifted.
- 23.8 Indemnity
- (a) Southern LNG shall have no responsibility to inform Customer's end users, suppliers, other transporters or any others involved in the transaction, as to any OFO.
 - (b) Customer shall indemnify Southern LNG from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of Southern LNG's performance under this Section 23.

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 Compressor.
- (xii) Estimated K-7 Boil Off Compressor Volumes - The estimated annual volume of Gas compressed at the K-7 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 Compressor per month.
- (xvi) Actual K-7 Boil Off Compressor Volumes - The actual volumes of Gas compressed at the K-7 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 Electric Power Cost, the K-7 Boil Off 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.

26. REVENUE CREDITING MECHANISM

This section shall govern the manner in which Southern LNG provides credits for "Net Interruptible Revenues", "Gas Sales Proceeds," "K-6 Boil Off Compressor Usage Surcharge Revenues," or "K-7 Boil Off Compressor Usage Surcharge Revenues," defined below, collected by Southern LNG under Rate Schedule LNG-2. Southern LNG will provide credits to Customers with Firm Service Agreements and with Interruptible Service Agreements.

At the end of the twelfth (12th) full calendar month after this provision becomes effective, and at the end of each subsequent twelve (12) month period, Southern LNG shall determine the Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, MDLQ Overrun Proceeds and Gas Sales Proceeds during the 12-month period. The Net Interruptible Revenues shall equal the interruptible revenues collected under Rate Schedule LNG-2 minus the total surcharge, commodity rate, and electric power cost adjustment (but not Dredging Surcharges) revenues billed to LNG-2 service agreements during the 12-month period, which Southern LNG shall have the right to retain. K-6 Boil Off Compressor Usage Surcharge Revenue and K-7 Boil Off Compressor Usage Surcharge Revenue shall equal the total non reservation based revenues collected in association with the K-6 Boil Off Compressor Usage Surcharge and the K-7 Boil Off Compressor Usage Surcharge, respectively. Gas Sales Proceeds shall equal the proceeds collected from the sale of Gas that Southern LNG has taken title to and disposed of pursuant to the Tariff minus any expenses incurred by Southern LNG. The MDLQ Overrun Proceeds shall equal the proceeds collected from providing Ship Loading Service for Customers that have no MDLQ.

The credit to Customers shall equal the total Net Interruptible Revenues, K-6 Boil Off Compressor Usage Surcharge Revenues, K-7 Boil Off Compressor Usage Surcharge Revenues, and Gas Sales Proceeds less any net imbalance payments made by or plus any net imbalance payments received by Southern LNG pursuant to an operational balance agreement. The credit for Net Interruptible Revenues will be allocated pro rata to Customers based on the proportion of the revenue collected by Southern LNG through each Firm Customer's Monthly Reservation Charge and each Interruptible Customer's Monthly Storage Charge to the total Monthly Reservation Charge and Monthly Storage Charge revenues collected by Southern LNG for the 12-month period. The credit for K-6 Boil Off Compressor Usage Surcharge Revenues and K-7 Boil Off Compressor Usage Surcharge Revenues will be allocated pro rata to Customers based on the proportion of reservation based revenues for K-6 boil off disposition and K-7 boil off disposition, respectively, attributable to each Customer to the total reservation based revenues for K-6 boil off handling and K-7 boil off handling, respectively. The credit for Gas Sales Proceeds will be allocated pro rata to Customers whose Gas has not been taken during the 12-month period ("Non-offending Customers") based on the proportion of the revenue collected by Southern LNG through each Non-offending Customer's Monthly Reservation Charge or Monthly Storage Charge, as applicable, to the total such charges collected from Non-offending Customers for the 12-month period. The credit for MDLQ Overrun Proceeds will be allocated pro rata to Customers which hold MDLQ under their Firm Service Agreement based on their MDLQ. Credits under this section shall be calculated within sixty (60) days after the end of each 12-month period. Each eligible Customer shall receive its credit within thirty (30) days following the date on which the credit is calculated.

Section 6.1

FORM OF SERVICE AGREEMENT
Under Rate Schedules LNG-1 or LNG-3
(For Use Under a Firm Rate Schedule)

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

W I T N E S S E T H:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization of LNG and delivery of vaporized LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations;

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule as applicable [LNG-1 or LNG-3] ("the Firm Rate Schedule") and has submitted to Southern LNG a request for such service in compliance with Section 7 of the Firm Rate Schedule;

WHEREAS, Southern LNG agrees to render Terminal Service to Customer pursuant to the provisions of the Firm Rate Schedule, this Agreement, and the Commission's Regulations; and

WHEREAS, Customer may acquire, from time to time, released firm capacity under Section 16 of the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff).

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I
QUANTITY OF SERVICE

Subject to the terms and provisions of this agreement; and the Firm Rate Schedule, and the GT&C of Southern LNG's Tariff, as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, as follows:

- 1.1 Southern LNG shall store LNG for Customer's account up to the Maximum Storage Quantity (MSQ) set forth on Exhibit A hereto.
- 1.2 Southern LNG shall deliver a volume of vaporized LNG net of fuel, as provided in GT&C § 24.1, to Customer at the Delivery Point. Southern LNG's obligation to withdraw LNG from Storage for delivery at the Delivery Point on any day is limited to the available Maximum Daily Vaporization Quantity (MDVQ) specified on Exhibit A hereto and Customer's LNG Balance, as defined in the Firm Rate Schedule.
- 1.3 If Customer is the successful bidder on released firm capacity under Section 16 of Southern LNG's GT&C, the terms of such acquired capacity shall be maintained on Southern LNG's Interactive Website. Upon the effective date of such acquired capacity, subject to the terms, conditions and limitations hereof and the Firm Rate Schedule, Southern LNG agrees to provide the released Firm Service to Customer under the Firm Rate Schedule, the GT&C thereto, and this Agreement.

ARTICLE II
CONDITIONS OF SERVICE

- 2.1 It is recognized that the Terminal Service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of the Firm Rate Schedule, and the GT&C thereto, which are contained in Southern LNG's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the Firm Rate Schedule, the terms of any non-conforming Agreement, or Negotiated Rate, which has been approved by the FERC, shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in Southern LNG's Tariff.
- 2.2 This Agreement shall be subject to all provisions of the GT&C specifically made applicable to the Firm Rate Schedule, as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to the Firm Rate Schedule.
- 2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

- 2.4 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, or consequential damages (including, without limitation, loss of profits, business interruptions, or demurrage) arising out of or in any manner related to this Agreement or the Terminal Service provided hereunder.
- 2.5 This Agreement is subject to the provision of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 10 of Rate Schedule LNG-1 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.
- 2.6 If requested by Customer, deliveries shall occur at a pressure not less than the Terminal Outlet Pressure shown on Exhibit "A" hereto at the Elba Island Terminal outlet.
- 2.7 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit B to the Service Agreement under Rate Schedule LNG-1 or LNG-3.

ARTICLE III NOTICES

- 3.1 Notices hereunder shall be given pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses as provided by the parties from time to time.

ARTICLE IV TERM

- 4.1 Subject to the provisions hereof, this Agreement shall be effective as of the date first written above and shall be in full force and effect for the primary term(s) set forth on Exhibit A hereto, if applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit A hereto unless canceled by either party giving the required amount of written notice specified on Exhibit A to the other party prior to the end of the primary term(s) or any extension thereof.
- 4.2 [If Applicable] In the event Shipper has not contracted for Rate Schedule LNG-1 or LNG-3 service under this Agreement directly with Company, as set forth on Exhibit A hereto, then the term of this Agreement shall be the effective start and end dates of the capacity acquired by Customer from another Customer and awarded by Southern LNG pursuant to the provisions of Section 16 of the General Terms and Conditions of Southern LNG's Tariff. This Agreement shall terminate upon the expiration of such Capacity Release Transaction provided that Customer shall still be responsible for payment of all charges incurred hereunder.

ARTICLE V REMUNERATION

- 5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with the Agreement, including any discounted or negotiated rate exhibit applicable hereto, the Firm Rate Schedule and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.
- 5.2 Unless agreed otherwise with Customer in Customer's Exhibit C or F, Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) firm character of service, (ii) term of agreement (as set forth in Article IV above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Unless agreed otherwise with Customer in Customer's Exhibit C or F, regarding the rates for its service under this agreement, Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI MISCELLANEOUS

- 6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

- 6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:

- 6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

- 6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.

- 6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

- 6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.

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

- 6.8 The exhibits attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

[CUSTOMER]

By _____
[L.S.]

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.

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

(CUSTOMER)

SOUTHERN LNG COMPANY, L.L.C.

Effective Date: _____

EXHIBIT B

CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT Under Rate Schedule LNG-2

THIS AGREEMENT entered into this ____ day of _____ by and between Southern LNG Company, L.L.C. (Southern LNG) and _____ (Customer).

W I T N E S S E T H:

WHEREAS, Southern LNG has undertaken to provide service for the firm receipt, storage, vaporization, and delivery of LNG (Terminal Service) under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations; and

WHEREAS, Customer has requested Terminal Service pursuant to Rate Schedule LNG-2 and has submitted to Southern LNG a request for such service in compliance with Section 7 of Rate Schedule LNG-2; and

WHEREAS, Southern LNG agrees to render interruptible Terminal Service to Customer pursuant to the provisions of Rate Schedule LNG-2, this Agreement, and the Commission's Regulations.

NOW, THEREFORE, Southern LNG and Customer agree as follows:

ARTICLE I STORAGE ACCOUNT

1.1 Subject to the terms and provisions of this Agreement; Southern LNG's Rate Schedule LNG-2, and the General Terms and Conditions (GT&C) of Southern LNG's FERC Gas Tariff (Tariff), as amended from time to time, Southern LNG agrees to receive LNG from Customer pursuant to Article II, store LNG, and deliver vaporized LNG to Customer or for Customer's account, on an interruptible basis.

1.2 To the extent Southern LNG receives LNG for Customer's storage account, Southern LNG shall credit the receipt, less applicable charges set forth in Rate Schedule LNG-2, to Customer's LNG Balance.

1.3 Subject to the terms and provisions of this Agreement, Southern LNG's Rate Schedule LNG-2 and the GT&C thereto, Southern LNG shall deliver an equivalent volume of vaporized LNG, as provided in GT&C 24.1, less applicable charges as set forth in Rate Schedule LNG-2, to Customer at the Delivery Point described in Rate Schedule LNG-2 and shall deduct the delivery and charges from Customer's LNG Balance.

ARTICLE II CONDITIONS OF SERVICE

2.1 It is recognized that the Terminal Service hereunder is provided on an interruptible basis pursuant to, in accordance with and subject to the provisions of Southern LNG's Rate Schedule LNG-2, and the GT&C thereto, which are contained in Southern LNG's Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and Rate Schedule LNG-2, the terms of Rate Schedule LNG-2 shall govern as to the point of conflict. Any limitation of Terminal Service hereunder shall be in accordance with the priorities set out in the Tariff. Southern LNG makes no representation, assurance or warranty that capacity will be available for service hereunder and Customer agrees that Southern LNG shall bear no responsibility or liability to any person if capacity does not exist on any day to provide service hereunder

2.2 This Agreement shall be subject to all provisions of the GT&C specifically applicable to Southern LNG's Rate Schedule LNG-2 as such conditions may be revised from time to time. Unless Customer requests otherwise, Southern LNG shall provide to Customer the filings Southern LNG makes at the Commission of such provisions of the GT&C or other matters relating to Rate Schedule LNG-2.

2.3 Southern LNG shall have the right to discontinue service under this Agreement in accordance with Section 13.3 of the GT&C contained in Southern LNG's Tariff.

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

2.5 This Agreement is subject to the provisions of Part 284 of the Commission's Regulations. Upon termination of this Agreement, Southern LNG and Customer shall be relieved of further obligation to the other party except to complete the Terminal Service underway on the day of termination, to comply with the provisions of Section 9 of Rate Schedule LNG-2 with respect to any of Customer's LNG upon termination of this Agreement, to render reports, to make payment for services rendered and to release and indemnify the other party as provided in the Tariff.

2.6 Customer agrees to execute the necessary Customer DOE Certification as set forth in Exhibit A to the Service Agreement under Rate Schedule LNG-2.

ARTICLE III
NOTICES

3.1 Notices hereunder shall be given by both parties pursuant to the provisions of Section 14 of the GT&C to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV
TERM OF AGREEMENT

Subject to the provisions hereof, this agreement shall be effective as of the date first written above and shall continue in force and effect on a month to month basis unless terminated by either Party upon at least five (5) days prior written notice to the other Party. This agreement may be terminated by Southern LNG if no activity occurs hereunder during a period of 12 consecutive months.

ARTICLE V
REMUNERATION

5.1 Customer shall pay Southern LNG for service rendered hereunder in accordance with Southern LNG's Rate Schedule LNG-2 and the applicable provisions of the GT&C of Southern LNG's Tariff as filed with the Commission, and as the same may be amended or superseded from time to time. Such Rate Schedule and GT&C are by this reference made a part hereof.

5.2 Southern LNG shall have the unilateral right to propose, file, and make effective with the Commission, or other regulatory authority having jurisdiction, changes and revisions to the rates and rate design proposed pursuant to Section 4 of the Natural Gas Act, or to propose, file, and make effective superseding rates or rate schedules, for the purposes of changing the rates, charges, rate design, terms, and conditions of service and other provisions thereof effective as to Customer; provided, however, that the (i) interruptible character of service, (ii) term of agreement (as set forth in Article III above), (iii) quantities, and (iv) points of receipt and delivery shall not be subject to unilateral change under this paragraph. Customer shall have the right to file with the Commission or other regulatory authority in opposition to any such filings or proposals by Southern LNG. This agreement does not, however, alter pre-existing rights under Section 5 of the Natural Gas Act.

ARTICLE VI
MISCELLANEOUS

6.1 The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be a part of this agreement nor to be considered in the interpretation of the same.

6.2 (If applicable) This agreement supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto:

6.3 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

6.4 This agreement shall be interpreted, performed, and enforced in accordance with the laws of the State of Georgia, without regard to rules for conflicts of law that would result in the application of other law.

6.5 This agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

6.6 This agreement (and Southern LNG's Tariff incorporated herein) constitutes a completely integrated agreement that supersedes all prior or contemporaneous agreements and negotiations. No amendment will modify the terms of this agreement unless executed by both Customer and Southern LNG.

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

6.8 The Exhibits, (if applicable), attached to this agreement constitute a part of this Agreement and are incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed by their respective officers or representatives thereunto duly authorized on any day and year above written.

SOUTHERN LNG COMPANY, L.L.C.

By _____
[L.S.]

CUSTOMER

By _____
[L.S.]

EXHIBIT A

CUSTOMER DOE CERTIFICATION

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas in the form of LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3106, issued June 15, 2012 in FE Docket No. 12-54-LNG, Ordering Paragraph F of DOE/FE Order No. 3956, issued December 16, 2016, in FE Docket No. 12-100-LNG or Ordering Paragraph C of DOE/FE Order No. 4206, issued July 6, 2018, in FE Docket No. 18-15-LNG, as applicable, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Southern LNG Company, L.L.C. that identifies the country of destination (or countries) into which the exported LNG or natural gas was actually delivered, and to include in any resale contract for such LNG the necessary conditions to insure that Southern LNG Company, L.L.C. is made aware of all such actual destination countries.

Customer Name

By: _____
Name: _____
Title: _____