



**Bear Creek Storage
Company, L.L.C.**

a Kinder Morgan operated company

September 12, 2018

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

Re: Bear Creek Storage Company, L.L.C.
Docket No. RP18-_____
Operational Transactions Provisions Tariff Filing

Dear Ms. Bose:

Pursuant to Part 154 of the Federal Energy Regulatory Commission's ("Commission") Regulations, Bear Creek Storage Company, L.L.C. (Bear Creek) hereby submits for filing the following record to its FERC Gas Tariff, First Revised Volume No. 1 ("Tariff") listed below to be effective October 12, 2018.

Section 5.0, General Terms and Conditions, V 3.0.0

Nature, Basis and Reasons for the Proposed Tariff Changes

This filing is being made to add "or its Operator on Bear Creek's behalf" to the first sentence in Subsection 18 Operational Transactions in Section 5.0 General Terms and Conditions to be effective October 12, 2018. This change will allow Bear Creek's Operator (which is currently Southern Natural Gas Company, L.L.C.) to enter into purchase and sale transactions on behalf of Bear Creek with third parties to balance Bear Creek's system and to maintain operational integrity of the system. This update may help facilitate Bear Creek obtaining better pricing on its purchases and sales since Bear Creek has no debt of its own and thus is not publicly rated by the various rating agencies.

Procedural Matters

Pursuant to the applicable provisions of Section 154.7 of the Commission's Regulations, Bear Creek submits the following materials in connection with the filing:

An eTariff XML filing package, filed as a zip (compressed) file, containing:

1. A transmittal letter; and
2. Clean and marked versions of the tariff section in PDF format.

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

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

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Director – Rates and Regulatory
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Respectfully submitted,

BEAR CREEK STORAGE COMPANY, L.L.C.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates and Regulatory
Bear Creek Storage Company, L.L.C.
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Birmingham, Alabama 35202-2563
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Enclosures

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Bear Creek Storage Company, L.L.C.)
)
)

Docket No. RP18-

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of Bear Creek's customers and interested state commissions.

Dated at Birmingham, Alabama this 12th day of September 2018.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates and Regulatory
Bear Creek Storage Company, L.L.C.
Post Office Box 2563
Birmingham, AL 35202-2563
brooks_henderson@kindermorgan.com

CLEAN VERSION OF TARIFF SECTION

GENERAL TERMS AND CONDITIONS

1. Definitions

Except where the context otherwise indicates, the following terms shall have the following meanings wherever used in this Tariff or any Service Agreement incorporating these General Terms and Conditions:

- 1.1 "Mcf" shall mean one thousand (1,000) cubic feet of natural gas.
- 1.2 "BTU" shall mean a British Thermal Unit.
- 1.3 "Day" shall mean a period of twenty-four consecutive hours, beginning and ending at 8:00 A.M. local time at Bienville Parish, Louisiana, or at such other hour as may be necessary to coincide with the contract day of a customer in prior agreements with Southern Natural Gas Company.
- 1.4 "Month" shall mean the period beginning at 8:00 A.M. local time at Bienville Parish, Louisiana, or at such other hour mutually agreed upon the first day of the calendar month and ending at the same hour on the first day of the succeeding calendar month.
- 1.5 "Central Plant" shall mean the compressor station and ancillary facilities maintained by Bear Creek at the Bear Creek Storage Field in Bienville Parish, Louisiana.
- 1.6 "Cubic Foot" shall mean the volume of gas which occupies one cubic foot of space when such gas is at a temperature of 60 degrees Fahrenheit, and at a pressure base of 14.73 pounds per square inch absolute.
- 1.7 "Base Storage Gas" sometimes referred to as "Cushion Gas," shall mean the volume of gas which must be sustained in a gas storage field in order to maintain sufficient gas pressures in the storage field to allow for the withdrawal of Top Storage Gas.
- 1.8 "Top Storage Gas" sometimes referred to as "Working Storage," shall mean gas owned by a Customer which is injected into or otherwise present in a gas storage field which is intended to be withdrawn by such Customer under a Service Agreement.
- 1.9 "Top Storage Gas Balance" shall mean the quantity of Top Storage Gas as carried at any particular time for the account of a Customer on the records maintained by Bear Creek.
- 1.10 "Maximum Daily Injection Rate" shall mean the maximum volume of gas which Bear Creek shall be obligated to inject into storage for a Customer when tendered on a given day as specified in its executed Service Agreement.
- 1.11 "Maximum Daily Withdrawal Rate" shall mean the maximum volume of Top Storage Gas which Bear Creek shall be obligated to withdraw from storage for a Customer on a given day as specified in its executed Service Agreement.

1.12 "Maximum Storage Capacity Volume" shall mean the maximum volumetric capacity in a storage reservoir which Bear Creek shall make available to a Customer for the storage of gas, as specified in its executed Service Agreement.

2. Gas Quality

2.1 General Quality. Gas delivered by Customers to Bear Creek and by Bear Creek to Customers shall be natural gas reasonably free of objectionable liquids and solids so as to be merchantable upon delivery and shall have a minimum heat content of 950 BTU per cubic foot at a temperature of sixty degrees (60°) Fahrenheit and under a pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and water vapor saturated.

2.2 Objectionable Materials. All gas injected into or withdrawn from the storage field:

- (1) shall be commercially free from dust or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Bear Creek.
- (2) shall in no event have a water content in excess of seven (7) pounds of water per million (1,000,000) cubic feet of gas measured at a pressure base of fourteen and seven-tenths (14.7) pounds per square inch absolute and at a temperature of sixty degrees (60°) Fahrenheit, as determined by a method generally acceptable for use in the gas industry.
- (3) shall not contain more than one (1) grain of hydrogen sulphide per hundred (100) cubic feet as determined by a method generally acceptable for use in the gas industry.
- (4) shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet of gas, as determined by a method generally acceptable for use in the gas industry.
- (5) shall not contain in excess of three percent (3%) by volume of carbon dioxide.
- (6) shall not contain in excess of one percent (1%) by volume of oxygen.
- (7) shall not contain in excess of three percent (3%) by volume of nitrogen.
- (8) shall not have in excess of two-tenths (0.2) gallon per thousand (1,000) cubic feet of those certain liquefiable hydrocarbons commonly referred to as natural gasoline, as determined by the method as prescribed by the Gas Processors Association NGPA Publication 2261-72, or ASTM Publication D 1945-64 (1968), or any revisions thereof, or by such other method as shall be mutually agreed upon.

3. Delivery Pressure

Gas delivered by Customers to Bear Creek shall be delivered at pressures not less than 585 pounds per square inch gauge and gas delivered by Bear Creek to Customers shall be delivered at pressures up to but not exceeding 900 pounds per square inch gauge.

4. Heating Value

Heating value determinations shall be made by means of a recording type of calorimeter whose sampling location shall be adjacent to the meter station at the Central Plant. The registration of such recording calorimeter shall be checked as to accuracy at least twice monthly by a test using a sample of standardized natural gas certified as to heating value and specific gravity. The recording calorimeter shall be considered correct during the monthly period preceding any such test if it shall be found accurate in such test to within five (5) British thermal units per cubic foot.

5. Gas Measurement

5.1 Unit Measurement. The unit volume for the purposes of measurement hereunder shall be one (1) cubic foot of natural gas of the quality specified in Section 2 above.

5.2 Adjustment of Measurement. When gas is delivered at a pressure greater than or less than 14.73 pounds per square inch absolute, then for the purpose of measurement hereunder, such volumes of gas shall be corrected to a pressure of 14.73 pounds per square inch absolute. It is assumed that the atmospheric pressure is 14.7 pounds per square inch absolute. The measurement of gas volumes shall be adjusted for deviation from Boyle's Law as determined by use of the tables or formulae published by the American Gas Association Par Research Project NX-19 corrected for carbon dioxide and nitrogen.

5.3 Computation of Volumes. Volumes delivered shall be computed in accordance with formulae, tables and methods prescribed in Orifice Metering of Natural Gas, Gas Measurement Committee Report No. 3 of the American Gas Association, published April, 1955, and revised 1969, as such report may hereafter be revised. Exact measurements of inside diameters of meter tubes shall be obtained by means of a micrometer to the nearest one-thousandth inch. Such volumes shall be corrected for daily average flowing temperature and specific gravity in accordance with the provisions of Paragraphs 5.4 and 5.5 below.

5.4 Temperature of Gas. The temperature of gas passing through meters shall be determined by the use of recording thermometers of standard manufacture and the arithmetic average of each chart record shall be the temperature of gas. Volumes shall be corrected for each degree of variations in flowing temperature from 60°F.

5.5 Specific Gravity. The specific gravity of the gas passing through orifice meters shall be determined by recording gravitometer(s) so located as accurately to measure the gravity of gas delivered. Bear Creek shall install or cause to be installed at least one such gravitometer at the delivery point. Volumes shall be corrected for variations in specific gravity as provided for in Paragraph 5.3 above.

6. Measuring Equipment

- 6.1 Measuring Stations. Bear Creek will maintain and operate as part of the Storage Facilities, at or near the Central Plant, measuring stations properly equipped with orifice meters using flange taps or other mutually agreeable measuring devices by which the volumes of gas delivered hereunder and the volumes of gas used for fuel shall be measured. The orifice meters used shall be installed and operated in accordance with AGA Gas Measurement Committee Report #3, published April, 1955, and revised 1969, as such report may hereafter be revised.
- 6.2 Meter Testing. The accuracy of measuring equipment used by Bear Creek shall be verified at reasonable intervals, and, if requested, in the presence of representatives of the Customers, but Bear Creek shall not be required to verify the accuracy of such equipment more frequently than twice in any thirty (30) day period. In the event a Customer shall notify Bear Creek that it desires a special test of any measuring equipment, Bear Creek shall cooperate to secure a prompt verification of the accuracy of such equipment.
- 6.3 Meter Correction. If measuring equipment of Bear Creek is found to be inoperative or inaccurate, such equipment shall be adjusted to register correctly, and the amount of error shall be determined by the most accurate method feasible. If the inaccuracy shall have resulted in an error of more than two (2) percent in the measurement of gas, then the calculated deliveries of gas shall be adjusted to compensate for such error. Such adjustment shall be made for such period of inaccuracy as may be definitely known, or such adjustment shall be made for the last half of the period (but not exceeding fifteen (15) days between the time the metering equipment was adjusted to register correctly and the date of the last previous meter test).
- 6.4 Estimated Delivery. In the event any measuring equipment is out of service or registering inaccurately, the quantity of gas passing through such equipment shall be estimated:
- (1) by using the registration of any check meter or meters if installed and accurately registering; or, in the absence of (1) then:
 - (2) by correcting the error if the percentage or error is ascertainable by calibration test or mathematical calculation; or, in the absence of both (1) and (2) then:
 - (3) by estimating, the quantity of delivery by deliveries during other periods when the meter was registering accurately under similar conditions. The estimated readings so determined shall be used in determining the volume of gas received for any known or agreed upon applicable period. In case the period is not known or agreed upon, such estimated receipts shall be used in determining the volume of gas received hereunder during the latter half of the period beginning on the date of the immediately preceding test and ending on the date the measuring equipment has been adjusted to record accurately. The recordings of the

measuring equipment during the first half of said period shall be considered accurate in computing receipts, provided that the correction period shall not exceed fifteen (15) days.

7. Point of Delivery

The point of delivery at which gas shall be delivered to Bear Creek by its Customers and at which gas shall be redelivered to the Customers or for the Customer's account by Bear Creek shall be at the Bear Creek Area Delivery Point which shall consist of the interconnection of the facilities of Bear Creek with the jointly owned facilities of Tennessee Gas Pipeline Company and Southern Natural Gas Company and the interconnection of the facilities of Bear Creek with the facilities of Southern Natural Gas Company. Provided, however, that no deliveries shall be made at the interconnection of the facilities of Bear Creek with the facilities of Southern Natural Gas Company without the consent of the dispatcher of Southern Natural Gas Company.

8. Liability of the Parties

8.1 Control of Gas. As between the parties to the Storage Service Agreement, Bear Creek shall be deemed to be in control and possession of the gas tendered hereunder by a Customer after receipt of said gas at the Bear Creek Area Delivery Point until it shall have been redelivered by Bear Creek to the Customer at the aforementioned Bear Creek Area Delivery Point, after which the Customer shall be deemed to be in control and possession thereof.

8.2 Risk of Loss. The Customer shall bear the risk of loss of any and all volumes of gas tendered by it to Bear Creek for injection into the Storage Reservoir. Ordinary losses shall be assessed to each Customer through the annual assessment provided under Section 3.4 of Rate Schedule SS-P to this Tariff. Should extraordinary losses occur, Bear Creek may seek to include such extraordinary losses as part of the cost of service used to derive its base rates set forth above in Section 3.1 of Rate Schedule SS-P in accordance with the Commission's Regulations. Bear Creek limits its liability for the loss of any gas to such actual damages as may be occasioned by a loss of gas found to be caused by its direct negligence or willful misconduct. Bear Creek shall not be liable in any event for other indirect damages, either consequential, incidental, or punitive.

8.3 Liability of Parties. Unless otherwise mutually agreed, Bear Creek shall be responsible for any injury or damage caused by gas deliverable hereunder while the same is under its control, and each Customer shall be responsible for any injury or damage caused by gas while it is under the control of said Customer or the transporter of said Customer, and Bear Creek and its Customers shall each respectively assume full responsibility and liability for the maintenance and operation of the facilities operated by or for it, and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims or actions, including injury to and death of persons, arising from injury caused by gas under the control of the indemnifying person or a

transporter for the indemnifying person or involving any act, or failure to act, or accident in connection with the installation, presence, maintenance and operation of facilities operated or required to be operated by the indemnifying person or a transporter for the indemnifying person.

9. Title to Gas

9.1 Warranty of Title. Title to the gas delivered by a Customer to Bear Creek and delivered by Bear Creek to a Customer hereunder shall, at all times be in the Customer and Bear Creek makes no warranty of title whatsoever. Each Customer warrants for itself, its successors and assigns, that it will have at all times good title or the good right to deliver gas delivered and redelivered hereunder. Each Customer will indemnify Bear Creek and save it harmless from all suits, actions, debts, taxes, damages, costs, cases and expenses arising directly or indirectly from or with respect to the title or any claims whatsoever to gas tendered to Bear Creek hereunder.

9.2 Bear Creek Covenants. Bear Creek covenants that it shall neither cause nor allow any cloud or encumbrances of any nature to arise with respect to a Customer's title to any gas tendered by said Customer to Bear Creek for storage, and agrees to redeliver such gas pursuant to this agreement free from all liens and adverse claims, and that it will indemnify, protect, and save harmless from all suits, actions, debts, damages, costs, losses, and expenses arising directly or indirectly from any act by Bear Creek which may be claimed to have caused any cloud or an encumbrance of the Customer's title to such gas to arise.

10. Billing and Payment

10.1 Billing. On or before the twelfth (12th) day of each calendar month, Bear Creek will render each Customer a statement of the volumes of gas injected into storage and withdrawn from storage for said Customer's account for each day of the preceding month, a statement of the volumes of fuel gas allocated by Bear Creek to perform injection and withdrawal services, and a statement of the Top Storage Gas Balance of said Customer at the beginning and the end of the preceding month together with an invoice for amounts due for storage service rendered during said month.

10.2 Payment. Each Customer shall pay Bear Creek on or before the twentieth (20th) day of each month the amount due for storage service during the preceding month as indicated in the billing statement submitted by Bear Creek.

10.3 Interest on Unpaid Amounts. In the event a Customer shall fail to pay any amount or amounts owed to Bear Creek when the same shall be billed and due, interest shall accrue from the due date until the date of payment at a rate equal to the prime rate then being charged by The Chase Manhattan Bank, N.A. If the amount of a bill shall be disputed in good faith, the Customer shall promptly pay the portion of such bill not in dispute and interest shall not accrue on the disputed portion.

11. Impairment of Injections and Withdrawals

11.1 Force Majeure. If by reason of force majeure any party hereto is rendered unable, wholly or in part, to carry out its obligations to deliver or to accept delivery of gas in accordance with this Tariff and Customer's executed Service Agreement, and if such party gives notice and reasonably full particulars of such force majeure in writing or by telegraph to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, as far as and to the extent that it is affected by such force majeure, shall not be liable in damages during the continuance of any inability so caused, except for payment of all amounts specified in the applicable Rate Schedule, and such cause shall so far as possible be remedied with all reasonable dispatch.

11.2 Definition of Term. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, sabotage, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, blowouts, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment, structures, or lines of pipe (which maintaining, repairing or alteration shall, however, be carried out in such manner as to cause the smallest practicable curtailment or interruption of injections or withdrawals of gas), freezing of wells or lines of pipe, partial or entire failure of injection-withdrawal wells, orders of any public authority, inability to obtain rights of way or permits or materials, equipment or supplies, inability of Customer to accept deliveries at the Bear Creek Area Delivery Point and any cause other than those enumerated herein (whether of the kind herein enumerated or otherwise) not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected, and the above requirements that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the party affected thereby.

11.3 Proration of Injections and Withdrawals. If due to any cause whatsoever, the capacity for withdrawals from Bear Creek's storage facilities is impaired, then each Customer shall be entitled to receive from a reservoir in which it has gas stored prorated withdrawals determined on the basis of the ratio of the Maximum Daily Withdrawal Rate of said Customer to the sum of the Maximum Daily Withdrawal Rates of all Customers in said reservoir. If due to any cause whatsoever, the capacity for injections into Bear Creek's storage facilities is impaired, then each Customer shall be entitled to inject into a reservoir in which it has the right to store gas prorated injections determined on the basis of the ratio

of the Maximum Daily Injection Rate of said Customer to the sum of the Maximum Daily Injection Rates of all Customers in said reservoir.

12. Notices

Except as provided in Section 11.1 all notices given hereunder or with respect to any matter relating hereto or to any Rate Schedule or Service Agreement incorporating the terms hereof shall be deemed delivered if mailed by postpaid registered mail addressed to the party to whom said notice is directed except that notices with respect to injections, withdrawals, curtailment, limitation, or restoration of deliveries of gas or with respect to force majeure shall be sufficient if given in person, in writing, by telegram, by telephone or by radio to the person or persons designated from time to time as authorized to receive the same.

13. Assignments

Subject to applicable regulatory requirements, any company or other entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Bear Creek or its Customers, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under these Terms and Conditions; and any party may assign or pledge these Terms and Conditions under the provisions of any mortgage, deed of trust, indenture, or similar instrument which it has executed or may execute hereafter covering substantially all of its properties; these Terms and Conditions or any of the rights hereunder shall not be assigned by any party unless such party shall have obtained the consent thereto in writing of the other parties, except that any party may assign this Agreement or any part thereof to an affiliated company; provided further, however, that no party shall be released from its obligations hereunder without the consent of the other parties.

14. Non-Waiver; Future Default

No waiver by Bear Creek or a Customer of any one or more defaults by the other in the performance of any provisions of any Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

15. Amendment and Modification

No amendment or modification of any Service Agreement shall be effective unless made in writing and signed by all parties thereto.

16. Schedules and Agreement Subject to Regulation

This Tariff, including these General Terms and Conditions, and the respective obligations of the parties under the executed Service Agreements are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

17. Dispatching Procedures

Notwithstanding any other provisions of this Tariff, Bear Creek may upon giving three (3) hours notice to the dispatchers of Southern Natural Gas Company and Tennessee Gas Pipeline Company effect receipt and/or delivery of

gas hereunder by means of offsetting requests for withdrawal of gas with tenders of gas for injection. Under such circumstances, Bear Creek shall be entitled to rely upon the notifications by its Customers of volumes to be tendered for injection and/or requested for withdrawal and such tendered and requested volumes shall be deemed to have been so received and/or delivered by Bear Creek hereunder.

18. Operational Transactions

Bear Creek, or its Operator on Bear Creek's behalf, may from time to time, in its discretion, enter into purchase or sale transactions with third parties to balance Bear Creek's system and to maintain operational integrity of the system ("Operational Transactions"). Operational Transactions may include, but not be limited to, purchases or sales or borrowing or tendering gas for return at a later date to (i) maintain system pressure and an appropriate level of storage inventory; (ii) balance fuel quantities; (iii) replace gas losses; and (iv) perform other operational functions of Bear Creek. Operational Transactions shall be made on a nondiscriminatory basis and will have a lower priority than firm service.

Operational Transactions for purchases and sales of gas shall be conducted through an open season posted on the Electronic Bulletin Board(s) ("EBB") of Southern Natural Gas Company and/or Tennessee Gas Pipeline Company in accordance with the applicable bidding procedures which will be posted at the time of the Operational Transaction offer.

Bear Creek reserves its right, in its sole discretion to: (i) remove its posting(s) without proceeding with an Operational Transaction; (ii) reject all bids due to operational changes; (iii) reject any bids which do not meet or which contain modifications to the terms of the posting or which contain terms which are operationally unacceptable.

Bear Creek shall file an annual report indicating the source of the Operational Transaction pursuant to this Section 5, paragraph 18, the date of transaction, the volume, the purchase or sale price, the costs and revenues from the Operational Transaction, the disposition of the associated costs and revenues, and an explanation of the purpose of the Operational Transaction. The annual report shall be filed on or before March 31 of each year, reflecting Operational Transactions for the 12-month period ending January 31 of that same year.

MARKED VERSION OF TARIFF SECTION

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- (3) shall not contain more than one (1) grain of hydrogen sulphide per hundred (100) cubic feet as determined by a method generally acceptable for use in the gas industry.
- (4) shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet of gas, as determined by a method generally acceptable for use in the gas industry.
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5.1 Unit Measurement. The unit volume for the purposes of measurement hereunder shall be one (1) cubic foot of natural gas of the quality specified in Section 2 above.

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- 6.1 Measuring Stations. Bear Creek will maintain and operate as part of the Storage Facilities, at or near the Central Plant, measuring stations properly equipped with orifice meters using flange taps or other mutually agreeable measuring devices by which the volumes of gas delivered hereunder and the volumes of gas used for fuel shall be measured. The orifice meters used shall be installed and operated in accordance with AGA Gas Measurement Committee Report #3, published April, 1955, and revised 1969, as such report may hereafter be revised.
- 6.2 Meter Testing. The accuracy of measuring equipment used by Bear Creek shall be verified at reasonable intervals, and, if requested, in the presence of representatives of the Customers, but Bear Creek shall not be required to verify the accuracy of such equipment more frequently than twice in any thirty (30) day period. In the event a Customer shall notify Bear Creek that it desires a special test of any measuring equipment, Bear Creek shall cooperate to secure a prompt verification of the accuracy of such equipment.
- 6.3 Meter Correction. If measuring equipment of Bear Creek is found to be inoperative or inaccurate, such equipment shall be adjusted to register correctly, and the amount of error shall be determined by the most accurate method feasible. If the inaccuracy shall have resulted in an error of more than two (2) percent in the measurement of gas, then the calculated deliveries of gas shall be adjusted to compensate for such error. Such adjustment shall be made for such period of inaccuracy as may be definitely known, or such adjustment shall be made for the last half of the period (but not exceeding fifteen (15) days between the time the metering equipment was adjusted to register correctly and the date of the last previous meter test).
- 6.4 Estimated Delivery. In the event any measuring equipment is out of service or registering inaccurately, the quantity of gas passing through such equipment shall be estimated:
- (1) by using the registration of any check meter or meters if installed and accurately registering; or, in the absence of (1) then:
 - (2) by correcting the error if the percentage or error is ascertainable by calibration test or mathematical calculation; or, in the absence of both (1) and (2) then:
 - (3) by estimating, the quantity of delivery by deliveries during other periods when the meter was registering accurately under similar conditions. The estimated readings so determined shall be used in determining the volume of gas received for any known or agreed upon applicable period. In case the period is not known or agreed upon, such estimated receipts shall be used in determining the volume of gas received hereunder during the latter half of the period beginning on the date of the immediately preceding test and ending on the date the measuring equipment has been adjusted to record accurately. The recordings of the

measuring equipment during the first half of said period shall be considered accurate in computing receipts, provided that the correction period shall not exceed fifteen (15) days.

7. Point of Delivery

The point of delivery at which gas shall be delivered to Bear Creek by its Customers and at which gas shall be redelivered to the Customers or for the Customer's account by Bear Creek shall be at the Bear Creek Area Delivery Point which shall consist of the interconnection of the facilities of Bear Creek with the jointly owned facilities of Tennessee Gas Pipeline Company and Southern Natural Gas Company and the interconnection of the facilities of Bear Creek with the facilities of Southern Natural Gas Company. Provided, however, that no deliveries shall be made at the interconnection of the facilities of Bear Creek with the facilities of Southern Natural Gas Company without the consent of the dispatcher of Southern Natural Gas Company.

8. Liability of the Parties

8.1 Control of Gas. As between the parties to the Storage Service Agreement, Bear Creek shall be deemed to be in control and possession of the gas tendered hereunder by a Customer after receipt of said gas at the Bear Creek Area Delivery Point until it shall have been redelivered by Bear Creek to the Customer at the aforementioned Bear Creek Area Delivery Point, after which the Customer shall be deemed to be in control and possession thereof.

8.2 Risk of Loss. The Customer shall bear the risk of loss of any and all volumes of gas tendered by it to Bear Creek for injection into the Storage Reservoir. Ordinary losses shall be assessed to each Customer through the annual assessment provided under Section 3.4 of Rate Schedule SS-P to this Tariff. Should extraordinary losses occur, Bear Creek may seek to include such extraordinary losses as part of the cost of service used to derive its base rates set forth above in Section 3.1 of Rate Schedule SS-P in accordance with the Commission's Regulations. Bear Creek limits its liability for the loss of any gas to such actual damages as may be occasioned by a loss of gas found to be caused by its direct negligence or willful misconduct. Bear Creek shall not be liable in any event for other indirect damages, either consequential, incidental, or punitive.

8.3 Liability of Parties. Unless otherwise mutually agreed, Bear Creek shall be responsible for any injury or damage caused by gas deliverable hereunder while the same is under its control, and each Customer shall be responsible for any injury or damage caused by gas while it is under the control of said Customer or the transporter of said Customer, and Bear Creek and its Customers shall each respectively assume full responsibility and liability for the maintenance and operation of the facilities operated by or for it, and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims or actions, including injury to and death of persons, arising from injury caused by gas under the control of the indemnifying person or a

transporter for the indemnifying person or involving any act, or failure to act, or accident in connection with the installation, presence, maintenance and operation of facilities operated or required to be operated by the indemnifying person or a transporter for the indemnifying person.

9. Title to Gas

9.1 Warranty of Title. Title to the gas delivered by a Customer to Bear Creek and delivered by Bear Creek to a Customer hereunder shall, at all times be in the Customer and Bear Creek makes no warranty of title whatsoever. Each Customer warrants for itself, its successors and assigns, that it will have at all times good title or the good right to deliver gas delivered and redelivered hereunder. Each Customer will indemnify Bear Creek and save it harmless from all suits, actions, debts, taxes, damages, costs, cases and expenses arising directly or indirectly from or with respect to the title or any claims whatsoever to gas tendered to Bear Creek hereunder.

9.2 Bear Creek Covenants. Bear Creek covenants that it shall neither cause nor allow any cloud or encumbrances of any nature to arise with respect to a Customer's title to any gas tendered by said Customer to Bear Creek for storage, and agrees to redeliver such gas pursuant to this agreement free from all liens and adverse claims, and that it will indemnify, protect, and save harmless from all suits, actions, debts, damages, costs, losses, and expenses arising directly or indirectly from any act by Bear Creek which may be claimed to have caused any cloud or an encumbrance of the Customer's title to such gas to arise.

10. Billing and Payment

10.1 Billing. On or before the twelfth (12th) day of each calendar month, Bear Creek will render each Customer a statement of the volumes of gas injected into storage and withdrawn from storage for said Customer's account for each day of the preceding month, a statement of the volumes of fuel gas allocated by Bear Creek to perform injection and withdrawal services, and a statement of the Top Storage Gas Balance of said Customer at the beginning and the end of the preceding month together with an invoice for amounts due for storage service rendered during said month.

10.2 Payment. Each Customer shall pay Bear Creek on or before the twentieth (20th) day of each month the amount due for storage service during the preceding month as indicated in the billing statement submitted by Bear Creek.

10.3 Interest on Unpaid Amounts. In the event a Customer shall fail to pay any amount or amounts owed to Bear Creek when the same shall be billed and due, interest shall accrue from the due date until the date of payment at a rate equal to the prime rate then being charged by The Chase Manhattan Bank, N.A. If the amount of a bill shall be disputed in good faith, the Customer shall promptly pay the portion of such bill not in dispute and interest shall not accrue on the disputed portion.

11. Impairment of Injections and Withdrawals

11.1 Force Majeure. If by reason of force majeure any party hereto is rendered unable, wholly or in part, to carry out its obligations to deliver or to accept delivery of gas in accordance with this Tariff and Customer's executed Service Agreement, and if such party gives notice and reasonably full particulars of such force majeure in writing or by telegraph to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, as far as and to the extent that it is affected by such force majeure, shall not be liable in damages during the continuance of any inability so caused, except for payment of all amounts specified in the applicable Rate Schedule, and such cause shall so far as possible be remedied with all reasonable dispatch.

11.2 Definition of Term. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, sabotage, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, blowouts, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment, structures, or lines of pipe (which maintaining, repairing or alteration shall, however, be carried out in such manner as to cause the smallest practicable curtailment or interruption of injections or withdrawals of gas), freezing of wells or lines of pipe, partial or entire failure of injection-withdrawal wells, orders of any public authority, inability to obtain rights of way or permits or materials, equipment or supplies, inability of Customer to accept deliveries at the Bear Creek Area Delivery Point and any cause other than those enumerated herein (whether of the kind herein enumerated or otherwise) not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected, and the above requirements that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the party affected thereby.

11.3 Proration of Injections and Withdrawals. If due to any cause whatsoever, the capacity for withdrawals from Bear Creek's storage facilities is impaired, then each Customer shall be entitled to receive from a reservoir in which it has gas stored prorated withdrawals determined on the basis of the ratio of the Maximum Daily Withdrawal Rate of said Customer to the sum of the Maximum Daily Withdrawal Rates of all Customers in said reservoir. If due to any cause whatsoever, the capacity for injections into Bear Creek's storage facilities is impaired, then each Customer shall be entitled to inject into a reservoir in which it has the right to store gas prorated injections determined on the basis of the ratio

of the Maximum Daily Injection Rate of said Customer to the sum of the Maximum Daily Injection Rates of all Customers in said reservoir.

12. Notices

Except as provided in Section 11.1 all notices given hereunder or with respect to any matter relating hereto or to any Rate Schedule or Service Agreement incorporating the terms hereof shall be deemed delivered if mailed by postpaid registered mail addressed to the party to whom said notice is directed except that notices with respect to injections, withdrawals, curtailment, limitation, or restoration of deliveries of gas or with respect to force majeure shall be sufficient if given in person, in writing, by telegram, by telephone or by radio to the person or persons designated from time to time as authorized to receive the same.

13. Assignments

Subject to applicable regulatory requirements, any company or other entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Bear Creek or its Customers, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under these Terms and Conditions; and any party may assign or pledge these Terms and Conditions under the provisions of any mortgage, deed of trust, indenture, or similar instrument which it has executed or may execute hereafter covering substantially all of its properties; these Terms and Conditions or any of the rights hereunder shall not be assigned by any party unless such party shall have obtained the consent thereto in writing of the other parties, except that any party may assign this Agreement or any part thereof to an affiliated company; provided further, however, that no party shall be released from its obligations hereunder without the consent of the other parties.

14. Non-Waiver; Future Default

No waiver by Bear Creek or a Customer of any one or more defaults by the other in the performance of any provisions of any Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

15. Amendment and Modification

No amendment or modification of any Service Agreement shall be effective unless made in writing and signed by all parties thereto.

16. Schedules and Agreement Subject to Regulation

This Tariff, including these General Terms and Conditions, and the respective obligations of the parties under the executed Service Agreements are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

17. Dispatching Procedures

Notwithstanding any other provisions of this Tariff, Bear Creek may upon giving three (3) hours notice to the dispatchers of Southern Natural Gas Company and Tennessee Gas Pipeline Company effect receipt and/or delivery of

gas hereunder by means of offsetting requests for withdrawal of gas with tenders of gas for injection. Under such circumstances, Bear Creek shall be entitled to rely upon the notifications by its Customers of volumes to be tendered for injection and/or requested for withdrawal and such tendered and requested volumes shall be deemed to have been so received and/or delivered by Bear Creek hereunder.

18. Operational Transactions

Bear Creek, or its Operator on Bear Creek's behalf, may from time to time, in its discretion, enter into purchase or sale transactions with third parties to balance Bear Creek's system and to maintain operational integrity of the system ("Operational Transactions"). Operational Transactions may include, but not be limited to, purchases or sales or borrowing or tendering gas for return at a later date to (i) maintain system pressure and an appropriate level of storage inventory; (ii) balance fuel quantities; (iii) replace gas losses; and (iv) perform other operational functions of Bear Creek. Operational Transactions shall be made on a nondiscriminatory basis and will have a lower priority than firm service.

Operational Transactions for purchases and sales of gas shall be conducted through an open season posted on the Electronic Bulletin Board(s) ("EBB") of Southern Natural Gas Company and/or Tennessee Gas Pipeline Company in accordance with the applicable bidding procedures which will be posted at the time of the Operational Transaction offer.

Bear Creek reserves its right, in its sole discretion to: (i) remove its posting(s) without proceeding with an Operational Transaction; (ii) reject all bids due to operational changes; (iii) reject any bids which do not meet or which contain modifications to the terms of the posting or which contain terms which are operationally unacceptable.

Bear Creek shall file an annual report indicating the source of the Operational Transaction pursuant to this Section 5, paragraph 18, the date of transaction, the volume, the purchase or sale price, the costs and revenues from the Operational Transaction, the disposition of the associated costs and revenues, and an explanation of the purpose of the Operational Transaction. The annual report shall be filed on or before March 31 of each year, reflecting Operational Transactions for the 12-month period ending January 31 of that same year.