



**Bear Creek Storage
Company, L.L.C.**
a Kinder Morgan operated company

December 27, 2018

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

Re: Bear Creek Storage Company, L.L.C.
Update to use of Base Storage Gas and Housekeeping Filing
Docket No. RP19-___

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), Bear Creek Storage Company, L.L.C. (“Bear Creek”) hereby submits for filing the tariff records of its First Revised Volume No. 1 FERC Gas Tariff (“Tariff”) listed in Appendix A.

Nature, Basis and Reasons for the Proposed Tariff Changes

The purpose of this filing is to update the use of the base storage gas provisions to enhance the operational flexibility of the Bear Creek storage facility. In addition, the filing contains miscellaneous updates, clarifications and corrections to various sections of the Tariff. Bear Creek asks the Commission to accept this tariff filing and permit the proposed tariff records to become effective February 1, 2019.

Procedural Matters

In accordance with the applicable provisions of Part 154.7 of the Commission’s regulations, Bear Creek submits the following materials in connection with the filing:

1. This transmittal letter; and
2. Appendix A, containing a list of the tendered tariff records; and
3. Clean and marked versions of the tariff records in PDF format.

As required by Section 154.208 of the Commission’s regulations, copies of this filing are being made available at Bear Creek’s offices in Birmingham, Alabama and electronically mailed to Bear Creek’s customers and 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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Respectfully submitted,

Bear Creek Storage Company, L.L.C.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates
Bear Creek Storage Company, L.L.C.
Post Office Box 2563
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Enclosures

CERTIFICATE OF SERVICE

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

Dated at Birmingham, Alabama this 27th day of December, 2018.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates
Bear Creek Storage Company, L.L.C.
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Bear Creek Storage Company, L.L.C.
FERC Gas Tariff

Tariff Sections Proposed to be Effective February 1, 2019

Section	Description	Version
	Tariff First Revised Volume No. 1	1.0.0
2	Preliminary Statement	1.0.0
4	Rate Schedule SS-P	1.0.0
5	General Terms and Conditions	4.0.0
6	Form of Storage Service Agreement	1.0.0
6.1	Exhibit A to Form of Storage Service Agreement	1.0.0
7	Index of Purchasers	1.0.0

CLEAN VERSION OF TARIFF SECTIONS

FERC GAS TARIFF

First Revised Volume No. 1

of

BEAR CREEK STORAGE COMPANY, L.L.C.

Filed With The

Federal Energy Regulatory Commission

Communications Covering Rates Should be Addressed To:

T. Brooks Henderson
Director – Rates and Regulatory
Bear Creek Storage Company, L.L.C.
P. O. Box 2563
Birmingham, Alabama 35202

PRELIMINARY STATEMENT

Bear Creek Storage Company, L.L.C. ("Bear Creek") is a natural gas company engaged in the business of developing and operating gas storage fields and providing gas storage service in certain reservoirs in the Bear Creek Field located in Bienville Parish, Louisiana. Bear Creek renders gas storage service pursuant to the authorization and subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

RATE SCHEDULE SS-P

STORAGE SERVICE

1. Availability

This Rate Schedule is available to Southern Natural Gas Company, L.L.C. and Tennessee Gas Pipeline Company, L.L.C. (hereinafter called "Customers"), if said Customers individually execute Service Agreements with Bear Creek Storage Company (hereinafter called "Bear Creek") in the form contained in this Tariff, which are accepted by Bear Creek and in which said Customers agree to purchase storage service subject to this Rate Schedule.

2. Applicability and Character of Service

This Rate Schedule shall apply to storage services rendered by Bear Creek to Customers under executed Service Agreements. Services rendered under this Rate Schedule shall consist of the injection and storage in the Pettit Reservoir of the Bear Creek Field by Bear Creek of gas tendered by Customers and accepted by Bear Creek, and the withdrawal and delivery by Bear Creek of such stored gas to Customers. Services rendered under this Rate Schedule, within the limitations hereinafter set forth, shall be firm and shall not be subject to curtailment or interruption except as provided in Section 11 of the General Terms and Conditions.

3. Rates

3.1 Monthly Charge. For each month commencing with the first month following the date on which Bear Creek notifies its Customers that it is ready to receive injections of Top Storage Gas in the Pettit Reservoir, each Customer shall pay to Bear Creek a charge which shall be the sum of a Storage Demand Charge, a Storage Capacity Charge, and Injection and Withdrawal Charges determined as follows:

- (1) Storage Demand Charge: A charge of \$2.21 per Mcf of Maximum Daily Withdrawal Rate
 - (2) Storage Capacity Charge: A charge of \$.017 per Mcf of Maximum Storage Capacity Volume
 - (3) Injection and Withdrawal Charges: A charge of \$.0055 per Mcf of gas each Customer tenders for injection or withdrawal and Bear Creek accepts for injection or withdrawal for the account of said Customer during the month.
- 3.2 Injection Gas Retention. One and one-half (1.5) percent of the volume of gas each Customer tenders for injection into storage and Bear Creek accepts for injection for the account of said Customer on any given day shall be retained by Bear Creek as (i) fuel gas used to perform the injection service, and (ii) gas otherwise used or unaccounted for in operations.
- 3.3 Withdrawal Gas Retention. One (1) percent of the volume of gas each Customer requests to be withdrawn from storage and Bear Creek withdraws for the account of said Customer on any given day shall be retained by Bear Creek as (i) fuel gas used to perform the withdrawal service, and (ii) gas otherwise used or unaccounted for in operations.
- 3.4 Annual Adjustment. At the conclusion of each Injection Period, the actual gas used as fuel gas by Bear Creek for injection service and withdrawal service will be assessed to each Customer on a gas-handled basis, and gas otherwise used or unaccounted for will be assessed to each Customer according to a percentage to be determined by dividing each Customer's Maximum Storage Capacity Volume by the Maximum Storage Capacity Volumes of all Customers receiving storage service from the

Storage Reservoir; provided, however, such gas used or unaccounted for under this Section 3.4 shall not include any gas losses which are extraordinary losses. Such assessments will be balanced against the Injection Gas Retention and Withdrawal Gas Retention previously billed to each Customer, with the storage records duly debited and credited to reflect said adjustments. No later than December 31 of each year, Bear Creek shall file with the FERC the annual assessment to each Customer as provided above along with any corresponding workpapers and information in accordance with the requirements of Section 154.403(d) of the Commission's regulations supporting the true-up of such fuel and ordinary gas losses during the previous annual period ending October 31 of each year. This annual assessment filing will be submitted to implement an annual adjustment, if such adjustment is applicable, and all interested parties will have the right to provide comments and/or protests for Commission resolution.

4. Minimum Bill

The minimum monthly bill shall be the sum of the Storage Demand Charge and the Storage Capacity Charge.

5. General Provisions

5.1 Injections and Withdrawals. Subject to the limitations and conditions hereinafter set forth, Bear Creek will inject into storage and withdraw from storage for the account of its Customers such volumes as its Customers nominate by proper notice to Bear Creek's dispatcher, subject to the qualifications set forth in Section 6.2 and 7.2. All injections into storage and withdrawals from storage will be deemed to have been made at uniform hourly rates.

5.2 Seasonal Deliveries. The Injection Period shall be the seven consecutive months beginning with April 1 and ending with the next succeeding October 31. The Withdrawal Period shall be the five consecutive months beginning with November 1 and ending with the next succeeding March 31. Notwithstanding the foregoing designations, a Customer will be permitted, to the extent prudent operation allows, to make injections of gas during any Withdrawal Period or withdrawals of gas during any Injection Period.

5.3 Notice Required. At least four (4) hours prior to the beginning of a day on which there will be a requested change in gas deliveries, each Customer shall notify Bear Creek's dispatcher of the quantity of gas that said Customer desires to have Bear Creek inject into storage or withdraw from storage for its account. Bear Creek, at its option, may waive any part of the notice requirement upon request.

6. Injections Into Storage

6.1 General Procedure. During the Injection Period, a Customer may, after proper notification, tender Top Storage Gas for storage at such times and at such rates of injection as it may desire, up to such Customer's Maximum Daily Injection Rate, and until such Customer's Top Storage Gas Balance is equal to such Customer's Maximum Storage Capacity Volume as specified in its executed Service Agreement. Bear Creek shall not be obligated to inject and store gas for a Customer in excess of its Maximum Storage Capacity Volume.

6.2 Excess Tenders. If on any day a Customer offers to deliver Top Storage Gas for storage at an injection rate in excess of its Maximum Daily Injection Rate, Bear Creek shall, so long as prudent operation allows, accept such excess gas for injection.

In the event Bear Creek cannot accept the total excess gas tendered by all Customers on a given day, the capacity to inject excess gas will be prorated to each Customer tendering excess gas 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 other Customers tendering excess gas on said day.

6.3 Force Majeure. In the event a condition of force majeure prevents the injection into storage by Bear Creek of all volumes tendered for injection by Customers on a given day, Bear Creek shall prorate the volumes deliverable into storage by each Customer in proportion to each Customer's tendered volume on that day up to its Maximum Daily Injection Rate. If such condition of force majeure continues beyond one day, the provisions of Section 11.3 of the General Terms and Conditions shall govern injections into storage.

7. Withdrawals From Storage

7.1 General Procedure. During the Withdrawal Period, a Customer may, after proper notification, withdraw Top Storage Gas from storage at such times and at such rates of withdrawal as it may desire, up to the Maximum Daily withdrawal Rate and until said Customer has exhausted its Top Storage Gas Balance.

7.2 Excess Demands. If on any day a Customer proposes to withdraw Top Storage Gas from storage at a withdrawal rate in excess of its Maximum Daily Withdrawal Rate, Bear Creek shall, so long as prudent operation allows, permit such excess gas to be withdrawn. In the event Bear Creek cannot deliver the total gas requested by all Customers on a given day, the capacity to withdraw excess gas will be prorated to each Customer requesting excess gas 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 requesting excess gas on said day.

- 7.3 Force Majeure. In the event a condition of force majeure prevents the withdrawal from storage and the delivery to all Customers of all volumes nominated for withdrawal on a given day, Bear Creek shall prorate the volumes deliverable from storage to each Customer in proportion to each Customer's nominated withdrawal on that day up to its Maximum Daily Withdrawal Rate. If such condition of force majeure continues beyond one day, the provisions of Section 11.3 of the General Terms and Conditions shall govern withdrawals from storage.
- 7.4 Use of Base Storage Gas. In order to assist either or both Customers in meeting their firm storage gas requirements after depletion of its Top Storage Gas Balance, Bear Creek may, upon request, permit, subject to the limitations contained herein, any Customer to utilize and withdraw a specified amount of the Base Storage Gas held by Bear Creek. Any withdrawals by a Customer in excess of its Top Storage Gas Balance shall be deemed to be made from Base Storage Gas. In the event Bear Creek permits a withdrawal of Base Storage Gas as provided herein, Bear Creek shall so long as prudent operation allows, specify such amount of Base Storage Gas and the times when and the withdrawal rates at which the same may be used and withdrawn, subject to the following limitation that any such withdrawals of the Base Storage Gas shall not impair the ability of Bear Creek to provide the applicable Maximum Daily Withdrawal Rate to the other Customer. A Customer which shall so use any Base Storage Gas shall pay the injection and withdrawal charges specified in Section 3.1 in addition to the fuel gas required in Section 3.3. The replacement of Base Storage Gas

shall be accomplished with the first gas thereafter delivered into storage by such Customer and shall be completed in no event later than the following October 31.

8. Storage Inventory Account

8.1 Top Storage Gas Balance. A Storage Inventory Account shall be maintained by Bear Creek for each Customer which shall reflect said Customer's current daily Top Storage Gas Balance. In the event that a Customer makes emergency withdrawals of Base Storage Gas pursuant to Section 7.4 of this Rate Schedule, Bear Creek shall reflect said emergency gas withdrawals and penalty gas assessments as a negative balance in said Customer's Storage Inventory Account.

8.2 Daily Adjustment. Each day pursuant to the Dispatching Procedures set forth in Section 17 of the General Terms and Conditions, Bear Creek, in undertaking to satisfy the nominations for injections and withdrawals made by said Customers, will adjust the Storage Inventory Accounts of said Customers to appropriately reflect the changes in the Top Storage Gas Balances of said Customers resulting from the satisfaction of all requests for injections and withdrawals on such day and will then actually deliver and/or receive at the Bear Creek Area Delivery Point the net volumes deemed adequate by Bear Creek to satisfy all such requests on such day.

9. General Terms and Conditions

The General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof.

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, L.L.C.
- 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, L.L.C. and Southern Natural Gas Company, L.L.C. and the interconnection of the facilities of Bear Creek with the facilities of Southern Natural Gas Company, L.L.C.. 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, L.L.C. without the consent of the dispatcher of Southern Natural Gas Company, L.L.C..

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, L.L.C. and Tennessee Gas Pipeline Company, L.L.C. 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, L.L.C. and/or Tennessee Gas Pipeline Company, L.L.C. 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.

FORM OF
STORAGE
SERVICE AGREEMENT

AGREEMENT, dated _____, _____, by and between BEAR CREEK STORAGE COMPANY, L.L.C., a limited liability company existing under the law of the State of Louisiana (herein called "Bear Creek"), and, _____, a Delaware limited liability company (herein called the "Customer").

WITSESSETH:

1. Storage and Withdrawal. Bear Creek agrees to receive and inject into storage and withdraw and deliver from storage for Customer's account Top Storage Gas in accordance with Bear Creek's Gas Tariff as approved by the Federal Energy Regulatory Commission (the "Commission") from time to time (the "Tariff"), and Exhibit A hereto: provided, however, that the volumes set out in Exhibit A attached hereto are best estimates made without operating experience and the obligations of Bear Creek hereunder are specifically subject to the physical capability of the Pettit Storage Reservoir as determined by actual operating experience.
2. Term; Payments. Customer agrees to purchase storage service subject to the Tariff for a period of ___ year(s) from the effective date of this Agreement. Such service shall be rendered initially at the rates and under the provisions of Bear Creek's Rate Schedule SS-P and subject to the General Terms and Conditions relating to such Rate Schedule contained in the Tariff as in effect at the date this Agreement becomes effective and Customer agrees to pay to Bear Creek monthly following the effective date of this Agreement, a charge (herein called the "Monthly Charge") which shall be the sum of the Storage Demand Charge and the Storage Capacity Charge determined as set forth in Section 3.1 of Rate Schedule SS-P. Customer agrees that Bear Creek shall, without any further agreement by Customer, have the right to change all or any part of the Tariff (including the rates contained therein) and to file notices of such changes with the Commission pursuant to Section 4(d) of the Natural Gas Act. Customer further agrees that it shall be obligated to pay the Monthly Charge for storage service hereunder in accordance with the provisions of the Tariff as originally in effect or as so changed, Customer's said obligation being subject to the provisions of the Natural Gas Act and the exercise by the Commission of its powers thereunder. Customer agrees that, subject to the provisions of the Natural Gas Act and the exercise by the Commission of its powers thereunder, its obligation to pay for storage service hereunder in accordance with the provisions of the Tariff is absolute and unconditional under any and all circumstances. The agreements stated above are made in recognition of the fact that Bear Creek will be the ultimate beneficiary of long term financing obtained from one or more lenders. The agreements stated above are also made in recognition of the fact that Bear Creek's rates and the classifications, practices and regulations relating thereto must conform to the standards of the Natural Gas Act, that notices of all rate and other Tariff changes must be filed by Bear Creek with the Commission pursuant to Section 4(d) of said Act and that such changed rates

and other changed portions of the Tariff may be suspended, reviewed and modified by the Commission under the provisions of Section 4(e) of said Act. The Service Agreement shall be extended automatically for additional periods of one (1) year (any such period being hereinafter referred to as an “Evergreen Extension”) unless either Shipper or SNG provides the other with written notice of its election not to so extend the term at least sixty (60) days prior to the end of any Primary Term or sixty (60) days prior to the end of any subsequent Evergreen Extension thereto.

3. **Effective Date; Prior Agreements Superseded.** This Agreement shall supersede as of said date all prior agreements relating to the storage of gas for Customer by Bear Creek in the Pettit Storage Reservoir.
4. **Successors and Assigns.** This Agreement shall bind and benefit the successors and assigns of the respective parties hereto.
5. **Notices.** All notices provided for hereunder shall be duly given if sent by registered mail, postage prepaid, to the parties at the addresses set forth below or such other addresses as may be designated from time to time. Copies of all notices required to be sent to Bear Creek shall be forwarded simultaneously to Southern Natural Gas Company, L.L.C. as Operator.

Bear Creek: Bear Creek Storage Company, L.L.C.
Post Office Box 82
Bienville, Louisiana 71008

Operator: Southern Natural Gas Company, L.L.C.
Post Office Box 2563
Birmingham, Alabama 35202

6. **Defined Terms.** Defined terms used in this Agreement and not defined herein shall have the same meanings as are assigned thereto in the General Terms and Conditions relating to the Tariff.
7. **Amendments.** This Agreement may not be altered, changed or amended except by an instrument in writing executed by both Bear Creek and Customer, and, if this Agreement has been assigned by the assignee.
8. **Governing Law.** This Agreement shall be construed in accordance with and be governed by the laws of the State of Louisiana.
9. **Severability.** In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

10. Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

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

ATTEST:

BEAR CREEK STORAGE COMPANY, L.L.C.

Secretary

By _____
President

ATTEST:

By _____

EXHIBIT A

Effective Date_____

Rate Schedule_____

Customer

Delivery Point	Maximum Storage <u>Capacity Volume</u>	Maximum Daily <u>Injection Rate</u>	Maximum Daily <u>Withdrawal Rate</u>
----------------	---	--	---

Total

BEAR CREEK STORAGE COMPANY, L.L.C.

By_____

By_____ Vice President

Date

Date

INDEX OF PURCHASERS

<u>Name of Purchaser</u>	<u>Rate Schedule</u>	<u>Maximum Storage Capacity Volume</u>	<u>Maximum Daily Injection Rate</u>	<u>Maximum Daily Withdrawal Rate</u>	<u>Identification of Service Agreement</u>		
					<u>Dated</u>	<u>Effective</u>	<u>Term</u>
Southern Natural Gas Company, L.L.C.	SS-P	32,500,000	150,000	250,000			1 yr. ¹
Tennessee Gas Pipeline Company, L.L.C.	SS-P	32,500,000	150,000	250,000			1 yr. ¹

¹ Automatically extended for additional periods of one (1) year unless notice provided not to extend at least sixty (60) days prior to end of current term.

MARKED VERSION OF TARIFF SECTIONS

FERC GAS TARIFF

First Revised Volume No. 1

of

BEAR CREEK STORAGE COMPANY, L.L.C.

Filed With The

Federal Energy Regulatory Commission

Communications Covering Rates Should be Addressed To:

~~Glenn A. Sheffield~~ T. Brooks Henderson

Director – Rates and Regulatory
Bear Creek Storage Company, L.L.C.
P. O. Box 2563
Birmingham, Alabama 35202

PRELIMINARY STATEMENT

Bear Creek Storage Company, L.L.C. ("Bear Creek") is a natural gas company engaged in the business of developing and operating gas storage fields and providing gas storage service in certain reservoirs in the Bear Creek Field located in Bienville Parish, Louisiana. Bear Creek renders gas storage service pursuant to the authorization and subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

RATE SCHEDULE SS-P

STORAGE SERVICE

1. Availability

This Rate Schedule is available to Southern Natural Gas Company, L.L.C. and Tennessee Gas Pipeline Company, L.L.C., ~~a Division of Tenneco Inc.~~ (hereinafter called "Customers"), if said Customers individually execute Service Agreements with Bear Creek Storage Company (hereinafter called "Bear Creek") in the form contained in this Tariff, which are accepted by Bear Creek and in which said Customers agree to purchase storage service subject to this Rate Schedule.

2. Applicability and Character of Service

This Rate Schedule shall apply to storage services rendered by Bear Creek to Customers under executed Service Agreements. Services rendered under this Rate Schedule shall consist of the injection and storage in the Pettit Reservoir of the Bear Creek Field by Bear Creek of gas tendered by Customers and accepted by Bear Creek, and the withdrawal and delivery by Bear Creek of such stored gas to Customers. Services rendered under this Rate Schedule, within the limitations hereinafter set forth, shall be firm and shall not be subject to curtailment or interruption except as provided in Section 11 of the General Terms and Conditions.

3. Rates

3.1 Monthly Charge. For each month commencing with the first month following the date on which Bear Creek notifies its Customers that it is ready to receive injections of Top Storage Gas in the Pettit Reservoir, each Customer shall pay to Bear Creek a charge which shall be the sum of a Storage Demand Charge, a Storage Capacity Charge, and Injection and Withdrawal Charges determined as follows:

- (1) Storage Demand Charge: A charge of \$2.21 per Mcf of Maximum Daily Withdrawal Rate
 - (2) Storage Capacity Charge: A charge of \$.017 per Mcf of Maximum Storage Capacity Volume
 - (3) Injection and Withdrawal Charges: A charge of \$.0055 per Mcf of gas each Customer tenders for injection or withdrawal and Bear Creek accepts for injection or withdrawal for the account of said Customer during the month.
- 3.2 Injection Gas Retention. One and one-half (1.5) percent of the volume of gas each Customer tenders for injection into storage and Bear Creek accepts for injection for the account of said Customer on any given day shall be retained by Bear Creek as (i) fuel gas used to perform the injection service, and (ii) gas otherwise used or unaccounted for in operations.
- 3.3 Withdrawal Gas Retention. One (1) percent of the volume of gas each Customer requests to be withdrawn from storage and Bear Creek withdraws for the account of said Customer on any given day shall be retained by Bear Creek as (i) fuel gas used to perform the withdrawal service, and (ii) gas otherwise used or unaccounted for in operations.
- 3.4 Annual Adjustment. At the conclusion of each Injection Period, the actual gas used as fuel gas by Bear Creek for injection service and withdrawal service will be assessed to each Customer on a gas-handled basis, and gas otherwise used or unaccounted for will be assessed to each Customer according to a percentage to be determined by dividing each Customer's Maximum Storage Capacity Volume by the Maximum Storage Capacity Volumes of all Customers receiving storage service from the

Storage Reservoir; provided, however, such gas used or unaccounted for under this Section 3.4 shall not include any gas losses which are extraordinary losses. Such assessments will be balanced against the Injection Gas Retention and Withdrawal Gas Retention previously billed to each Customer, with the storage records duly debited and credited to reflect said adjustments. No later than December 31 of each year, Bear Creek shall file with the FERC the annual assessment to each Customer as provided above along with any corresponding workpapers and information in accordance with the requirements of Section 154.403(d) of the Commission's regulations supporting the true-up of such fuel and ordinary gas losses during the previous annual period ending October 31 of each year. This annual assessment filing will be submitted to implement an annual adjustment, if such adjustment is applicable, and all interested parties will have the right to provide comments and/or protests for Commission resolution.

4. Minimum Bill

The minimum monthly bill shall be the sum of the Storage Demand Charge and the Storage Capacity Charge.

5. General Provisions

5.1 Injections and Withdrawals. Subject to the limitations and conditions hereinafter set forth, Bear Creek will inject into storage and withdraw from storage for the account of its Customers such volumes as its Customers ~~such volumes as its Customers~~ nominate by proper notice to Bear Creek's dispatcher, subject to the qualifications set forth in Section 6.2 and 7.2. All injections into storage and withdrawals from storage will be deemed to have been made at uniform hourly rates.

5.2 Seasonal Deliveries. The Injection Period shall be the seven consecutive months beginning with April 1 and ending with the next succeeding October 31. The Withdrawal Period shall be the five consecutive months beginning with November 1 and ending with the next succeeding March 31. Notwithstanding the foregoing designations, a Customer will be permitted, to the extent prudent operation allows, to make injections of gas during any Withdrawal Period or withdrawals of gas during any Injection Period.

5.3 Notice Required. At least four (4) hours prior to the beginning of a day on which there will be a requested change in gas deliveries, each Customer shall notify Bear Creek's dispatcher of the quantity of gas that said Customer desires to have Bear Creek inject into storage or withdraw from storage for its account. Bear Creek, at its option, may waive any part of the notice requirement upon request.

6. Injections Into Storage

6.1 General Procedure. During the Injection Period, a Customer may, after proper notification, tender Top Storage Gas for storage at such times and at such rates of injection as it may desire, up to such Customer's Maximum Daily Injection Rate, and until such Customer's Top Storage Gas Balance is equal to such Customer's Maximum Storage Capacity Volume as specified in its executed Service Agreement. Bear Creek shall not be obligated to inject and store gas for a Customer in excess of its Maximum Storage Capacity Volume.

6.2 Excess Tenders. If on any day a Customer offers to deliver Top Storage Gas for storage at an injection rate in excess of its Maximum Daily Injection Rate, Bear Creek shall, so long as prudent operation allows, accept such excess gas for injection.

In the event Bear Creek cannot accept the total excess gas tendered by all Customers on a given day, the capacity to inject excess gas will be prorated to each Customer tendering excess gas 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 other Customers tendering excess gas on said day.

6.3 Force Majeure. In the event a condition of force majeure prevents the injection into storage by Bear Creek of all volumes tendered for injection by Customers on a given day, Bear Creek shall prorate the volumes deliverable into storage by each Customer in proportion to each Customer's tendered volume on that day up to its Maximum Daily Injection Rate. If such condition of force majeure continues beyond one day, the provisions of Section 11.3 of the General Terms and Conditions shall govern injections into storage.

7. Withdrawals From Storage

7.1 General Procedure. During the Withdrawal Period, a Customer may, after proper notification, withdraw Top Storage Gas from storage at such times and at such rates of withdrawal as it may desire, up to the Maximum Daily withdrawal Rate and until said Customer has exhausted its Top Storage Gas Balance.

7.2 Excess Demands. If on any day a Customer proposes to withdraw Top Storage Gas from storage at a withdrawal rate in excess of its Maximum Daily Withdrawal Rate, Bear Creek shall, so long as prudent operation allows, permit such excess gas to be withdrawn. In the event Bear Creek cannot deliver the total gas requested by all Customers on a given day, the capacity to withdraw excess gas will be prorated to each Customer requesting excess gas 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 requesting excess gas on said day.

7.3 Force Majeure. In the event a condition of force majeure prevents the withdrawal from storage and the delivery to all Customers of all volumes nominated for withdrawal on a given day, Bear Creek shall prorate the volumes deliverable from storage to each Customer in proportion to each Customer's nominated withdrawal on that day up to its Maximum Daily Withdrawal Rate. If such condition of force majeure continues beyond one day, the provisions of Section 11.3 of the General Terms and Conditions shall govern withdrawals from storage.

7.4 Emergency Use of Base Storage Gas. In order to assist ~~either or both~~ Customers in meeting ~~their firm storage gas requirements~~ emergencies after depletion of its Top Storage Gas Balance, Bear Creek may, upon request, permit, subject to the limitations contained herein, any Customer to utilize and withdraw a specified amount of the Base Storage Gas held by Bear Creek. Any withdrawals by a Customer in excess of its Top Storage Gas Balance shall be deemed to be made from Base Storage Gas. In the event Bear Creek permits a withdrawal of Base Storage Gas as provided herein, Bear Creek shall so long as prudent operation allows, specify such amount of Base Storage Gas and the times when and the withdrawal rates at which the same may be used and withdrawn, subject to the following limitation that any such withdrawals of the Base Storage Gas shall ~~withdrawals shall be strictly limited to such amount and daily rate as will~~ not impair the ability of Bear Creek to provide ~~one-half (1/2) of the applicable Maximum Daily Withdrawal deliverabilityRate of the Pettit Reservoir~~ to the other Customer. ~~Provided, however, that in no event shall Bear Creek allow a~~

~~Customer to make withdrawals from Base Storage Gas where such withdrawals would impair the ability of Bear Creek to deliver the other Customer's Top Storage Gas Balance at such other Customer's Maximum Daily Withdrawal Rate.~~ A Customer which shall so use any Base Storage Gas shall pay the injection and withdrawal charges specified in Section 3.1 ~~and shall provide penalty gas,~~ in addition to the fuel gas required in Section 3.3; ~~in an amount equal to five (5) percent of its withdrawal volume of Base Storage Gas, which amount shall not be subject to adjustment under the provisions of Section 3.4 but shall be credited to the account of the other Customers in proportion to their Maximum Storage Capacity Volumes. Said Customer shall promptly provide such penalty gas and replace the Base Storage Gas so withdrawn from storage.~~ The ~~providing of penalty gas and the~~ replacement of Base Storage Gas shall be accomplished with the first gas thereafter delivered into storage by such Customer and shall be completed in no event later than the following October 31.

8. Storage Inventory Account

8.1 Top Storage Gas Balance. A Storage Inventory Account shall be maintained by Bear Creek for each Customer which shall reflect said Customer's current daily Top Storage Gas Balance. In the event that a Customer makes emergency withdrawals of Base Storage Gas pursuant to Section 7.4 of this Rate Schedule, Bear Creek shall reflect said emergency gas withdrawals and penalty gas assessments as a negative balance in said Customer's Storage Inventory Account.

8.2 Daily Adjustment. Each day pursuant to the Dispatching Procedures set forth in Section 17 of the General Terms and Conditions, Bear Creek, in undertaking to

satisfy the nominations for injections and withdrawals made by said Customers, will adjust the Storage Inventory Accounts of said Customers to appropriately reflect the changes in the Top Storage Gas Balances of said Customers resulting from the satisfaction of all requests for injections and withdrawals on such day and will then actually deliver and/or receive at the Bear Creek Area Delivery Point the net volumes deemed adequate by Bear Creek to satisfy all such requests on such day.

9. General Terms and Conditions

The General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof.

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, L.L.C.
- 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, L.L.C. and Southern Natural Gas Company, L.L.C. and the interconnection of the facilities of Bear Creek with the facilities of Southern Natural Gas Company, L.L.C.. 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, L.L.C. without the consent of the dispatcher of Southern Natural Gas Company, L.L.C.

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, L.L.C. and Tennessee Gas Pipeline Company, L.L.C. 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, L.L.C. and/or Tennessee Gas Pipeline Company, L.L.C. 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.

FORM OF
STORAGE
SERVICE AGREEMENT

AGREEMENT, dated _____, ~~1981~~, by and between BEAR CREEK STORAGE COMPANY, L.L.C., ~~an ordinary partnership~~ limited liability company existing under the law of the State of Louisiana (herein called "Bear Creek"), and, _____, a Delaware ~~corporation~~ limited liability company (herein called the "Customer").

WITNESSETH:

1. Storage and Withdrawal. Bear Creek agrees to receive and inject into storage and withdraw and deliver from storage for Customer's account Top Storage Gas in accordance with Bear Creek's Gas Tariff as approved by the Federal Energy Regulatory Commission (the "Commission") from time to time (the "Tariff"), and Exhibit A hereto: provided, however, that the volumes set out in Exhibit A attached hereto are best estimates made without operating experience and the obligations of Bear Creek hereunder are specifically subject to the physical capability of the Pettit Storage Reservoir as determined by actual operating experience.
2. Term; Payments. Customer agrees to purchase storage service subject to the Tariff for a period of ~~twenty (20)~~ _____ year(s) from the effective date of this Agreement. Such service shall be rendered initially at the rates and under the provisions of Bear Creek's Rate Schedule SS-P and subject to the General Terms and Conditions relating to such Rate Schedule contained in the Tariff as in effect at the date this Agreement becomes effective and Customer agrees to pay to Bear Creek monthly following the effective date of this Agreement, a charge (herein called the "Monthly Charge") which shall be the sum of the Storage Demand Charge and the Storage Capacity Charge determined as set forth in Section 3.1 of Rate Schedule SS-P. Customer agrees that Bear Creek shall, without any further agreement by Customer, have the right to change all or any part of the Tariff (including the rates contained therein) and to file notices of such changes with the Commission pursuant to Section 4(d) of the Natural Gas Act. Customer further agrees that it shall ~~be~~ obligated to pay the Monthly Charge for storage service hereunder in accordance with the provisions of the Tariff as originally in effect or as so changed, Customer's said obligation being subject to the provisions of the Natural Gas Act and the exercise by the Commission of its powers thereunder. Customer agrees that, subject to the provisions of the Natural Gas Act and the exercise by the Commission of its powers thereunder, its obligation to pay for storage service hereunder in accordance with the provisions of the Tariff is absolute and unconditional under any and all circumstances. The agreements stated above are made in recognition of the fact that Bear Creek will be the ultimate beneficiary of long term financing obtained from one or more lenders. The agreements stated above are also made in recognition of the fact that Bear Creek's rates and the classifications, practices and regulations relating thereto must conform to the standards of the Natural Gas Act, that notices of all rate and other Tariff changes must be filed by Bear Creek with the Commission

pursuant to Section 4(d) of said Act and that such changed rates and other changed portions of the Tariff may be suspended, reviewed and modified by the Commission under the provisions of Section 4(e) of said Act. The Service Agreement shall be extended automatically for additional periods of one (1) year (any such period being hereinafter referred to as an “Evergreen Extension”) unless either Shipper or SNG provides the other with written notice of its election not to so extend the term at least sixty (60) days prior to the end of any Primary Term or sixty (60) days prior to the end of any subsequent Evergreen Extension thereto.

3. Effective Date; Prior Agreements Superseded. ~~This Agreement shall become effective upon the completion of injection of Base Storage Gas into the Pettit Storage Reservoir and notice by Bear Creek to Customer that it is ready to receive injections of Top Storage Gas in the Pettit Storage Reservoir.~~ This Agreement shall supersede as of said ~~later~~ date all prior agreements relating to the storage of gas for Customer by Bear Creek in the Pettit Storage Reservoir.
4. Successors and Assigns. This Agreement shall bind and benefit the successors and assigns of the respective parties hereto.
5. Notices. All notices provided for hereunder shall be duly given if sent by registered mail, postage prepaid, to the parties at the addresses set forth below or such other addresses as may be designated from time to time. Copies of all notices required to be sent to Bear Creek shall be forwarded simultaneously to Southern Natural Gas Company, L.L.C. as Operator.

Bear Creek: Bear Creek Storage Company, L.L.C.
Post Office Box 82
Bienville, Louisiana 71008

Operator: Southern Natural Gas Company, L.L.C.
Post Office Box 2563
Birmingham, Alabama 35202

6. Defined Terms. Defined terms used in this Agreement and not defined herein shall have the same meanings as are assigned thereto in the General Terms and Conditions relating to the Tariff.
7. Amendments. This Agreement may not be altered, changed or amended except by an instrument in writing executed by both Bear Creek and Customer, and, if this Agreement has been assigned by the assignee.
8. Governing Law. This Agreement shall be construed in accordance with and ~~be~~ governed by the laws of the State of Louisiana.

- 9. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.
- 10. Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

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

ATTEST:

BEAR CREEK STORAGE COMPANY, L.L.C.

Secretary

By _____
President

ATTEST:

By _____

EXHIBIT A

Effective Date_____

Rate Schedule_____

Customer

Delivery Point	Maximum Storage <u>Capacity Volume</u>	Maximum Daily <u>Injection Rate</u>	Maximum Daily <u>Withdrawal Rate</u>
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Total

BEAR CREEK STORAGE COMPANY, L.L.C.

By_____

By_____

Vice President

Date

Date

INDEX OF PURCHASERS

<u>Name of Purchaser</u>	<u>Rate Schedule</u>	<u>Maximum Storage Capacity Volume</u>	<u>Maximum Daily Injection Rate</u>	<u>Maximum Daily Withdrawal Rate</u>	<u>Identification of Service Agreement</u>		
					<u>Dated</u>	<u>Effective</u>	<u>Term</u>
Southern Natural Gas Company, <u>L.L.C.</u>	SS-P	32,500,000	150,000	250,000			201 yrs. ¹
Tennessee Gas Pipeline Company, <u>L.L.C.</u> A Division of Tenneco, Inc.	SS-P	32,500,000	150,000	250,000			201 yrs. ¹

¹ Automatically extended for additional periods of one (1) year unless notice provided not to extend at least sixty (60) days prior to end of current term.