



Southern Natural Gas
Company, L.L.C.
a Kinder Morgan operated company

January 16, 2019

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

Re: Southern Natural Gas Company, L.L.C.
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"), Southern Natural Gas Company, L.L.C. ("Southern") hereby submits for filing the tariff sections of its FERC Gas Tariff, Eighth Revised Volume No. 1 ("Tariff"), listed in Appendix A. Southern requests that the Commission accept this tariff filing and permit the proposed tariff sections to become effective March 1, 2019 as indicated in Appendix A.

Nature, Basis and Reasons for the Proposed Tariff Changes

The purpose of this filing is to make miscellaneous updates, clarifications and corrections to various sections of Southern's currently effective tariff. The proposed changes and affected Sections of the Tariff are described in Appendix B – Table of Tariff Changes.

Procedural Matters

Southern respectfully requests waiver of 18 C.F.R. Part 154.207 and any other waivers of the Commission's regulations, to the extent necessary, to permit the proposed tariff records to become effective March 1, 2019 as indicated in Appendix A.

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

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

1. A transmittal letter;
2. Appendix A, containing a list of the tendered tariff sections;
3. Appendix B, containing a reference table of proposed tariff changes; and
4. Clean and marked versions of the tariff sections in PDF format.

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

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

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Respectfully submitted,

SOUTHERN NATURAL GAS COMPANY, L.L.C.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates and Regulatory
Southern Natural Gas 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 Southern's customers and interested state commissions.

Dated at Birmingham, Alabama this 16th day of January, 2019.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates and Regulatory
Southern Natural Gas Company, L.L.C.
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APPENDIX A
SOUTHERN NATURAL GAS COMPANY, L.L.C.

Tariff Sections Proposed to be effective March 1, 2019

Section 1.2	Version 4.0.0
Section 2	Version 2.0.0
Section 2.3	Version 24.0.0
Section 2.3.1	Version 24.0.0
Section 3	Version 2.0.0
Section 4.5	Version 6.0.0
Section 5.3.1	Version 2.0.0
Section 5.3.2	Version 2.0.0
Section 5.3.3	Version 2.0.0
Section 5.8	Version 2.0.0
Section 6.1	Version 6.0.0
Section 6.2	Version 6.0.0
Section 6.8	Version 2.0.0

APPENDIX B
SOUTHERN NATURAL GAS COMPANY, L.L.C.

TABLE OF TARIFF CHANGES

Section Number	Description
Section 1.2 Preliminary Statement	Deletes “Texas and” from the first paragraph. Southern no longer operates any facilities in Texas.
Section 2 Statement of Rates	Adds “FT-NN Settlement” and “Service Agreements” to Non-Conforming. These are existing rates. These additions are only to correct the listing of the Statement of Rates.
Section 2.3 Statement of Rates IT Contesting	Add footnote reference 2/ to Transportation Charge (Dth) and Backhaul Transportation Charge (Dth) which were left off inadvertently.
Section 2.3.1 Statement of Rates IT Settlement	Add footnote reference 2/ to Transportation Charge (Dth) and Backhaul Transportation Charge (Dth) which were left off inadvertently.
Section 3 Rate Schedules	Adds “PAL”. This is an existing rate schedule. This addition is only to correct the listing of the Rate Schedules.
Section 4.5 GT&C Measuring Equipment	Adds “unless mutually agreed to by both COMPANY and Point Operator” at the end of the third sentence in subsection 5.5 Prior Period Adjustments. This change would allow more flexibility in handling minor changes to prior period adjustments.
Section 5.3.1 Appendix C Transp. Nom. Form Receipts	Changes to “Reserved for Future Use”. Section 5.3 Appendix C Transp. Nom. Form was changed to Reserved for Future Use in Southern’s Conversion of Premier to DART Compliance filing in RP15-886 effective 4/1/2016. Section 5.3.1 was inadvertently left out of that filing.
Section 5.3.2 Appendix C Transp. Nom. Form Deliveries	Changes to “Reserved for Future Use”. Section 5.3 Appendix C Transp. Nom. Form was changed to Reserved for Future Use in Southern’s Conversion of Premier to DART Compliance filing in RP15-886 effective 4/1/2016. Section 5.3.2 was inadvertently left out of that filing.
Section 5.3.3 Appendix C Transp. Nom. Form Pathed Nom.	Changes to “Reserved for Future Use”. Section 5.3 Appendix C Transp. Nom. Form was changed to Reserved for Future Use in Southern’s Conversion of Premier to DART Compliance filing in RP15-886 effective 4/1/2016. Section 5.3.3 was inadvertently left out of that filing.
Section 5.8 Appendix H	Changes to “Reserved for Future Use”. Section 5.8.1 Appendix H Capacity Release Timetable I, Section 5.8.2 Appendix H Capacity Release Timetable II and Section 5.8.3 Appendix H Capacity Release Timetable III were changed to Reserved for Future Use in Southern’s Conversion of Premier to DART Compliance filing in RP15-886 effective 4/1/2016. Section 5.8 was inadvertently left out of that filing.
Section 6.1 Form of Serv. Agreements FT	Corrects typos.
Section 6.2 Form of Serv. Agreements IT	Corrects typos.
Section 6.8 Form of Serv. Agreements FT-NN	Corrects typos.

CLEAN VERSION OF TARIFF SECTIONS

SECTION 1.2

PRELIMINARY STATEMENT

Southern Natural Gas Company, L.L.C. (hereinafter called "Company") is a natural gas transmission company engaged in the business of transporting and storing natural gas. Company operates facilities which extend from Louisiana through Mississippi, Alabama, Georgia and into South Carolina, Tennessee and Florida.

Company's charges are based on the zone of receipt and zone of delivery from and to which the gas is transported. The rate zones are shown on the maps in Section 1.3, and the Company's rates are set forth in Section 2.0.

The Company has not qualified as a public utility in any state through which it operates; and it has never operated as a common carrier.

It is the policy of Company to provide transportation and storage services under specific service agreements entered into with shippers after consideration of its existing firm commitments, available capacity, operating conditions and other factors deemed pertinent by the Company as more particularly set forth in this tariff for each service. The Company provides a variety of firm and interruptible services. These services are subject to the jurisdiction of the Federal Energy Regulatory Commission and are provided on an open-access, not unduly discriminatory basis under the terms and conditions set forth in the applicable rate schedule, service agreement, and general terms and conditions contained herein.

It has always been the policy of the Company to make sales and purchases of gas for operational transactions, reserving the right at its discretion to enter into contracts for sales or purchases of gas in order to meet its operational obligations under its service agreements and as otherwise stated hereunder.

STATEMENT OF RATES

FT
FT SETTLEMENT
FT-NN
FT-NN SETTLEMENT
IT
IT SETTLEMENT
CSS
CSS SETTLEMENT
ISS
ISS SETTLEMENT
LIQUIDS AND LIQUEFIABLES
LIQUIDS AND LIQUEFIABLES SETTLEMENT
NEGOTIATED RATES
NON-CONFORMING SERVICE AGREEMENTS
PAL
PAL SETTLEMENT

Contesting Party Rates 3/
 Interruptible Transportation Service

<u>RECEIPT ZONE</u>	Production Area	Zone 1	Zone 2	Zone 3
<u>Transportation Charge (Dth) 1/ 2/</u>				
Maximum/Maximum Including Surcharges:				
Production Area	22.90¢/22.90¢	25.70¢/25.70¢	37.60¢/37.60¢	48.60¢/48.60¢
Zone 1	22.90¢/22.90¢	11.20¢/11.20¢	23.10¢/23.10¢	34.20¢/34.20¢
Zone 2	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	31.60¢/31.60¢
Zone 3	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	19.30¢/19.30¢
Minimum:				
Production Area	4.10¢	4.50¢	5.80¢	6.60¢
Zone 1	4.10¢	2.90¢	4.30¢	5.10¢
Zone 2	4.10¢	2.90¢	3.90¢	4.70¢
Zone 3	4.10¢	2.90¢	3.90¢	3.40¢
<u>Backhaul Transportation Charge (Dth) 1/ 2/</u>				
Max/Max With Surcharges:				
Production Area	22.90¢/22.90¢	N/A	N/A	N/A
Zone 1	22.90¢/22.90¢	11.20¢/11.20¢	N/A	N/A
Zone 2	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	N/A
Zone 3	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	19.30¢/19.30¢
Minimum:				
Production Area	4.10¢	N/A	N/A	N/A
Zone 1	4.10¢	2.90¢	N/A	N/A
Zone 2	4.10¢	2.90¢	3.90¢	N/A
Zone 3	4.10¢	2.90¢	3.90¢	3.40¢
<u>Fuel Retention (Winter Period: October – March)</u>				
Forward Haul Fuel, Used & Unaccounted For	1.78%	1.78%	2.72%	3.31%
Intrazone Fuel, Used & Unaccounted For	1.78%	0.57%	0.57%	0.57%
Backhaul Fuel, Used & Unaccounted For	0.16%	0.16%	0.16%	0.16%

1/ The surcharges applicable to service under Rate Schedule IT and Supply Pool Balancing Agreement include:

Storage Cost Reconciliation Mechanism \$(0.0011) applicable to each Dth transported.
 Volumetric Surcharge:

2/ The surcharges applicable to service under Rate Schedule IT include:

ACA Surcharge: See Section 28 of the General Terms and Conditions.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of the ACA surcharge.

SETTLEMENT RATES 3/
 Interruptible Transportation Service

RECEIPT ZONE	Production Area	DELIVERY ZONE		
		Zone 1	Zone 2	Zone 3
<u>Transportation Charge (Dth) 1/ 2/</u> Maximum/Maximum Including Surcharges:				
Production Area	21.10¢/21.10¢	23.70¢/23.70¢	34.70¢/34.70¢	44.70¢/44.70¢
Zone 1	21.10¢/21.10¢	10.30¢/10.30¢	21.30¢/21.30¢	31.50¢/31.50¢
Zone 2	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	29.10¢/29.10¢
Zone 3	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	17.70¢/17.70¢
Minimum:				
Production Area	0.500¢	0.700¢	2.10¢	2.90¢
Zone 1	0.500¢	0.200¢	1.60¢	2.40¢
Zone 2	0.500¢	0.200¢	1.40¢	2.20¢
Zone 3	0.500¢	0.200¢	1.40¢	0.900¢
<u>Backhaul Transportation Charge (Dth) 1/ 2/</u> Max/Max With Surcharges:				
Production Area	21.10¢/21.10¢	N/A	N/A	N/A
Zone 1	21.10¢/21.10¢	10.30¢/10.30¢	N/A	N/A
Zone 2	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	N/A
Zone 3	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	17.70¢/17.70¢
Minimum:				
Production Area	0.500¢	N/A	N/A	N/A
Zone 1	0.500¢	0.200¢	N/A	N/A
Zone 2	0.500¢	0.200¢	1.40¢	N/A
Zone 3	0.500¢	0.200¢	1.40¢	0.900¢
<u>Fuel Retention (Winter Period: October – March)</u>				
Forward Haul Fuel, Used & Unaccounted For	1.78%	1.78%	2.72%	3.31%
Intrazone Fuel, Used & Unaccounted For	1.78%	0.57%	0.57%	0.57%
Backhaul Fuel, Used & Unaccounted For	0.16%	0.16%	0.16%	0.16%

1/ The surcharges applicable to service under Rate Schedule IT and Supply Pool Balancing Agreement include:

Storage Cost Reconciliation Mechanism Volumetric \$(0.0011) applicable to each Dth transported.
 Surcharges:

2/ Surcharges applicable to service under Rate Schedule IT.

ACA Surcharges: See Section 28 of the General Terms and Conditions.

- 3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of the ACA surcharge.

RATE SCHEDULES

FT
FT-NN
IT
CSS
ISS
PAL

5. MEASURING EQUIPMENT

5.1 Measuring Equipment Standards:

Unless otherwise agreed between COMPANY and Operator/Interconnecting Party, COMPANY will install, maintain, operate or cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the volumes of Gas received and delivered hereunder shall be determined.

- (a) Orifice Meters. Orifice meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 3, Orifice Metering of Natural Gas (1992), as amended from time to time.
- (b) Ultrasonic Meters. Ultrasonic meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 9, Measurement of Gas by Multipath Ultrasonic Meters (2007), as amended from time to time.
- (c) Turbine Meters. Turbine meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 7, Measurement of Natural Gas by Turbine Meter (2006), as amended from time to time.
- (d) Positive Displacement Meters. Positive displacement meters shall be installed and Gas volumes computed in accordance with generally accepted industry practices.
- (e) Coriolis Meters. Coriolis meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 11 "Measurement of Natural Gas by Coriolis Meter", as amended from time to time.
- (f) Electronic Flow Computers. Electronic flow computers shall be used for direct computation of Gas flows for custody transfer in accordance with the standards prescribed in API MPMS (Manual of Petroleum Measurement Standards) 21.1, Electronic Gas Measurement, as amended from time to time.
- (g) New Measurement Techniques. If, at any time, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted by COMPANY in exercise of its reasonable judgment provided that the new method or technique reflects generally accepted industry practices. COMPANY shall promptly inform all SHIPPERS of any new method or technique adopted.

5.2 Testing Measuring Equipment:

Calibration and Test of Meters. The accuracy of all measuring equipment shall be verified by COMPANY at reasonable intervals, and if requested, in the presence of representatives of SHIPPER, but neither SHIPPER nor COMPANY shall be required to verify the accuracy of such equipment more frequently than once in any 30-Day period. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.

In the event SHIPPER'S or Receipt Point Operator's or Downstream Operator's pipeline or production facilities go offline for more than twenty-four (24) hours due to destruction or damage or the potential for destruction or damage of such upstream or downstream facilities, COMPANY shall have the right to test or inspect its equipment for damage within a reasonable period of time prior to allowing the point operator to resume service.

5.3 Correction of Metering Errors:

Correction of Metering Errors. If, upon test, the measuring equipment is found to be in error by not more than one percent (1%), previous recordings of such equipment shall be considered accurate in computing deliveries, but such equipment shall be adjusted at once to record accurately. If, upon test, the measuring equipment shall be found to be inaccurate by an amount exceeding one percent (1%), at a recording corresponding to the average Hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period that is known definitely or agreed upon between COMPANY

and SHIPPER/Operator. In case the period is not known or agreed upon by COMPANY and SHIPPER/Operator, such correction shall be for a period equal to one-half of the time elapsed since the date of the last undisputed test.

Failure of Measuring Equipment:

In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods which is feasible:

- (a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation.
- (b) By using the registration of any check meter or meters, if installed and accurately registering.
- (c) By estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

5.4 Check Measuring Equipment:

Subject to the terms of the electronic interconnect agreement at COMPANY's sole election; SHIPPER may install check-measuring equipment at its own cost and expense, provided such equipment shall be so installed as not to interfere with the operations of COMPANY. The measurement equipment of SHIPPER shall be for check purposes only and, except as expressly provided in the applicable electronic interconnect agreement, shall not be used in the measurement of Gas for purposes of the Agreement.

5.5 Prior Period Adjustments:

The deadline for closing measurement data shall be no later than 5 business days after the month of flow. Any measurement data or corrections received by COMPANY (including corrections to allocations) after it has closed the previous month of flow shall be handled as a prior period adjustment. COMPANY shall only process late measurement data or corrections of measurement errors for days that the correction is greater than 10 Dth under Section 5.3 unless mutually agreed to by both COMPANY and Point Operator. The corrections shall be made as soon as practicable but no later than six (6) months after the applicable month of flow in question and shall be made to the month of flow for allocation and billing purposes. If SHIPPER disputes the measurement adjustment, it will have three (3) months after the prior period adjustment is made to provide information that rebuts the adjustment. Excluding government required rate changes and as otherwise provided herein, no prior period adjustments of any kind shall be made after six (6) months following the invoiced month for transportation, storage or pooling services. These deadlines do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

Reserved for Future Use

Reserved for Future Use

Reserved for Future Use

Appendix H
RESERVED FOR FUTURE USE

Service Agreement No. _____

PRO FORMA

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
UNDER RATE SCHEDULE FT

THIS AGREEMENT, made and entered into as of this _____ day of _____, _____, by and between Southern Natural Gas Company, L.L.C., a Delaware limited liability company, hereinafter referred to as "Company", and _____, a _____, hereinafter referred to [choose a. or b., as applicable]:

a. as "Shipper";

b. as "Agent" for _____, a _____, ("Principals"), hereinafter individually and collectively as "Shipper"; provided that (i) Principals demonstrate to Company and agree that they collectively meet the "shipper must have title" requirement in Section 2.1(a)(viii) of the General Terms and Conditions of Company's Tariff ("General Terms and Conditions"); (ii) each of the Principals provides written evidence to Company that Agent is authorized to act on their behalf and that each of the Principals is jointly and severally liable for all of the obligations of Shipper under this Agreement; and (iii) the Principals recognize and agree that they shall be treated collectively as one Shipper for nomination, billing and allocation purposes.

WITNESSETH:

WHEREAS, Company is an interstate pipeline, as defined in Section 2(15) of the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested firm transportation pursuant to Rate Schedule FT of various supplies of gas for redelivery for Shipper's account and has submitted to Company a request for such transportation service in compliance with Section 2 of the General Terms and Conditions applicable to such Rate Schedule; and/or

WHEREAS, Shipper may acquire, from time to time, released firm transportation capacity under Section 22 of the General Terms and Conditions or continued transportation service; and

WHEREAS, Company has agreed to provide Shipper with transportation service of such gas supplies or through such acquired capacity release in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

TRANSPORTATION QUANTITY

1.1 Subject to the terms and provisions of this Agreement, Rate Schedule FT and the General Terms and Conditions thereto, Shipper agrees to deliver or cause to be delivered to Company at the Receipt Point(s) described in Exhibit A and Exhibit A-1 to this Agreement, and Company agrees to accept at such point(s) for transportation under this Agreement, an aggregate quantity of natural gas per day up to the total Transportation Demand set forth on Exhibit B hereto.

Company's obligation to accept gas on a firm basis at any Receipt Point is limited to the Receipt Points set out on Exhibit A and to the Maximum Daily Receipt Quantity (MDRQ) stated for each such Receipt Point. The sum of the MDRQ's for the Receipt Points on Exhibit A shall equal the Transportation Demand.

1.2 Subject to the terms and provisions of this Agreement, Rate Schedule FT and the General Terms and Conditions thereto, Company shall deliver a thermally equivalent quantity of gas, less the applicable fuel charge as set forth in the FT Rate Schedule, to Shipper at the Delivery Point(s) described in Exhibit B and Exhibit B-1 hereto. Company's obligation to redeliver gas at any Delivery Point on a firm basis is limited to the Delivery Points specified on Exhibit B and to the Maximum Daily Delivery Quantity (MDDQ) stated for each such Delivery Point and in no event shall Shipper be entitled to deliveries in excess of the MDDQ such that if Shipper elects to

take gas at an Exhibit B-1 Delivery Point then the MDDQ at its Exhibit B Delivery Points will be reduced proportionately. The sum of the MDDQ's for the Delivery Points on Exhibit B shall equal the Transportation Demand.

1.3 In the event Shipper is the successful bidder on released firm transportation capacity under Section 22 of Company's General Terms and Conditions, Company will promptly email and make available to Shipper the terms of the Capacity Release Transaction on its Interactive Website. Upon the issuance of the email, subject to the terms, conditions and limitations hereof and of Company's Rate Schedule FT, Company agrees to provide the released firm transportation service to Shipper under Rate Schedule FT, the General Terms and Conditions thereto, and this Agreement.

ARTICLE II

CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of Company's Rate Schedule FT and the General Terms and Conditions thereto, which are contained in Company's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the terms of Rate Schedule FT, the terms of the Rate Schedule shall govern as to the point of conflict. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in such Rate Schedule and the General Terms and Conditions thereto.

2.2 This Agreement shall be subject to all provisions of the General Terms and Conditions applicable to Company's Rate Schedule FT and such conditions may be revised from time to time. Unless Shipper requests otherwise, Company shall provide to Shipper the filings Company makes at the Federal Energy Regulatory Commission ("Commission") of such provisions of the General Terms and Conditions or other matters relating to Rate Schedule FT.

2.3 Company shall have the right to discontinue service under this Agreement in accordance with Section 15.3 of the General Terms and Conditions hereto.

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

2.5 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations under the NGPA and the Natural Gas Act. Upon termination of this Agreement, Company and Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of Section 14 of the General Terms and Conditions with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations accruing prior to the date of termination.

ARTICLE III NOTICES

3.1 Except as provided in Section 8.6 herein, notices hereunder shall be given pursuant to the provisions of Section 18 of the General Terms and Conditions to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV TERM

4.1 Subject to the provisions hereof, this Agreement shall be in full force and effect for the primary term(s) as set forth on Exhibit B hereto, as applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit B hereto unless canceled by either party giving the required amount of written notice specified on Exhibit B to the other party prior to the end of the primary term(s) or any extension thereof. The primary term of the Agreement may commence and end as provided on Exhibit B. (If Applicable) If construction of facilities is necessary, Exhibit B may indicate that the start date coincides with the in-service date of the applicable facilities.

4.2 In the event Shipper has not contracted for firm Transportation Demand under this Agreement directly with Company, as set forth on Exhibit B hereto, then the term of this Agreement shall be effective as of the date first hereinabove written and shall remain in full force and effect for a primary term through the end of the month and month to month thereafter unless canceled by either party giving at least five (5) days written notice to the other party prior to the end of the primary term or any extension thereof, provided however, this agreement may be terminated by Company if no activity occurs hereunder during a period of 12 consecutive months. It is provided, however that this Agreement shall not terminate prior to the expiration of any Capacity Release Transaction.

ARTICLE V CONDITIONS PRECEDENT

5.1 Unless otherwise agreed to by the parties, the terms of Rate Schedule FT and the General Terms and Conditions thereto, shall apply to the acquisition or construction of any facilities necessary to effectuate this Agreement. Other provisions of this Agreement notwithstanding, Company shall be under no obligation to construct the facilities or commence service hereunder unless and until (1) Company has received and accepted the necessary regulatory approvals and permits to construct the facilities in a form and substance satisfactory to Company; (2) all facilities, of whatever nature, as are required by Company to permit the receipt, measurement, transportation, and delivery of natural gas hereunder have been authorized, installed, and are in operating condition; (3) (If Applicable) Company has obtained the approval of the appropriate management or management committee and/or board of directors of Company and/or its parent company to spend the capital necessary to construct the additional facilities; and (4) (If Applicable) Shipper completes the construction and places into operation, using diligent efforts, its upstream or downstream production or end use facilities required to receive or deliver gas hereunder.

ARTICLE VI REMUNERATION

6.1 Shipper shall pay Company monthly for the transportation services rendered hereunder the charges specified in Rate Schedule FT and under each effective Capacity Release Transaction, as applicable, including any penalty and other authorized charges assessed under the FT Rate Schedule and the General Terms and Conditions. For service requested from Company under Rate Schedule FT, Company shall notify Shipper as soon as practicable of the date services will commence hereunder, and if said date is not the first day of the month, the Reservation Charge for the first month of service hereunder shall be adjusted to reflect only the actual number of days during said month that transportation service is available. Company may agree from time to time to discount the rates charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule FT. Said discounted charges shall be set forth on Exhibit E hereto or the parties may agree to a Negotiated Rate for such services in accordance with the provisions of Rate Schedule FT. Said discounted or Negotiated Rates shall be set forth on Exhibit E or Exhibit F, respectively, hereto and shall take precedence over the charges set forth in Rate Schedule FT during the period in which they are in effect.

6.2 The rates and charges provided for under Rate Schedule FT shall be subject to increase or decrease pursuant to any order issued by the Commission in any proceeding initiated by Company or applicable to the services performed hereunder. Shipper agrees that Company shall, without any further agreement by Shipper, have the right to change from time to time, all or any part of its Proforma Service Agreement, as well as all or any part of Rate Schedule FT or the General Terms and Conditions thereto, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Company, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. It is recognized, however, that once a Capacity Release Transaction has been awarded, Company cannot increase the Reservation Charge to be paid by Shipper under that Capacity Release Transaction, unless in its bid the Replacement Shipper has agreed to pay a percentage of the maximum tariff rate in effect and the maximum tariff rate increases during the term of the Capacity Release Transaction. Nothing contained herein shall prejudice the rights of Shipper to contest at any time the changes made pursuant to this Section 6.2, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent rate proceedings by Company under Section 4 of the Natural Gas Act or to file a complaint under Section 5 of the Natural Gas Act with respect to such transportation rates or charges, the Rate Schedules, or the General Terms and Conditions thereto.

ARTICLE VII

RESERVED

ARTICLE VIII
MISCELLANEOUS

8.1 This Agreement constitutes the entire Agreement between the parties and no waiver by Company or Shipper of any default of either party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

8.2 The laws of the State of _____ shall govern the validity, construction, interpretation, and effect of this Agreement, without giving effect to any conflict of laws doctrine that would apply the laws of another jurisdiction.

8.3 No modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the parties except that (i) a Capacity Release Transaction may be issued, and (ii) in accordance with the provisions of Rate Schedule FT and the General Terms and Conditions thereto, Receipt Points may be added to or deleted from Exhibit A and the Maximum Daily Receipt Quantity for any Receipt Point on Exhibit A may be changed upon execution by Company and Shipper of a Revised Exhibit A to reflect said change(s), and (iii) Delivery Points may be added to or deleted from Exhibit B and the Maximum Daily Delivery Quantity for any Delivery Point may be changed upon execution by Company and Shipper of a Revised Exhibit B to reflect said change(s). It is provided, however, that any such change to Exhibit A or Exhibit B must include corresponding changes to the existing Maximum Daily Receipt Quantities or Maximum Daily Delivery Quantities, respectively, such that the sum of the changed Maximum Daily Receipt Quantities equals the Transportation Demand and the sum of the Maximum Daily Delivery Quantities equals the Transportation Demand.

8.4 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, either party may assign this Agreement to an affiliated company without the prior written consent of the other party, provided that the affiliated company is creditworthy pursuant to Section 2.1(d) of the General Terms and Conditions, but neither party may assign this Agreement to a nonaffiliated company without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

8.5 Exhibits A, A-1, B, B-1, and _____ attached to this Agreement constitute a part of this Agreement and are incorporated herein.

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

8.7 (If applicable to local distribution companies pursuant to Article XV, Paragraph 1(b) of the Stipulation and Agreement approved in the "Order Approving Settlement" in Docket Nos. RP89-224-012, et al., dated September 29, 1995, 75 FERC ¶61,322 (1995).)

If Shipper experiences the loss of any load, by direct connection of such load to the Company's system, Shipper may reduce its Transportation Demand under this Service Agreement or any other Service Agreement for firm transportation service between Shipper and Company by giving Company 30 days prior written notice of such reduction within six (6) months of the date Company initiates direct services to the industrial customer; provided,

however, that any such reduction shall be applied first to the Transportation Demand under the Service Agreement with the shortest remaining contract term.

In order to qualify for a reduction in its Transportation Demand, Shipper must certify and provide supporting data that:

- (i) The load was actually being served by Shipper with gas transported by Company prior to November 1, 1993.
- (ii) If the load lost by Shipper was served under a firm contract, the daily contract quantity shall be provided.
- (iii) If the load lost by Shipper was served under an interruptible contract, the average daily quantities during the latest twelve months of service shall be provided.

Shipper may reduce its aggregate Transportation Demand under all its Service Agreements by an amount up to the daily contract quantity in the case of the loss of a firm customer and/or up to the average daily deliveries during the latest twelve month period in the case of the loss of an interruptible customer. Such reduction shall become effective thirty days after the date of Shipper's notice that it desires to reduce its Transportation Demand.

8.8 (If applicable) This Agreement supersedes and cancels the Service Agreement (# _____) dated _____ between the parties hereto.

8.9 (If applicable) In the event Company subscribes for off-system firm transportation capacity, Shipper shall pay the additional charges set forth on Exhibit C attached hereto, except as otherwise provided on Exhibit E or F.

IN WITNESS WHEREOF, this Agreement has been executed by the parties by their respective duly authorized officers and shall be effective as of the date first written above.

SOUTHERN NATURAL GAS COMPANY, L.L.C.

By _____

Its _____

(SHIPPER)

By _____

Its _____

Service Agreement No. _____

PRO FORMA
FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE IT

THIS AGREEMENT, made and entered into as of this ____ day of _____, _____, by and between Southern Natural Gas Company, L.L.C., a Delaware limited liability company, hereinafter referred to as "Company", and _____, a _____, hereinafter referred to [choose a. or b., as applicable]:

a. as "Shipper";

b. as "Agent" for _____, a _____, ("Principals"), hereinafter individually and collectively as "Shipper"; provided that (i) Principals demonstrate to Company and agree that they collectively meet the "shipper must have title" requirement in Section 2.1(a)(viii) of the General Terms and Conditions of Company's Tariff ("General Terms and Conditions"); (ii) each of the Principals provides written evidence to Company that Agent is authorized to act on their behalf and that each of the Principals is jointly and severally liable for all of the obligations of Shipper under this Agreement; and (iii) the Principals recognize and agree that they shall be treated collectively as one Shipper for nomination, billing and allocation purposes.

WITNESSETH

WHEREAS, Company is an interstate pipeline, as defined in Section 2(15) of the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested transportation pursuant to Rate Schedule IT of various supplies of gas for redelivery for Shipper's account on an interruptible basis and has submitted to Company a request for such transportation service in compliance with Section 2 of the General Terms and Conditions applicable to Rate Schedule IT; and

WHEREAS, Company has agreed to provide Shipper with transportation service in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I
TRANSPORTATION QUANTITY

1.1 Subject to the terms and provisions of this Agreement, Rate Schedule IT and the General Terms and Conditions thereto, Shipper agrees to deliver, or cause to be delivered, to Company at the Receipt Point(s) described in Exhibit A to this Agreement, the quantity of gas (in Dth) nominated by Shipper and scheduled by Company at such point(s) for transportation under this Agreement.

Company's obligation to accept gas at any Receipt Point is limited to the Maximum Daily Receipt Quantity (MDRQ) for each Receipt Point specified in the General Terms and Conditions hereto.

1.2 Subject to the terms and provisions of this Agreement, Rate Schedule IT and the General Terms and Conditions thereto, Company shall deliver a thermally equivalent quantity of gas, less the applicable fuel charge as set forth in Rate Schedule IT, to Shipper at the Delivery Point(s), described in Exhibit B to this Agreement, nominated by Shipper and scheduled by Company under this Agreement. Company's obligation to redeliver gas at any Delivery Point is limited to the Maximum Daily Delivery Quantity (MDDQ) for each Delivery Point specified in the General Terms and Conditions.

ARTICLE II
CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on an interruptible basis pursuant to, in accordance with and subject to the provisions of Company's Rate Schedule IT, and the General Terms and Conditions thereto, which are contained in Company's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and Rate Schedule IT, the terms of Rate Schedule IT shall govern as to the point of conflict. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in Rate Schedule IT and the General Terms and Conditions thereto.

2.2 This Agreement shall be subject to all provisions of the General Terms and Conditions applicable to Company's Rate Schedule IT as such conditions may be revised from time to time. Unless Shipper requests otherwise, Company shall provide to Shipper the filings Company makes at the Federal Energy Regulatory Commission ("Commission") of such provisions of the General Terms and Conditions or other matters relating to Rate Schedule IT.

2.3 Company makes no representation, assurance or warranty that capacity will be available on Company's pipeline system at any time and Shipper agrees that Company shall bear no responsibility or liability to any person if capacity does not exist on any day to provide service hereunder.

2.4 Company shall have the right to discontinue service under this Agreement in accordance with Section 15.3 of the General Terms and Conditions hereto.

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

2.6 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations under the NGPA and the Natural Gas Act. Upon termination of this Agreement, Company and Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of Section 14 of the General Terms and Conditions with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations accruing prior to the date of termination.

ARTICLE III NOTICES

3.1 Except as provided in Section 8.6 herein, notices hereunder shall be given pursuant to the provisions of Section 18 of the General Terms and Conditions to the respective party at the applicable address, telephone number or e-mail addresses provided by the parties from time to time.

ARTICLE IV TERM

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

ARTICLE V CONDITIONS PRECEDENT

5.1 Unless otherwise agreed to by the parties, the terms of Rate Schedule IT, and the General Terms and Conditions thereto, shall apply to the acquisition or construction of any facilities necessary to effectuate this Agreement. Other provisions of this Agreement notwithstanding, Company shall be under no obligation to commence service hereunder unless and until (1) all facilities, of whatever nature, as are required by Company to permit the receipt, measurement, transportation, and delivery of natural gas hereunder have been authorized, installed, and are in operating condition, and (2) Company, in its reasonable discretion, has determined that such service would constitute transportation of natural gas authorized under all applicable regulatory authorizations and the Commission's Regulations.

ARTICLE VI REMUNERATION

6.1 Shipper shall pay Company monthly for the transportation services rendered hereunder the charges specified in Rate Schedule IT, including any penalty and other authorized charges assessed under Rate Schedule IT and the General Terms and Conditions. Company may agree from time to time to discount the rates charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule IT or the parties may agree to a Negotiated Rate for such services in accordance with the provisions of Rate Schedule IT. Said discounted or Negotiated Rates shall be set forth on Exhibit E or Exhibit F, respectively, hereto and shall take precedence over the charges set forth in Rate Schedule IT during the period in which they are in effect.

6.2 The rates and charges provided for under Rate Schedule IT shall be subject to increase or decrease pursuant to any order issued by the Commission in any proceeding initiated by Company or applicable to the services performed hereunder. Shipper agrees that Company shall, without any further agreement by Shipper, have the right to change from time to time, all or any part of this Agreement, as well as all or any part of Rate Schedule IT, or the General Terms and Conditions thereto, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Company, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. Nothing contained herein shall prejudice the rights of Shipper to contest at any time the changes made pursuant to this Section 6.2, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent rate proceedings by Company under Section 4 of the Natural Gas Act or to file a complaint under Section 5 of the Natural Gas Act with respect to such transportation rates or charges.

ARTICLE VII

RESERVED
Reserved.

ARTICLE VIII MISCELLANEOUS

8.1 This Agreement constitutes the entire Agreement between the parties and no waiver by Company or Shipper of any default of either party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

8.2 The laws of the State of _____ shall govern the validity, construction, interpretation, and effect of this Agreement, without giving effect to any conflict of laws doctrine that would apply the laws of another jurisdiction.

8.3 No modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the parties.

8.4 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Neither party may assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

8.5 Exhibits A, B, and _____ attached to this Agreement constitute a part of this Agreement and are incorporated herein.

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

8.7 (If applicable) This Agreement supersedes and cancels the Service Agreement (# _____) dated _____ between the parties hereto.

8.8 (If applicable) In the event Company subscribes for off-system firm transportation capacity, Shipper shall pay the additional charges set forth on Exhibit C attached hereto, except as otherwise provided on Exhibit E or F.

IN WITNESS WHEREOF, this Agreement has been executed by the parties by their respective duly authorized officers and shall be effective as of the date first written above.

SOUTHERN NATURAL GAS COMPANY, L.L.C.

By _____
Its _____

(SHIPPER)

By _____
Its _____

Service Agreement No. _____

PRO FORMA

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
UNDER RATE SCHEDULE FT-NN

THIS AGREEMENT, made and entered into as of this _____ day of _____, _____, by and between Southern Natural Gas Company, L.L.C., a Delaware limited liability company, hereinafter referred to as "Company", and _____, a _____, hereinafter referred to [choose a. or b., as applicable]:

a. as "Shipper";

b. as "Agent" for _____, a _____, ("Principals"), hereinafter individually and collectively as "Shipper"; provided that (i) Principals demonstrate to Company and agree that they collectively meet the "shipper must have title" requirement in Section 2.1(a)(viii) of the General Terms and Conditions of Company's Tariff ("General Terms and Conditions"); (ii) each of the Principals provides written evidence to Company that Agent is authorized to act on their behalf and that each of the Principals is jointly and severally liable for all of the obligations of Shipper under this Agreement; and (iii) the Principals recognize and agree that they shall be treated collectively as one Shipper for nomination, billing and allocation purposes.

WITNESSETH:

WHEREAS, Company is an interstate pipeline, as defined in Section 2(15) of the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested firm transportation pursuant to Rate Schedule FT-NN of various supplies of gas for redelivery for Shipper's account and has submitted to Company a request for such transportation service in compliance with Section 2 of the General Terms and Conditions applicable to such Rate Schedule; and/or

WHEREAS, Shipper may acquire, from time to time, released firm transportation capacity under Section 22 of the General Terms and Conditions or continued transportation service; and

WHEREAS, Company has agreed to provide Shipper with transportation service of such gas supplies or through such acquired capacity release in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

TRANSPORTATION QUANTITY

1.1 Subject to the terms and provisions of this Agreement, Rate Schedule FT-NN and the General Terms and Conditions thereto, Shipper agrees to deliver or cause to be delivered to Company at the Receipt Point(s) described in Exhibit A and Exhibit A-1 to this Agreement, and Company agrees to accept at such point(s) for transportation under this Agreement, an aggregate quantity of natural gas per day up to the total Transportation Demand set forth on Exhibit B hereto.

Company's obligation to accept gas on a firm basis at any Receipt Point is limited to the Receipt Points set out on Exhibit A and to the Maximum Daily Receipt Quantity (MDRQ) stated for each such Receipt Point. The sum of the MDRQ's for the Receipt Points on Exhibit A shall equal the Transportation Demand.

1.2 Subject to the terms and provisions of this Agreement, Rate Schedule FT-NN, and the General Terms and Conditions thereto, Company shall deliver a thermally equivalent quantity of gas, less the applicable fuel charge as set forth in the applicable FT-NN Rate Schedule, to Shipper at the Delivery Point(s) described in Exhibit B and Exhibit B-1 hereto. Company's obligation to redeliver gas at any Delivery Point on a firm basis is limited to the Delivery Points specified on Exhibit B and to the Maximum Daily Delivery Quantity (MDDQ) stated for each such Delivery Point and in no event shall Shipper be entitled to deliveries in excess of the MDDQ such that if Shipper

elects to take gas at an Exhibit B-1 Delivery Point then the MDDQ at its Exhibit B Delivery Points will be reduced proportionately. The sum of the MDDQ's for the Delivery Points on Exhibit B shall equal the Transportation Demand.

1.3 In the event Shipper is the successful bidder on released firm transportation capacity under Section 22 of Company's General Terms and Conditions, Company will promptly email and make available to Shipper the terms of the Capacity Release Transaction on its Interactive Website. Upon the issuance of the email, subject to the terms, conditions and limitations hereof and of Company's Rate Schedules FT-NN, Company agrees to provide the released firm transportation service to Shipper under Rate Schedule FT-NN, the General Terms and Conditions thereto, and this Agreement.

ARTICLE II

CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of Company's Rate Schedule FT-NN, and the General Terms and Conditions thereto, which are contained in Company's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the terms of the applicable Rate Schedule, the terms of the Rate Schedule shall govern as to the point of conflict. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in such Rate Schedule and the General Terms and Conditions thereto.

2.2 This Agreement shall be subject to all provisions of the General Terms and Conditions applicable to Company's Rate Schedule FT-NN and such conditions may be revised from time to time. Unless Shipper requests otherwise, Company shall provide to Shipper the filings Company makes at the Federal Energy Regulatory Commission ("Commission") of such provisions of the General Terms and Conditions or other matters relating to Rate Schedule FT-NN.

2.3 Company shall have the right to discontinue service under this Agreement in accordance with Section 15.3 of the General Terms and Conditions hereto.

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

2.5 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations under the NGPA and the Natural Gas Act. Upon termination of this Agreement, Company and Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of Section 14 of the General Terms and Conditions with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations accruing prior to the date of termination.

ARTICLE III NOTICES

3.1 Except as provided in Section 8.6 herein, notices hereunder shall be given pursuant to the provisions of Section 18 of the General Terms and Conditions to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV TERM

4.1 Subject to the provisions hereof, this Agreement shall be in full force and effect for the primary term(s) as set forth on Exhibit B hereto, as applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit B hereto unless canceled by either party giving the required amount of written notice specified on Exhibit B to the other party prior to the end of the primary term(s) or any extension thereof. The primary term of the Agreement may commence and end as provided on Exhibit B. (If Applicable) If construction of facilities is necessary, Exhibit B may indicate that the start date coincides with the in-service date of the applicable facilities.

4.2 In the event Shipper has not contracted for firm Transportation Demand under this Agreement directly with Company, as set forth on Exhibit B hereto, then the term of this Agreement shall be effective as of the date first hereinabove written and shall remain in full force and effect for a primary term through the end of the month and month to month thereafter unless canceled by either party giving at least five (5) days written notice to the other party prior to the end of the primary term or any extension thereof, provided however, this agreement may be terminated by Company if no activity occurs hereunder during a period of 12 consecutive months. It is provided, however that this Agreement shall not terminate prior to the expiration of any Capacity Release Transaction.

ARTICLE V CONDITIONS PRECEDENT

5.1 Unless otherwise agreed to by the parties, the terms of Rate Schedule FT-NN, and the General Terms and Conditions thereto, shall apply to the acquisition or construction of any facilities necessary to effectuate this Agreement. Other provisions of this Agreement notwithstanding, Company shall be under no obligation to construct the facilities or commence service hereunder unless and until (1) Company has received and accepted the necessary regulatory approvals and permits to construct the facilities in a form and substance satisfactory to Company; (2) all facilities, of whatever nature, as are required by Company to permit the receipt, measurement, transportation, and delivery of natural gas hereunder have been authorized, installed, and are in operating condition; (3) (If Applicable) Company has obtained the approval of the appropriate management or management committee and/or board of directors of Company and/or its parent company to spend the capital necessary to construct the additional facilities; and (4) (If Applicable) Shipper completes the construction and places into operation, using diligent efforts, its upstream or downstream production or end use facilities required to receive or deliver gas hereunder.

ARTICLE VI REMUNERATION

6.1 Shipper shall pay Company monthly for the transportation services rendered hereunder the charges specified in Rate Schedule FT-NN, and under each effective Capacity Release Transaction, as applicable, including any penalty and other authorized charges assessed under the FT-NN Rate Schedule and the General Terms and Conditions. For service requested from Company under Rate Schedule FT-NN, Company shall notify Shipper as soon as practicable of the date services will commence hereunder, and if said date is not the first day of the month, the Reservation Charge for the first month of service hereunder shall be adjusted to reflect only the actual number of days during said month that transportation service is available. Company may agree from time to time to discount the rates charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule FT-NN. Said discounted charges shall be set forth on Exhibit E hereto or the parties may agree to a Negotiated Rate for such services in accordance with the provisions of Rate Schedule FT-NN. Said discounted or Negotiated Rates shall be set forth on Exhibit E or Exhibit F, respectively, hereto and shall take precedence over the charges set forth in Rate Schedules FT-NN during the period in which they are in effect.

6.2 The rates and charges provided for under Rate Schedule FT-NN shall be subject to increase or decrease pursuant to any order issued by the Commission in any proceeding initiated by Company or applicable to the services performed hereunder. Shipper agrees that Company shall, without any further agreement by Shipper, have the right to change from time to time, all or any part of its Proforma Service Agreement, as well as all or any part of Rate Schedule FT-NN, or the General Terms and Conditions thereto, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Company, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. It is recognized, however, that once a Capacity Release Transaction has been awarded, Company cannot increase the Reservation Charge to be paid by Shipper under that Capacity Release Transaction, unless in its bid the Replacement Shipper has agreed to pay a percentage of the maximum tariff rate in effect and the maximum tariff rate increases during the term of the Capacity Release Transaction. Nothing contained herein shall prejudice the rights of Shipper to contest at any time the changes made pursuant to this Section 6.2, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent rate proceedings by Company under Section 4 of the Natural Gas Act or to file a complaint under Section 5 of the Natural Gas Act with respect to such transportation rates or charges, the Rate Schedules, or the General Terms and Conditions thereto.

ARTICLE VII RESERVED

ARTICLE VIII

MISCELLANEOUS

8.1 This Agreement constitutes the entire Agreement between the parties and no waiver by Company or Shipper of any default of either party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

8.2 The laws of the State of _____ shall govern the validity, construction, interpretation, and effect of this Agreement, without giving effect to any conflict of laws doctrine that would apply the laws of another jurisdiction.

8.3 No modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the parties except that (i) a Capacity Release Transaction may be issued, and (ii) in accordance with the provisions of Rate Schedule FT-NN, and the General Terms and Conditions thereto, Receipt Points may be added to or deleted from Exhibit A and the Maximum Daily Receipt Quantity for any Receipt Point on Exhibit A may be changed upon execution by Company and Shipper of a Revised Exhibit A to reflect said change(s), and (iii) Delivery Points may be added to or deleted from Exhibit B and the Maximum Daily Delivery Quantity for any Delivery Point may be changed upon execution by Company and Shipper of a Revised Exhibit B to reflect said change(s). It is provided, however, that any such change to Exhibit A or Exhibit B must include corresponding changes to the existing Maximum Daily Receipt Quantities or Maximum Daily Delivery Quantities, respectively, such that the sum of the changed Maximum Daily Receipt Quantities equals the Transportation Demand and the sum of the Maximum Daily Delivery Quantities equals the Transportation Demand.

8.4 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, either party may assign this Agreement to an affiliated company without the prior written consent of the other party, provided that the affiliated company is creditworthy pursuant to Section 2.1(d) of the General Terms and Conditions, but neither party may assign this Agreement to a nonaffiliated company without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

8.5 Exhibits A, A-1, B, B-1, and _____ attached to this Agreement constitute a part of this Agreement and are incorporated herein.

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

8.7 (If applicable to local distribution companies pursuant to Article XV, Paragraph 1(b) of the Stipulation and Agreement approved in the "Order Approving Settlement" in Docket Nos. RP89-224-012, et al., dated September 29, 1995, 75 FERC ¶61,322 (1995).).

If Shipper experiences the loss of any load, by direct connection of such load to the Company's system, Shipper may reduce its Transportation Demand under this Service Agreement or any other Service Agreement for firm transportation service between Shipper and Company by giving Company 30 days prior written notice of such reduction within six (6) months of the date Company initiates direct services to the industrial customer; provided, however, that any such reduction shall be applied first to the Transportation Demand under the Service Agreement with the shortest remaining contract term.

In order to qualify for a reduction in its Transportation Demand, Shipper must certify and provide supporting data that:

- (i) The load was actually being served by Shipper with gas transported by Company prior to November 1, 1993.
- (ii) If the load lost by Shipper was served under a firm contract, the daily contract quantity shall be provided.
- (iii) If the load lost by Shipper was served under an interruptible contract, the average daily quantities during the latest twelve months of service shall be provided.

Shipper may reduce its aggregate Transportation Demand under all its Service Agreements by an amount up to the daily contract quantity in the case of the loss of a firm customer and/or up to the average daily deliveries during the latest twelve month period in the case of the loss of an interruptible customer. Such reduction shall become effective thirty days after the date of Shipper's notice that it desires to reduce its Transportation Demand.

8.8 (If applicable) This Agreement supersedes and cancels the Service Agreement (# _____) dated _____ between the parties hereto.

8.9 (If applicable) In the event Company subscribes for off-system firm transportation capacity, Shipper shall pay the additional charges set forth on Exhibit C attached hereto, except as otherwise provided on Exhibit E or F.

IN WITNESS WHEREOF, this Agreement has been executed by the parties by their respective duly authorized officers and shall be effective as of the date first written above.

SOUTHERN NATURAL GAS COMPANY, L.L.C.

By _____

Its _____

[SHIPPER]

By _____

Its _____

MARKED VERSION OF TARIFF SECTIONS

SECTION 1.2

PRELIMINARY STATEMENT

Southern Natural Gas Company, L.L.C. (hereinafter called "Company") is a natural gas transmission company engaged in the business of transporting and storing natural gas. Company operates facilities which extend from ~~Texas and~~ Louisiana through Mississippi, Alabama, Georgia and into South Carolina, Tennessee and Florida.

Company's charges are based on the zone of receipt and zone of delivery from and to which the gas is transported. The rate zones are shown on the maps in Section 1.3, and the Company's rates are set forth in Section 2.0.

The Company has not qualified as a public utility in any state through which it operates; and it has never operated as a common carrier.

It is the policy of Company to provide transportation and storage services under specific service agreements entered into with shippers after consideration of its existing firm commitments, available capacity, operating conditions and other factors deemed pertinent by the Company as more particularly set forth in this tariff for each service. The Company provides a variety of firm and interruptible services. These services are subject to the jurisdiction of the Federal Energy Regulatory Commission and are provided on an open-access, not unduly discriminatory basis under the terms and conditions set forth in the applicable rate schedule, service agreement, and general terms and conditions contained herein.

It has always been the policy of the Company to make sales and purchases of gas for operational transactions, reserving the right at its discretion to enter into contracts for sales or purchases of gas in order to meet its operational obligations under its service agreements and as otherwise stated hereunder.

STATEMENT OF RATES

FT
FT SETTLEMENT
FT-NN
FT-NN SETTLEMENT
IT
IT SETTLEMENT
CSS
CSS SETTLEMENT
ISS
ISS SETTLEMENT
LIQUIDS AND LIQUEFIABLES
LIQUIDS AND LIQUEFIABLES SETTLEMENT
NEGOTIATED RATES
NON-CONFORMING SERVICE AGREEMENTS
PAL
PAL SETTLEMENT

Contesting Party Rates 3/
 Interruptible Transportation Service

RECEIPT ZONE	Production Area	Zone 1	Zone 2	Zone 3
<u>Transportation Charge (Dth) 1/ 2/</u>				
Maximum/Maximum Including Surcharges:				
Production Area	22.90¢/22.90¢	25.70¢/25.70¢	37.60¢/37.60¢	48.60¢/48.60¢
Zone 1	22.90¢/22.90¢	11.20¢/11.20¢	23.10¢/23.10¢	34.20¢/34.20¢
Zone 2	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	31.60¢/31.60¢
Zone 3	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	19.30¢/19.30¢
Minimum:				
Production Area	4.10¢	4.50¢	5.80¢	6.60¢
Zone 1	4.10¢	2.90¢	4.30¢	5.10¢
Zone 2	4.10¢	2.90¢	3.90¢	4.70¢
Zone 3	4.10¢	2.90¢	3.90¢	3.40¢
<u>Backhaul Transportation Charge (Dth) 1/ 2/</u>				
Max/Max With Surcharges:				
Production Area	22.90¢/22.90¢	N/A	N/A	N/A
Zone 1	22.90¢/22.90¢	11.20¢/11.20¢	N/A	N/A
Zone 2	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	N/A
Zone 3	22.90¢/22.90¢	11.20¢/11.20¢	20.50¢/20.50¢	19.30¢/19.30¢
Minimum:				
Production Area	4.10¢	N/A	N/A	N/A
Zone 1	4.10¢	2.90¢	N/A	N/A
Zone 2	4.10¢	2.90¢	3.90¢	N/A
Zone 3	4.10¢	2.90¢	3.90¢	3.40¢
<u>Fuel Retention (Winter Period: October – March)</u>				
Forward Haul Fuel, Used & Unaccounted For	1.78%	1.78%	2.72%	3.31%
Intrazone Fuel, Used & Unaccounted For	1.78%	0.57%	0.57%	0.57%
Backhaul Fuel, Used & Unaccounted For	0.16%	0.16%	0.16%	0.16%

1/ The surcharges applicable to service under Rate Schedule IT and Supply Pool Balancing Agreement include:

Storage Cost Reconciliation Mechanism \$(0.0011) applicable to each Dth transported.
 Volumetric Surcharge:

2/ The surcharges applicable to service under Rate Schedule IT include:

ACA Surcharge: See Section 28 of the General Terms and Conditions.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of the ACA surcharge.

SETTLEMENT RATES 3/
 Interruptible Transportation Service

RECEIPT ZONE	Production Area	DELIVERY ZONE		
		Zone 1	Zone 2	Zone 3
<u>Transportation Charge (Dth) 1/ 2/</u> Maximum/Maximum Including Surcharges:				
Production Area	21.10¢/21.10¢	23.70¢/23.70¢	34.70¢/34.70¢	44.70¢/44.70¢
Zone 1	21.10¢/21.10¢	10.30¢/10.30¢	21.30¢/21.30¢	31.50¢/31.50¢
Zone 2	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	29.10¢/29.10¢
Zone 3	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	17.70¢/17.70¢
Minimum:				
Production Area	0.500¢	0.700¢	2.10¢	2.90¢
Zone 1	0.500¢	0.200¢	1.60¢	2.40¢
Zone 2	0.500¢	0.200¢	1.40¢	2.20¢
Zone 3	0.500¢	0.200¢	1.40¢	0.900¢
<u>Backhaul Transportation Charge (Dth) 1/ 2/</u> Max/Max With Surcharges:				
Production Area	21.10¢/21.10¢	N/A	N/A	N/A
Zone 1	21.10¢/21.10¢	10.30¢/10.30¢	N/A	N/A
Zone 2	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	N/A
Zone 3	21.10¢/21.10¢	10.30¢/10.30¢	18.90¢/18.90¢	17.70¢/17.70¢
Minimum:				
Production Area	0.500¢	N/A	N/A	N/A
Zone 1	0.500¢	0.200¢	N/A	N/A
Zone 2	0.500¢	0.200¢	1.40¢	N/A
Zone 3	0.500¢	0.200¢	1.40¢	0.900¢
<u>Fuel Retention (Winter Period: October – March)</u>				
Forward Haul Fuel, Used & Unaccounted For	1.78%	1.78%	2.72%	3.31%
Intrazone Fuel, Used & Unaccounted For	1.78%	0.57%	0.57%	0.57%
Backhaul Fuel, Used & Unaccounted For	0.16%	0.16%	0.16%	0.16%

1/ The surcharges applicable to service under Rate Schedule IT and Supply Pool Balancing Agreement include:

Storage Cost Reconciliation Mechanism Volumetric \$(0.0011) applicable to each Dth transported.
 Surcharges:

2/ Surcharges applicable to service under Rate Schedule IT.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

- 3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of the ACA surcharge.

RATE SCHEDULES

FT
FT-NN
IT
CSS
ISS
PAL

5. MEASURING EQUIPMENT

5.1 Measuring Equipment Standards:

Unless otherwise agreed between COMPANY and Operator/Interconnecting Party, COMPANY will install, maintain, operate or cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the volumes of Gas received and delivered hereunder shall be determined.

- (a) Orifice Meters. Orifice meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 3, Orifice Metering of Natural Gas (1992), as amended from time to time.
- (b) Ultrasonic Meters. Ultrasonic meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 9, Measurement of Gas by Multipath Ultrasonic Meters (2007), as amended from time to time.
- (c) Turbine Meters. Turbine meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 7, Measurement of Natural Gas by Turbine Meter (2006), as amended from time to time.
- (d) Positive Displacement Meters. Positive displacement meters shall be installed and Gas volumes computed in accordance with generally accepted industry practices.
- (e) Coriolis Meters. Coriolis meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 11 "Measurement of Natural Gas by Coriolis Meter", as amended from time to time.
- (f) Electronic Flow Computers. Electronic flow computers shall be used for direct computation of Gas flows for custody transfer in accordance with the standards prescribed in API MPMS (Manual of Petroleum Measurement Standards) 21.1, Electronic Gas Measurement, as amended from time to time.
- (g) New Measurement Techniques. If, at any time, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted by COMPANY in exercise of its reasonable judgment provided that the new method or technique reflects generally accepted industry practices. COMPANY shall promptly inform all SHIPPERS of any new method or technique adopted.

5.2 Testing Measuring Equipment:

Calibration and Test of Meters. The accuracy of all measuring equipment shall be verified by COMPANY at reasonable intervals, and if requested, in the presence of representatives of SHIPPER, but neither SHIPPER nor COMPANY shall be required to verify the accuracy of such equipment more frequently than once in any 30-Day period. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.

In the event SHIPPER'S or Receipt Point Operator's or Downstream Operator's pipeline or production facilities go offline for more than twenty-four (24) hours due to destruction or damage or the potential for destruction or damage of such upstream or downstream facilities, COMPANY shall have the right to test or inspect its equipment for damage within a reasonable period of time prior to allowing the point operator to resume service.

5.3 Correction of Metering Errors:

Correction of Metering Errors. If, upon test, the measuring equipment is found to be in error by not more than one percent (1%), previous recordings of such equipment shall be considered accurate in computing deliveries, but such equipment shall be adjusted at once to record accurately. If, upon test, the measuring equipment shall be found to be inaccurate by an amount exceeding one percent (1%), at a recording corresponding to the average Hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period that is known definitely or agreed upon between COMPANY

and SHIPPER/Operator. In case the period is not known or agreed upon by COMPANY and SHIPPER/Operator, such correction shall be for a period equal to one-half of the time elapsed since the date of the last undisputed test.

Failure of Measuring Equipment:

In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods which is feasible:

- (a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation.
- (b) By using the registration of any check meter or meters, if installed and accurately registering.
- (c) By estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

5.4 Check Measuring Equipment:

Subject to the terms of the electronic interconnect agreement at COMPANY's sole election; SHIPPER may install check-measuring equipment at its own cost and expense, provided such equipment shall be so installed as not to interfere with the operations of COMPANY. The measurement equipment of SHIPPER shall be for check purposes only and, except as expressly provided in the applicable electronic interconnect agreement, shall not be used in the measurement of Gas for purposes of the Agreement.

5.5 Prior Period Adjustments:

The deadline for closing measurement data shall be no later than 5 business days after the month of flow. Any measurement data or corrections received by COMPANY (including corrections to allocations) after it has closed the previous month of flow shall be handled as a prior period adjustment. COMPANY shall only process late measurement data or corrections of measurement errors for days that the correction is greater than 10 Dth under Section 5.3 unless mutually agreed to by both COMPANY and Point Operator. The corrections shall be made as soon as practicable but no later than six (6) months after the applicable month of flow in question and shall be made to the month of flow for allocation and billing purposes. If SHIPPER disputes the measurement adjustment, it will have three (3) months after the prior period adjustment is made to provide information that rebuts the adjustment. Excluding government required rate changes and as otherwise provided herein, no prior period adjustments of any kind shall be made after six (6) months following the invoiced month for transportation, storage or pooling services. These deadlines do not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

SOUTHERN NATURAL GAS COMPANY, L.L.C.
 TRANSPORTATION NOMINATION

Reserved for Future Use

Service Requestor Name: _____
 Service Requestor Contract No.: _____

Begin Date (MMDDYYYY):	_____	Begin Time:	9:00 a.m. CCT	_____
			9:00 a.m. (Evening) CCT	_____
			5:00 p.m. CCT	_____
			9:00 p.m. CCT	_____
End Date (MMDDYYYY):	_____	End Time:	9:00 a.m. CCT	_____

DAILY QUANTITIES TO BE RECEIVED FOR CUSTOMER'S ACCOUNT

Receipt Point

<u>Location</u>	<u>Loc Prop</u> <u>1/</u>	<u>Loc Name</u>	<u>UP ID</u> <u>2/</u>	<u>UP Name</u>	<u>UP Contract</u> <u>3/</u>	<u>Quantity</u>	<u>Rank</u>	<u>UP Rank</u> <u>4/</u>	<u>TT</u> <u>5/</u>	<u>Package</u> <u>ID</u>
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Total Received by Southern _____
 Less fuel (_____) _____
 Net to be delivered by Southern to Customer _____

1. Southern's six (6) digit proprietary Receipt Point Code.
2. If Receipt Point is a wellhead point, the working interest owner name and Duns # are required. If Receipt Point is a pipeline interconnect, the upstream shipper name and the DUNS # are required.
3. If Receipt Point is a pipeline interconnect, the upstream contract number is required.
4. N/A
5. Only applicable to storage receipts. Use CSS for firm storage. Use ISS for interruptible storage. Otherwise defaults to current business.

SOUTHERN NATURAL GAS COMPANY, L.L.C.
 TRANSPORTATION NOMINATION

Reserved for Future Use

Service Requestor Name: _____
 Service Requestor Contract No.: _____

Begin Date (MMDDYYYY):	_____	Begin Time:	9:00 a.m. CCT	_____
			9:00 a.m. (Evening) CCT	_____
			5:00 p.m. CCT	_____
			9:00 p.m. CCT	_____
End Date (MMDDYYYY):	_____	End Time:	9:00 a.m. CCT	_____

DAILY QUANTITIES TO BE DELIVERED BY SOUTHERN FOR CUSTOMER'S ACCOUNT

Delivery Point

<u>Location</u>	<u>Loc Prop</u> <u>1/</u>	<u>Loc Name</u>	<u>DN ID 2/</u>	<u>DN Name</u>	<u>DN Contract</u> <u>3/</u>	<u>Quantity</u>	<u>Rank</u>	<u>TT 4/</u>	<u>Package</u> <u>ID</u>	<u>Deal</u> <u>Type/(offer</u> <u>No.) 5/</u>
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Total Delivered by Southern _____

1. Southern's six (6) digit proprietary Delivery Point Code.
2. Only applicable to deliveries to pipeline interconnects. This should be the DUNS # of the downstream shipper.
3. Only applicable to deliveries to pipeline interconnects. This should be the downstream contract number.
4. Used to nominate the following transaction types FT NN, FT NN SS, FT SS, CR VOL, or CR that is recallable on an intraday basis. If delivery is to storage, use CSS for firm storage, ISS for interruptible storage. If left blank, Southern will use default transaction type of standard firm (current business).
5. Associated offer number of release is required for CR VOL and intraday recallable CR.

~~SOUTHERN NATURAL GAS COMPANY, L.L.C.
 TRANSPORTATION NOMINATION~~

Reserved for Future Use

Service Requestor Name: _____
 Service Requestor Contract No.: _____
 Begin Date (MMDDYYYY): _____ Begin Time: 9:00 a.m. CCT _____
 _____ 9:00 a.m. (Evening) CCT _____ 5:00 p.m. CCT _____
 _____ 9:00 p.m. CCT _____
 End Date (MMDDYYYY): _____ End Time: 9:00 a.m. CCT _____

PATHED NOMINATION
DAILY QUANTITIES TO BE RECEIVED AND DELIVERED FOR CUSTOMER'S ACCOUNT

<u>Location</u>	<u>Loc Prop</u>	<u>Loc</u>	<u>UP</u>	<u>UP</u>	<u>UP</u>	<u>D</u>	<u>DN</u>	<u>D</u>	<u>Quantity</u>	<u>Fuel</u>	<u>UP</u>	<u>Rank</u>	<u>FF</u>	<u>Rec</u>	<u>Del</u>	<u>Del-Deal</u>
<u>Rec/Del</u>	<u>Rec 1/</u>	<u>Name</u>	<u>ID</u>	<u>Name</u>	<u>K</u>	<u>N</u>	<u>Name</u>	<u>N</u>		<u>Rate</u>	<u>Rank</u>		<u>5/</u>	<u>Pkg</u>	<u>Pkg</u>	<u>Type/(offer</u>
	<u>Del 6/</u>	<u>Rec/D</u>	<u>2/</u>		<u>3/</u>	<u>ID</u>		<u>K</u>			<u>(Cap)</u>		<u>9/</u>	<u>ID</u>	<u>ID</u>	<u>No.) 10/</u>
		<u>el</u>				<u>7/</u>		<u>8/</u>			<u>4/</u>					

1. Southern's six (6) digit proprietary Receipt Point Code.
2. If Receipt Point is a wellhead point, the working interest owner name and Duns # are required. If Receipt Point is a pipeline interconnect, the upstream shipper name and the DUNS # are required.
3. If Receipt Point is a pipeline interconnect, the upstream contract number is required.
4. N/A
5. Only applicable to storage receipts. Use CSS for firm storage. Use ISS for interruptible storage. Otherwise defaults to current business.
6. Southern's six (6) digit proprietary Delivery Point Code.
7. Only applicable to deliveries to pipeline interconnects. This should be the DUNS # of the downstream shipper.
8. Only applicable to deliveries to pipeline interconnects. This should be the downstream contract number.
9. Used to nominate the following transaction types FT-NN, FT-NN-SS, FT-SS, CR-VOL, or CR that is recallable on an intraday basis. If delivery is to storage, use CSS for firm storage, ISS for interruptible storage. If left blank, Southern will use default transaction type of standard firm (current business).
10. Associated offer number of release is required for CR-VOL and intraday recallable CR.

Appendix H

| RESERVED FOR FUTURE USE~~Capacity Release Timetables~~

Service Agreement No. _____

PRO FORMA
FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
UNDER RATE SCHEDULE FT

THIS AGREEMENT, made and entered into as of this _____ day of _____, _____, by and between Southern Natural Gas Company, L.L.C., a Delaware limited liability company, hereinafter referred to as "Company", and _____, a _____, hereinafter referred to [choose a. or b., as applicable]:

- a. as "Shipper";
- b. as "Agent" for _____, a _____, ("Principals"), hereinafter individually and collectively as "Shipper"; provided that (i) Principals demonstrate to Company and agree that they collectively meet the "shipper must have title" requirement in Section 2.1(a)(viii) of the General Terms and Conditions of Company's Tariff ("General Terms and Conditions"); (ii) each of the Principals provides written evidence to Company that Agent is authorized to act on their behalf and that each of the Principals is jointly and severally liable for all of the obligations of Shipper under this Agreement; and (iii) the Principals recognize and agree that they shall be treated collectively as one Shipper for nomination, billing and allocation purposes.

WITNESSETH:

WHEREAS, Company is an interstate pipeline, as defined in Section 2(15) of the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested firm transportation pursuant to Rate Schedule FT-7 of various supplies of gas for redelivery for Shipper's account and has submitted to Company a request for such transportation service in compliance with Section 2 of the General Terms and Conditions applicable to such Rate Schedules; and/or

WHEREAS, Shipper may acquire, from time to time, released firm transportation capacity under Section 22 of the General Terms and Conditions or continued transportation service; and

WHEREAS, Company has agreed to provide Shipper with transportation service of such gas supplies or through such acquired capacity release in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

TRANSPORTATION QUANTITY

1.1 Subject to the terms and provisions of this Agreement, Rate Schedule FT and the General Terms and Conditions thereto, Shipper agrees to deliver or cause to be delivered to Company at the Receipt Point(s) described in Exhibit A and Exhibit A-1 to this Agreement, and Company agrees to accept at such point(s) for transportation under this Agreement, an aggregate quantity of natural gas per day up to the total Transportation Demand set forth on Exhibit B hereto.

Company's obligation to accept gas on a firm basis at any Receipt Point is limited to the Receipt Points set out on Exhibit A and to the Maximum Daily Receipt Quantity (MDRQ) stated for each such Receipt Point. The sum of the MDRQ's for the Receipt Points on Exhibit A shall equal the Transportation Demand.

1.2 Subject to the terms and provisions of this Agreement, Rate Schedule FT and the General Terms and Conditions thereto, Company shall deliver a thermally equivalent quantity of gas, less the applicable fuel charge as set forth in the FT Rate Schedule, to Shipper at the Delivery Point(s) described in Exhibit B and Exhibit B-1 hereto. Company's obligation to redeliver gas at any Delivery Point on a firm basis is limited to the Delivery Points specified on Exhibit B and to the Maximum Daily Delivery Quantity (MDDQ) stated for each such Delivery Point and in no event shall Shipper be entitled to deliveries in excess of the MDDQ such that if Shipper elects to

take gas at an Exhibit B-1 Delivery Point then the MDDQ at its Exhibit B Delivery Points will be reduced proportionately. The sum of the MDDQ's for the Delivery Points on Exhibit B shall equal the Transportation Demand.

1.3 In the event Shipper is the successful bidder on released firm transportation capacity under Section 22 of Company's General Terms and Conditions, Company will promptly email and make available to Shipper the terms of the Capacity Release Transaction on its Interactive Website. Upon the issuance of the email, subject to the terms, conditions and limitations hereof and of Company's Rate Schedule FT, Company agrees to provide the released firm transportation service to Shipper under Rate Schedule FT, the General Terms and Conditions thereto, and this Agreement.

ARTICLE II

CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of Company's Rate Schedule FT and the General Terms and Conditions thereto, which are contained in Company's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the terms of Rate Schedule FT, the terms of the Rate Schedule shall govern as to the point of conflict. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in such Rate Schedule and the General Terms and Conditions thereto.

2.2 This Agreement shall be subject to all provisions of the General Terms and Conditions applicable to Company's Rate Schedule FT and such conditions may be revised from time to time. Unless Shipper requests otherwise, Company shall provide to Shipper the filings Company makes at the Federal Energy Regulatory Commission ("Commission") of such provisions of the General Terms and Conditions or other matters relating to Rate Schedule FT.

2.3 Company shall have the right to discontinue service under this Agreement in accordance with Section 15.3 of the General Terms and Conditions hereto.

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

2.5 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations under the NGPA and the Natural Gas Act. Upon termination of this Agreement, Company and Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of Section 14 of the General Terms and Conditions with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations accruing prior to the date of termination.

ARTICLE III NOTICES

3.1 Except as provided in Section 8.6 herein, notices hereunder shall be given pursuant to the provisions of Section 18 of the General Terms and Conditions to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV TERM

4.1 Subject to the provisions hereof, this Agreement shall be in full force and effect for the primary term(s) as set forth on Exhibit B hereto, as applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit B hereto unless canceled by either party giving the required amount of written notice specified on Exhibit B to the other party prior to the end of the primary term(s) or any extension thereof. The primary term of the Agreement may commence and end as provided on Exhibit B. (If Applicable) If construction of facilities is necessary, Exhibit B may indicate that the start date coincides with the in-service date of the applicable facilities.

4.2 In the event Shipper has not contracted for firm Transportation Demand under this Agreement directly with Company, as set forth on Exhibit B hereto, then the term of this Agreement shall be effective as of the date first hereinabove written and shall remain in full force and effect for a primary term through the end of the month and month to month thereafter unless canceled by either party giving at least five (5) days written notice to the other party prior to the end of the primary term or any extension thereof, provided however, this agreement may be terminated by Company if no activity occurs hereunder during a period of 12 consecutive months. It is provided, however that this Agreement shall not terminate prior to the expiration of any Capacity Release Transaction.

ARTICLE V CONDITIONS PRECEDENT

5.1 Unless otherwise agreed to by the parties, the terms of Rate Schedule FT and the General Terms and Conditions thereto, shall apply to the acquisition or construction of any facilities necessary to effectuate this Agreement. Other provisions of this Agreement notwithstanding, Company shall be under no obligation to construct the facilities or commence service hereunder unless and until (1) Company has received and accepted the necessary regulatory approvals and permits to construct the facilities in a form and substance satisfactory to Company; (2) all facilities, of whatever nature, as are required by Company to permit the receipt, measurement, transportation, and delivery of natural gas hereunder have been authorized, installed, and are in operating condition; (3) (If Applicable) Company has obtained the approval of the appropriate management or management committee and/or board of directors of Company and/or its parent company to spend the capital necessary to construct the additional facilities; and (4) (If Applicable) Shipper completes the construction and places into operation, using diligent efforts, its upstream or downstream production or end use facilities required to receive or deliver gas hereunder.

ARTICLE VI REMUNERATION

6.1 Shipper shall pay Company monthly for the transportation services rendered hereunder the charges specified in Rate Schedule FT and under each effective Capacity Release Transaction, as applicable, including any penalty and other authorized charges assessed under the FT Rate Schedule and the General Terms and Conditions. For service requested from Company under Rate Schedule FT, Company shall notify Shipper as soon as practicable of the date services will commence hereunder, and if said date is not the first day of the month, the Reservation Charge for the first month of service hereunder shall be adjusted to reflect only the actual number of days during said month that transportation service is available. Company may agree from time to time to discount the rates charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule FT. Said discounted charges shall be set forth on Exhibit E hereto or the parties may agree to a Negotiated Rate for such services in accordance with the provisions of Rate Schedule FT. Said discounted or Negotiated Rates shall be set forth on Exhibit E or Exhibit F, respectively, hereto and shall take precedence over the charges set forth in Rate Schedule FT during the period in which they are in effect.

6.2 The rates and charges provided for under Rate Schedule FT shall be subject to increase or decrease pursuant to any order issued by the Commission in any proceeding initiated by Company or applicable to the services performed hereunder. Shipper agrees that Company shall, without any further agreement by Shipper, have the right to change from time to time, all or any part of its Proforma Service Agreement, as well as all or any part of Rate Schedule FT or the General Terms and Conditions thereto, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Company, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. It is recognized, however, that once a Capacity Release Transaction has been awarded, Company cannot increase the Reservation Charge to be paid by Shipper under that Capacity Release Transaction, unless in its bid the Replacement Shipper has agreed to pay a percentage of the maximum tariff rate in effect and the maximum tariff rate increases during the term of the Capacity Release Transaction. Nothing contained herein shall prejudice the rights of Shipper to contest at any time the changes made pursuant to this Section 6.2, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent rate proceedings by Company under Section 4 of the Natural Gas Act or to file a complaint under Section 5 of the Natural Gas Act with respect to such transportation rates or charges, the Rate Schedules, or the General Terms and Conditions thereto.

ARTICLE VII

RESERVED

ARTICLE VIII
MISCELLANEOUS

8.1 This Agreement constitutes the entire Agreement between the parties and no waiver by Company or Shipper of any default of either party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

8.2 The laws of the State of _____ shall govern the validity, construction, interpretation, and effect of this Agreement, without giving effect to any conflict of laws doctrine that would apply the laws of another jurisdiction.

8.3 No modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the parties except that (i) a Capacity Release Transaction may be issued, and (ii) in accordance with the provisions of Rate Schedule FT and the General Terms and Conditions thereto, Receipt Points may be added to or deleted from Exhibit A and the Maximum Daily Receipt Quantity for any Receipt Point on Exhibit A may be changed upon execution by Company and Shipper of a Revised Exhibit A to reflect said change(s), and (iii) Delivery Points may be added to or deleted from Exhibit B and the Maximum Daily Delivery Quantity for any Delivery Point may be changed upon execution by Company and Shipper of a Revised Exhibit B to reflect said change(s). It is provided, however, that any such change to Exhibit A or Exhibit B must include corresponding changes to the existing Maximum Daily Receipt Quantities or Maximum Daily Delivery Quantities, respectively, such that the sum of the changed Maximum Daily Receipt Quantities equals the Transportation Demand and the sum of the Maximum Daily Delivery Quantities equals the Transportation Demand.

8.4 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, either party may assign this Agreement to an affiliated company without the prior written consent of the other party, provided that the affiliated company is creditworthy pursuant to Section 2.1(d) of the General Terms and Conditions, but neither party may assign this Agreement to a nonaffiliated company without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

8.5 Exhibits A, A-1, B, B-1, and _____ attached to this Agreement constitute a part of this Agreement and are incorporated herein.

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

8.7 (If applicable to local distribution companies pursuant to Article XV, Paragraph 1(b) of the Stipulation and Agreement approved in the "Order Approving Settlement" in Docket Nos. RP89-224-012, et al., dated September 29, 1995, 75 FERC ¶61,322 (1995).)

If Shipper experiences the loss of any load, by direct connection of such load to the Company's system, Shipper may reduce its Transportation Demand under this Service Agreement or any other Service Agreement for firm transportation service between Shipper and Company by giving Company 30 days prior written notice of such reduction within six (6) months of the date Company initiates direct services to the industrial customer; provided,

however, that any such reduction shall be applied first to the Transportation Demand under the Service Agreement with the shortest remaining contract term.

In order to qualify for a reduction in its Transportation Demand, Shipper must certify and provide supporting data that:

- (i) The load was actually being served by Shipper with gas transported by Company prior to November 1, 1993.
- (ii) If the load lost by Shipper was served under a firm contract, the daily contract quantity shall be provided.
- (iii) If the load lost by Shipper was served under an interruptible contract, the average daily quantities during the latest twelve months of service shall be provided.

Shipper may reduce its aggregate Transportation Demand under all its Service Agreements by an amount up to the daily contract quantity in the case of the loss of a firm customer and/or up to the average daily deliveries during the latest twelve month period in the case of the loss of an interruptible customer. Such reduction shall become effective thirty days after the date of Shipper's notice that it desires to reduce its Transportation Demand.

8.8 (If applicable) This Agreement supersedes and cancels the Service Agreement (# _____) dated _____ between the parties hereto.

8.9 (If applicable) In the event Company subscribes for off-system firm transportation capacity, Shipper shall pay the additional charges set forth on Exhibit C attached hereto, except as otherwise provided on Exhibit E or F.

IN WITNESS WHEREOF, this Agreement has been executed by the parties by their respective duly authorized officers and shall be effective as of the date first written above.

SOUTHERN NATURAL GAS COMPANY, L.L.C.

By _____

Its _____

(SHIPPER)

By _____

Its _____

Service Agreement No. _____

PRO FORMA
FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE IT

THIS AGREEMENT, made and entered into as of this ____ day of _____, _____, by and between Southern Natural Gas Company, L.L.C., a Delaware limited liability company, hereinafter referred to as "Company", and _____, a _____, hereinafter referred to [choose a. or b., as applicable]:

a. as "Shipper";

b. as "Agent" for _____, a _____, ("Principals"), hereinafter individually and collectively as "Shipper"; provided that (i) Principals demonstrate to Company and agree that they collectively meet the "shipper must have title" requirement in Section 2.1(a)(viii) of the General Terms and Conditions of Company's Tariff ("General Terms and Conditions"); (ii) each of the Principals provides written evidence to Company that Agent is authorized to act on their behalf and that each of the Principals is jointly and severally liable for all of the obligations of Shipper under this Agreement; and (iii) the Principals recognize and agree that they shall be treated collectively as one Shipper for nomination, billing and allocation purposes.

WITNESSETH

WHEREAS, Company is an interstate pipeline, as defined in Section 2(15) of the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested transportation pursuant to Rate Schedule IT of various supplies of gas for redelivery for Shipper's account on an interruptible basis and has submitted to Company a request for such transportation service in compliance with Section 2 of the General Terms and Conditions applicable to Rate Schedule IT; and

WHEREAS, Company has agreed to provide Shipper with transportation service in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I
TRANSPORTATION QUANTITY

1.1 Subject to the terms and provisions of this Agreement, Rate Schedule IT and the General Terms and Conditions thereto, Shipper agrees to deliver, or cause to be delivered, to Company at the Receipt Point(s) described in Exhibit A to this Agreement, the quantity of gas (in Dth) nominated by Shipper and scheduled by Company at such point(s) for transportation under this Agreement.

Company's obligation to accept gas at any Receipt Point is limited to the Maximum Daily Receipt Quantity (MDRQ) for each Receipt Point specified in the General Terms and Conditions hereto.

1.2 Subject to the terms and provisions of this Agreement, Rate Schedule IT and the General Terms and Conditions thereto, Company shall deliver a thermally equivalent quantity of gas, less the applicable fuel charge as set forth in Rate Schedule IT, to Shipper at the Delivery Point(s), described in Exhibit B to this Agreement, nominated by Shipper and scheduled by Company under this Agreement. Company's obligation to redeliver gas at any Delivery Point is limited to the Maximum Daily Delivery Quantity (MDDQ) for each Delivery Point specified in the General Terms and Conditions.

ARTICLE II
CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on an interruptible basis pursuant to, in accordance with and subject to the provisions of Company's Rate Schedule IT, and the General Terms and Conditions thereto, which are contained in Company's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and Rate Schedule IT, the terms of Rate Schedule IT shall govern as to the point of conflict. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in Rate Schedule IT and the General Terms and Conditions thereto.

2.2 This Agreement shall be subject to all provisions of the General Terms and Conditions applicable to Company's Rate Schedule IT as such conditions may be revised from time to time. Unless Shipper requests otherwise, Company shall provide to Shipper the filings Company makes at the Federal Energy Regulatory Commission ("Commission") of such provisions of the General Terms and Conditions or other matters relating to Rate Schedule IT.

2.3 Company makes no representation, assurance or warranty that capacity will be available on Company's pipeline system at any time and Shipper agrees that Company shall bear no responsibility or liability to any person if capacity does not exist on any day to provide service hereunder.

2.4 Company shall have the right to discontinue service under this Agreement in accordance with Section 15.3 of the General Terms and Conditions hereto.

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

2.6 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations under the NGPA and the Natural Gas Act. Upon termination of this Agreement, Company and Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of Section 14 of the General Terms and Conditions with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations accruing prior to the date of termination.

ARTICLE III NOTICES

3.1 Except as provided in Section 8.6 herein, notices hereunder shall be given pursuant to the provisions of Section 18 of the General Terms and Conditions to the respective party at the applicable address, telephone number or e-mail addresses provided by the parties from time to time.

ARTICLE IV TERM

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

ARTICLE V CONDITIONS PRECEDENT

5.1 Unless otherwise agreed to by the parties, the terms of Rate Schedule IT, and the General Terms and Conditions thereto, shall apply to the acquisition or construction of any facilities necessary to effectuate this Agreement. Other provisions of this Agreement notwithstanding, Company shall be under no obligation to commence service hereunder unless and until (1) all facilities, of whatever nature, as are required by Company to permit the receipt, measurement, transportation, and delivery of natural gas hereunder have been authorized, installed, and are in operating condition, and (2) Company, in its reasonable discretion, has determined that such service would constitute transportation of natural gas authorized under all applicable regulatory authorizations and the Commission's Regulations.

ARTICLE VI REMUNERATION

6.1 Shipper shall pay Company monthly for the transportation services rendered hereunder the charges specified in Rate Schedule IT, including any penalty and other authorized charges assessed under Rate Schedule IT and the General Terms and Conditions. Company may agree from time to time to discount the rates charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule IT or the parties may agree to a Negotiated Rate for such services in accordance with the provisions of Rate Schedule IT. Said discounted or Negotiated Rates shall be set forth on Exhibit E or Exhibit F, respectively, hereto and shall take precedence over the charges set forth in Rate Schedule IT during the period in which they are in effect.

6.2 The rates and charges provided for under Rate Schedule IT shall be subject to increase or decrease pursuant to any order issued by the Commission in any proceeding initiated by Company or applicable to the services performed hereunder. Shipper agrees that Company shall, without any further agreement by Shipper, have the right to change from time to time, all or any part of this Agreement, as well as all or any part of Rate Schedule IT, or the General Terms and Conditions thereto, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Company, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. Nothing contained herein shall prejudice the rights of Shipper to contest at any time the changes made pursuant to this Section 6.2, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent rate proceedings by Company under Section 4 of the Natural Gas Act or to file a complaint under Section 5 of the Natural Gas Act with respect to such transportation rates or charges.

ARTICLE VII

RESERVED
Reserved.

ARTICLE VIII MISCELLANEOUS

8.1 This Agreement constitutes the entire Agreement between the parties and no waiver by Company or Shipper of any default of either party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

8.2 The laws of the State of _____ shall govern the validity, construction, interpretation, and effect of this Agreement, without giving effect to any conflict of laws doctrine that would apply the laws of another jurisdiction.

8.3 No modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the parties.

8.4 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Neither party may assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

8.5 Exhibits A, B, and _____ attached to this Agreement constitute a part of this Agreement and are incorporated herein.

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

8.7 (If applicable) This Agreement supersedes and cancels the Service Agreement (# _____) dated _____ between the parties hereto.

8.8 (If applicable) In the event Company subscribes for off-system firm transportation capacity, Shipper shall pay the additional charges set forth on Exhibit C attached hereto, except as otherwise provided on Exhibit E or F.

IN WITNESS WHEREOF, this Agreement has been executed by the parties by their respective duly authorized officers and shall be effective as of the date first written above.

SOUTHERN NATURAL GAS COMPANY, L.L.C.

By _____
Its _____

(SHIPPER)

By _____
Its _____

Service Agreement No. _____

PRO FORMA

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
UNDER RATE SCHEDULE FT-NN

THIS AGREEMENT, made and entered into as of this _____ day of _____, _____, by and between Southern Natural Gas Company, L.L.C., a Delaware limited liability company, hereinafter referred to as "Company", and _____, a _____, hereinafter referred to [choose a. or b., as applicable]:

a. as "Shipper";

b. as "Agent" for _____, a _____, ("Principals"), hereinafter individually and collectively as "Shipper"; provided that (i) Principals demonstrate to Company and agree that they collectively meet the "shipper must have title" requirement in Section 2.1(a)(viii) of the General Terms and Conditions of Company's Tariff ("General Terms and Conditions"); (ii) each of the Principals provides written evidence to Company that Agent is authorized to act on their behalf and that each of the Principals is jointly and severally liable for all of the obligations of Shipper under this Agreement; and (iii) the Principals recognize and agree that they shall be treated collectively as one Shipper for nomination, billing and allocation purposes.

WITNESSETH:

WHEREAS, Company is an interstate pipeline, as defined in Section 2(15) of the Natural Gas Policy Act of 1978 (NGPA); and

WHEREAS, Shipper has requested firm transportation pursuant to Rate Schedule FT-NN₇ of various supplies of gas for redelivery for Shipper's account and has submitted to Company a request for such transportation service in compliance with Section 2 of the General Terms and Conditions applicable to such Rate Schedules; and/or

WHEREAS, Shipper may acquire, from time to time, released firm transportation capacity under Section 22 of the General Terms and Conditions or continued transportation service; and

WHEREAS, Company has agreed to provide Shipper with transportation service of such gas supplies or through such acquired capacity release in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

TRANSPORTATION QUANTITY

1.1 Subject to the terms and provisions of this Agreement, Rate Schedule FT-NN and the General Terms and Conditions thereto, Shipper agrees to deliver or cause to be delivered to Company at the Receipt Point(s) described in Exhibit A and Exhibit A-1 to this Agreement, and Company agrees to accept at such point(s) for transportation under this Agreement, an aggregate quantity of natural gas per day up to the total Transportation Demand set forth on Exhibit B hereto.

Company's obligation to accept gas on a firm basis at any Receipt Point is limited to the Receipt Points set out on Exhibit A and to the Maximum Daily Receipt Quantity (MDRQ) stated for each such Receipt Point. The sum of the MDRQ's for the Receipt Points on Exhibit A shall equal the Transportation Demand.

1.2 Subject to the terms and provisions of this Agreement, Rate Schedule FT-NN, and the General Terms and Conditions thereto, Company shall deliver a thermally equivalent quantity of gas, less the applicable fuel charge as set forth in the applicable FT-NN Rate Schedule, to Shipper at the Delivery Point(s) described in Exhibit B and Exhibit B-1 hereto. Company's obligation to redeliver gas at any Delivery Point on a firm basis is limited to the Delivery Points specified on Exhibit B and to the Maximum Daily Delivery Quantity (MDDQ) stated for each such Delivery Point and in no event shall Shipper be entitled to deliveries in excess of the MDDQ such that if Shipper

elects to take gas at an Exhibit B-1 Delivery Point then the MDDQ at its Exhibit B Delivery Points will be reduced proportionately. The sum of the MDDQ's for the Delivery Points on Exhibit B shall equal the Transportation Demand.

1.3 In the event Shipper is the successful bidder on released firm transportation capacity under Section 22 of Company's General Terms and Conditions, Company will promptly email and make available to Shipper the terms of the Capacity Release Transaction on its Interactive Website. Upon the issuance of the email, subject to the terms, conditions and limitations hereof and of Company's Rate Schedules FT-NN, Company agrees to provide the released firm transportation service to Shipper under Rate Schedule FT-NN, the General Terms and Conditions thereto, and this Agreement.

ARTICLE II

CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with and subject to the provisions of Company's Rate Schedule FT-NN, and the General Terms and Conditions thereto, which are contained in Company's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. In the event of any conflict between this Agreement and the terms of the applicable Rate Schedule, the terms of the Rate Schedule shall govern as to the point of conflict. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in such Rate Schedule and the General Terms and Conditions thereto.

2.2 This Agreement shall be subject to all provisions of the General Terms and Conditions applicable to Company's Rate Schedule FT-NN and such conditions may be revised from time to time. Unless Shipper requests otherwise, Company shall provide to Shipper the filings Company makes at the Federal Energy Regulatory Commission ("Commission") of such provisions of the General Terms and Conditions or other matters relating to Rate Schedule FT-NN.

2.3 Company shall have the right to discontinue service under this Agreement in accordance with Section 15.3 of the General Terms and Conditions hereto.

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

2.5 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations under the NGPA and the Natural Gas Act. Upon termination of this Agreement, Company and Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of Section 14 of the General Terms and Conditions with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations accruing prior to the date of termination.

ARTICLE III

NOTICES

3.1 Except as provided in Section 8.6 herein, notices hereunder shall be given pursuant to the provisions of Section 18 of the General Terms and Conditions to the respective party at the applicable address, telephone number, or e-mail addresses provided by the parties from time to time.

ARTICLE IV

TERM

4.1 Subject to the provisions hereof, this Agreement shall be in full force and effect for the primary term(s) as set forth on Exhibit B hereto, as applicable, and shall continue and remain in force and effect for successive evergreen terms specified on Exhibit B hereto unless canceled by either party giving the required amount of written notice specified on Exhibit B to the other party prior to the end of the primary term(s) or any extension thereof. The primary term of the Agreement may commence and end as provided on Exhibit B. (If Applicable) If construction of facilities is necessary, Exhibit B may indicate that the start date coincides with the in-service date of the applicable facilities.

4.2 In the event Shipper has not contracted for firm Transportation Demand under this Agreement directly with Company, as set forth on Exhibit B hereto, then the term of this Agreement shall be effective as of the date first hereinabove written and shall remain in full force and effect for a primary term through the end of the month and month to month thereafter unless canceled by either party giving at least five (5) days written notice to the other party prior to the end of the primary term or any extension thereof, provided however, this agreement may be terminated by Company if no activity occurs hereunder during a period of 12 consecutive months. It is provided, however that this Agreement shall not terminate prior to the expiration of any Capacity Release Transaction.

ARTICLE V CONDITIONS PRECEDENT

5.1 Unless otherwise agreed to by the parties, the terms of Rate Schedule FT-NN, and the General Terms and Conditions thereto, shall apply to the acquisition or construction of any facilities necessary to effectuate this Agreement. Other provisions of this Agreement notwithstanding, Company shall be under no obligation to construct the facilities or commence service hereunder unless and until (1) Company has received and accepted the necessary regulatory approvals and permits to construct the facilities in a form and substance satisfactory to Company; (2) all facilities, of whatever nature, as are required by Company to permit the receipt, measurement, transportation, and delivery of natural gas hereunder have been authorized, installed, and are in operating condition; (3) (If Applicable) Company has obtained the approval of the appropriate management or management committee and/or board of directors of Company and/or its parent company to spend the capital necessary to construct the additional facilities; and (4) (If Applicable) Shipper completes the construction and places into operation, using diligent efforts, its upstream or downstream production or end use facilities required to receive or deliver gas hereunder.

ARTICLE VI REMUNERATION

6.1 Shipper shall pay Company monthly for the transportation services rendered hereunder the charges specified in Rate Schedule FT-NN, and under each effective Capacity Release Transaction, as applicable, including any penalty and other authorized charges assessed under the FT-NN Rate Schedule and the General Terms and Conditions. For service requested from Company under Rate Schedule FT-NN, Company shall notify Shipper as soon as practicable of the date services will commence hereunder, and if said date is not the first day of the month, the Reservation Charge for the first month of service hereunder shall be adjusted to reflect only the actual number of days during said month that transportation service is available. Company may agree from time to time to discount the rates charged Shipper for services provided hereunder in accordance with the provisions of Rate Schedule FT-NN. Said discounted charges shall be set forth on Exhibit E hereto or the parties may agree to a Negotiated Rate for such services in accordance with the provisions of Rate Schedule FT-NN. Said discounted or Negotiated Rates shall be set forth on Exhibit E or Exhibit F, respectively, hereto and shall take precedence over the charges set forth in Rate Schedules FT-NN during the period in which they are in effect.

6.2 The rates and charges provided for under Rate Schedule FT-NN shall be subject to increase or decrease pursuant to any order issued by the Commission in any proceeding initiated by Company or applicable to the services performed hereunder. Shipper agrees that Company shall, without any further agreement by Shipper, have the right to change from time to time, all or any part of its Proforma Service Agreement, as well as all or any part of Rate Schedule FT-NN, or the General Terms and Conditions thereto, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Company, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. It is recognized, however, that once a Capacity Release Transaction has been awarded, Company cannot increase the Reservation Charge to be paid by Shipper under that Capacity Release Transaction, unless in its bid the Replacement Shipper has agreed to pay a percentage of the maximum tariff rate in effect and the maximum tariff rate increases during the term of the Capacity Release Transaction. Nothing contained herein shall prejudice the rights of Shipper to contest at any time the changes made pursuant to this Section 6.2, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent rate proceedings by Company under Section 4 of the Natural Gas Act or to file a complaint under Section 5 of the Natural Gas Act with respect to such transportation rates or charges, the Rate Schedules, or the General Terms and Conditions thereto.

ARTICLE VII RESERVED

ARTICLE VIII

MISCELLANEOUS

8.1 This Agreement constitutes the entire Agreement between the parties and no waiver by Company or Shipper of any default of either party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

8.2 The laws of the State of _____ shall govern the validity, construction, interpretation, and effect of this Agreement, without giving effect to any conflict of laws doctrine that would apply the laws of another jurisdiction.

8.3 No modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the parties except that (i) a Capacity Release Transaction may be issued, and (ii) in accordance with the provisions of Rate Schedule FT-NN, and the General Terms and Conditions thereto, Receipt Points may be added to or deleted from Exhibit A and the Maximum Daily Receipt Quantity for any Receipt Point on Exhibit A may be changed upon execution by Company and Shipper of a Revised Exhibit A to reflect said change(s), and (iii) Delivery Points may be added to or deleted from Exhibit B and the Maximum Daily Delivery Quantity for any Delivery Point may be changed upon execution by Company and Shipper of a Revised Exhibit B to reflect said change(s). It is provided, however, that any such change to Exhibit A or Exhibit B must include corresponding changes to the existing Maximum Daily Receipt Quantities or Maximum Daily Delivery Quantities, respectively, such that the sum of the changed Maximum Daily Receipt Quantities equals the Transportation Demand and the sum of the Maximum Daily Delivery Quantities equals the Transportation Demand.

8.4 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, either party may assign this Agreement to an affiliated company without the prior written consent of the other party, provided that the affiliated company is creditworthy pursuant to Section 2.1(d) of the General Terms and Conditions, but neither party may assign this Agreement to a nonaffiliated company without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

8.5 Exhibits A, A-1, B, B-1, and _____ attached to this Agreement constitute a part of this Agreement and are incorporated herein.

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

8.7 (If applicable to local distribution companies pursuant to Article XV, Paragraph 1(b) of the Stipulation and Agreement approved in the "Order Approving Settlement" in Docket Nos. RP89-224-012, et al., dated September 29, 1995, 75 FERC ¶61,322 (1995).).

If Shipper experiences the loss of any load, by direct connection of such load to the Company's system, Shipper may reduce its Transportation Demand under this Service Agreement or any other Service Agreement for firm transportation service between Shipper and Company by giving Company 30 days prior written notice of such reduction within six (6) months of the date Company initiates direct services to the industrial customer; provided, however, that any such reduction shall be applied first to the Transportation Demand under the Service Agreement with the shortest remaining contract term.

In order to qualify for a reduction in its Transportation Demand, Shipper must certify and provide supporting data that:

- (i) The load was actually being served by Shipper with gas transported by Company prior to November 1, 1993.
- (ii) If the load lost by Shipper was served under a firm contract, the daily contract quantity shall be provided.
- (iii) If the load lost by Shipper was served under an interruptible contract, the average daily quantities during the latest twelve months of service shall be provided.

Shipper may reduce its aggregate Transportation Demand under all its Service Agreements by an amount up to the daily contract quantity in the case of the loss of a firm customer and/or up to the average daily deliveries during the latest twelve month period in the case of the loss of an interruptible customer. Such reduction shall become effective thirty days after the date of Shipper's notice that it desires to reduce its Transportation Demand.

8.8 (If applicable) This Agreement supersedes and cancels the Service Agreement (# _____) dated _____ between the parties hereto.

8.9 (If applicable) In the event Company subscribes for off-system firm transportation capacity, Shipper shall pay the additional charges set forth on Exhibit C attached hereto, except as otherwise provided on Exhibit E or F.

IN WITNESS WHEREOF, this Agreement has been executed by the parties by their respective duly authorized officers and shall be effective as of the date first written above.

SOUTHERN NATURAL GAS COMPANY, L.L.C.

By _____

Its _____

[SHIPPER]

By _____

Its _____