

TRANSPORTATION AGREEMENT - PIPELINE (NGV) – 07164-00

This Agreement is entered into effective the _____ day of _____, 2017 (the "Effective Date").

CUSTOMER: CITY OF DENTON		COMPANY: ATMOS PIPELINE-TEXAS	
FOR NOTICES: 1527 South Mayhill Road Denton, Texas 76208 Attention: Mr. Vance Kemler Fax: _____ E-Mail: _____		FOR NOTICES: Atmos Pipeline-Texas Attn: Industrial Contract Administration P. O. Box 223705 Dallas, Texas 75222-3705 E-mail: industrial.contracts@atmosenergy.com	
FOR INVOICES: 1527 South Mayhill Road Denton, Texas 76208 Attention: Accounts Payable Fax: _____ E-Mail: _____		FOR PAYMENTS: Atmos Pipeline-Texas P.O. Box 841425 Dallas, Texas 75284-1425	WIRE TO: Bank of America Routing 026009593 Acct # 3756617812
QUANTITY:	Maximum Transportation Quantities: MDQ = 500 MMBtu MHQ = 120 MMBtu		
TERM:	This Agreement will be effective as of the Effective Date, and will, subject to the terms and provisions of this Agreement, remain in full force and effect for the Primary Term as herein defined. The Primary Term of this Agreement will consist of ten (10) Contract Years, with the first Contract Year commencing on the Contract Date. The Contract Date of this Agreement is first day of the month following Company's completion of the installation of metering facilities at the Delivery Point. Notwithstanding anything contained in this Agreement to the contrary, if an imbalance exists on the date of termination hereof between the quantities of Gas received at the Receipt Point(s) and the quantities of Gas delivered to the Delivery Point(s), then the term of this Agreement will be extended for a period of time, not to exceed 90 Days, to allow the party whose deliveries are in arrears to eliminate the imbalance as soon as reasonably practicable. Termination or cancellation of this Agreement will not extinguish any obligation that accrued before such termination or cancellation.		
DELIVERY POINT:	Gas transported by Company hereunder will be delivered to Customer at the point of interconnection between Company's facilities and Customer's facilities at the outlet of the Meter at 1251 South Mayhill Road in or near Denton, Texas.. Customer's facilities are located inside the city limits: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
RECEIPT POINT(S):	Gas received by Company for transportation hereunder will be received at the point(s) listed on Exhibit C, attached hereto and incorporated herein by reference.		
RATE SCHEDULES AND EXHIBITS:	The following Rate Schedules and exhibits apply to the service provided hereunder and are incorporated herein by reference: Rate Schedule: NGV Pipeline Transportation including all applicable riders Rate Schedule: Definitions Exhibit A: General Transportation Contract Terms and Conditions Exhibit B: Pipeline/Distribution Transportation Terms and Conditions for NGV Gas Service Exhibit C: Receipt Point(s)		
AGREED AND ACCEPTED THIS _____ DAY OF _____, 201____.		AGREED AND ACCEPTED THIS _____ DAY OF _____, 201____.	
CITY OF DENTON		ATMOS PIPELINE-TEXAS	
By: _____		By: _____	
Name: _____		Name: Robert A. Rodgers	
Title: _____		Title: Vice President	

PRICING SCHEDULE:	NATURAL GAS VEHICLE FUEL TRANSPORTATION SERVICE	
APPLICABLE TO:	Entire System	REVISION: DATE:
EFFECTIVE DATE:	11/01/2014	PAGE: 1 of 2

RATE – TRANSPORTATION AGREEMENT-PIPELINE (NGV)**Application**

Applicable to Atmos Pipeline – Texas’ (APT) entire system. This service is available to retail fueling stations and private fleet stations where the use of the gas delivered is for fueling natural gas motor vehicles (“NGVs”).

The charges for service provided pursuant to this Pricing Schedule represent the Company’s standard offer for NGV Fuel Transportation Service and may be subject to change from time to time.

Type of Service

NGV Fuel Transportation Service is not a “gas utility” service as that term is defined under Tex. Util. Code §§101.003(7) and 121.006.

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between APT and Customer may be required prior to service being furnished.

Service under this Pricing Schedule may be separately supplied to a NGV Customer who is also supplied natural gas for non-vehicular uses under one or more other gas rates at the same premises, provided that each supply shall be separate and distinct with respect to delivery, metering and billing.

Service under this Pricing Schedule requires a Transportation Agreement – Pipeline (NGV) (Transportation Agreement), between APT and the Customer.

Monthly Pricing

Bills shall be rendered and paid monthly. Customers receiving NGV Fuel Transportation Service under this Pricing Schedule will receive a monthly bill that includes the following Customer and MMBtu charges:

Charge	Amount
Customer Charge per Meter	\$ 35.00 per month
All MMBtu Delivered at the Delivery Point	\$ 1.25 per MMBtu

In addition to the Customer and MMBtu charges identified above or as may be mutually agreed upon from time to time, the Customer’s monthly bill will include amounts due under the riders listed below:

- (a) Rider RA: Plus an amount for retention calculated in accordance with Rider RA;
- (b) Rider MF: Plus an amount for municipal fees calculated in accordance with Rider MF. Rider MF is only applicable to customer inside the corporate limits of any incorporated municipality, and;
- (c) Rider TAX: Plus an amount for tax calculated in accordance with Rider TAX; provided that service under this Pricing Schedule will not be subject to the Gas Utility Pipeline Tax under TEX. UTILITIES CODE, Chapter 122.

For the purposes of the riders listed above, Customer will be deemed to receive service under Rate – PT.

PRICING SCHEDULE:	NATURAL GAS VEHICLE FUEL TRANSPORTATION SERVICE	
APPLICABLE TO:	Entire System	REVISION: DATE:
EFFECTIVE DATE:	11/01/2014	PAGE: 2 of 2

Curtailment and Curtailment Overpull Fee

NGV Fuel Transportation Service will be deemed equivalent to commercial service for curtailment purposes. Curtailment of Customer's deliveries, if any, will be in accordance with the APT's Curtailment Program as authorized by an appropriate regulatory body and the terms and conditions of the Transportation Agreement between APT and Customer. Upon notification by APT of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay APT 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Imbalance Fees

All fees charged to Customer under this Pricing Schedule will be charged based on the quantities determined under the Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay APT the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for each MMBtu of Customer's monthly Cumulative Imbalance, as defined in the Transportation Agreement, at the end of each month that exceeds 10% of the quantities delivered by APT for Customer at the Delivery Point during the month.

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, APT will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Licenses/Permits

Customer must obtain and maintain, at its expense, any necessary certificates, permits, licenses and other governmental approvals necessary to operate a private or public fueling station, and will be liable for all taxes levied.

APT reserves the right to refuse to serve any prospective or current NGV Customer whose fueling equipment or facilities are found by APT, in its sole discretion, to be unsafe, likely to malfunction, or in violation of this Pricing Schedule.

Special Conditions

In order to receive NGV Fuel Transportation Service, Customer must have the type of meter required by APT. Customer may be required to pay APT all costs associated with the acquisition and installation of the meter.

**ATMOS ENERGY CORP.,
ATMOS PIPELINE-TEXAS**

RIDER:	RA - RETENTION ADJUSTMENT	
APPLICABLE TO:	Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT	
EFFECTIVE DATE:	04/18/2011	PAGE: 1 of 1

Applicability

This Rider is applicable to Customers taking service under Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT.

Monthly Rate

The retention percentage for Rate CGS - Mid-Tex, Rate CGS – Other and Rate PT is 1.00% of the volume of gas received into Atmos Pipeline – Texas’ system for the account of a Customer.

RIDER: 16	TAX - TAX ADJUSTMENT	
APPLICABLE TO:	Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT	
EFFECTIVE DATE:	04/18/2011	PAGE: 2 of 1

Applicability

This rider is applicable to Customers taking service under Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT, except for exempt State Agency Customers, to the extent of state gross receipts taxes only.

Each monthly bill shall be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to Company with respect to the Gas Service provided to Customer by Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to Company's operations, by any new or amended law, ordinance, or contract.

RIDER:	RIDER MF – MUNICIPAL FEE ADJUSTMENT	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:	04/18/2011	PAGE: 1 of 1

Application

Applicable to Customers with a delivery point inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer.

Monthly Adjustment

Company will adjust Customer's bill each month in an amount equal to the municipal fees payable for the Gas Service provided to Customer by Company. Municipal franchise fees are determined by each municipality's ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of municipal fees.

From time to time, Company will make further adjustments to Customer's bill to account for any over – or under-recovery of municipal fees by Company.

**ATMOS ENERGY CORP.,
ATMOS PIPELINE-TEXAS**

RIDER:	SUR - SURCHARGES	
APPLICABLE TO:	Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT	
EFFECTIVE DATE:	04/18/2011	PAGE: 1 of 1

Applicability

This Rider is applicable to customer classes as authorized by the state or any governmental entity or regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, order, rule, contract, or agreement.

RATE SCHEDULE:	DEFINITIONS	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:		PAGE: 1 OF 2

AGREEMENT FOR GAS SERVICE. A written contract between Company and Customer under which Company provides Gas Service.

APPLICANT. A person or entity who requests Gas Service from Company. The inauguration of Gas Service to an Applicant by Company does not indicate that Company has inspected Customer's gas piping or gas-burning equipment or determined the piping and gas-burning equipment to be safe or adequate.

CITY GATE CUSTOMER. A customer who purchases City Gate Service under Rate CGS – Mid-Tex or Rate CGS – Other.

COMMISSION. The Railroad Commission of Texas.

COMPANY. Atmos Pipeline-Texas, its successors, and its assigns.

CUSTOMER. An individual, partnership, association, joint venture, corporation, etc., or governmental agency whose gas is being transported by Company.

GAS DAY. The period beginning at 9:00 a.m. on one calendar day and ending at 9:00 a.m. on the following calendar day.

GAS SERVICE. The transportation of natural gas by Company for Customer.

INDUSTRIAL CUSTOMER. A customer who has a North American Industry Classification System Code beginning with 21, 22 (electric generation only), 31, 32, or 33.

MAKE-UP VOLUMES. The quantity of gas specifically and separately nominated by customer and confirmed by Company to resolve, either in whole or in part, any imbalance under Rate CGS – Mid-Tex, Rate CGS – Other, or Rate PT.

METER. A device, or devices, together with any required auxiliary equipment, for measuring Gas Service.

NGV GAS SERVICE. Gas Service provided to any customer whose receipt of natural gas is primarily for use as a vehicle fuel.

PIPELINE SYSTEM. The Atmos Pipeline-Texas pipeline transmission system in the state of Texas including storage facilities. The Pipeline System is upstream from city gates and receives gas from various supply sources for delivery to city gates and end use customers.

POINT OF DELIVERY. Point at which natural gas leaves the Company's facilities. At Company's option, locations where the gas installation has multiple connections to Company's facilities may be considered one point of delivery for billing purposes.

RATE SCHEDULE. A statement of the method of determining charges for Gas Service, including the conditions under which such method applies.

RECEIPT NOMINATION. The daily quantity of gas requested by a Customer to be delivered into the Pipeline System by the Customer as specified in the associated Transportation Agreement between the Customer and Atmos Pipeline-Texas.

**ATMOS ENERGY CORP.,
ATMOS PIPELINE-TEXAS**

RATE SCHEDULE:	DEFINITIONS	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:		PAGE: 2 OF 2

STATE AGENCY. (A) a department, commission, board, office, or other agency that:

- (i) is in the executive branch of state government;
- (ii) has authority that is not limited to a geographical portion of the state; and
- (iii) was created by the Texas Constitution or a statute of this state;

(B) a university system or institution of higher education as defined by Section 61.003, Education Code, other than a public junior college; or

(C) a river authority created under the Texas Constitution or a statute of this state.

TRANSPORTATION AGREEMENT. The contract with a customer for transportation service on the Pipeline System. The contract will specify the rate for transportation service and the retention percentage.

EXHIBIT A

GENERAL TRANSPORTATION CONTRACT TERMS AND CONDITIONS

1. Definitions

- (a) “Btu” means British Thermal Unit and, where appropriate, the plural thereof.
- (b) “Company” means Atmos Pipeline-Texas, a division of Atmos Energy Corporation, its successors and assigns.
- (c) “Cumulative Imbalance” means the absolute value of the difference between the cumulative quantities of Gas received at the Receipt Point(s) during the term of this Transportation Agreement, less the Retention Volumes, and the cumulative quantities of Gas delivered at the Delivery Point(s) during the term of this Transportation Agreement.
- (d) “Customer” means the party identified as the “Customer” in this Transportation Agreement.
- (e) “Customer’s Designee” means the person or entity who owns the facilities at the Receipt Point(s) through which Gas is delivered to Company under this Transportation Agreement, or who owns the facilities at the Delivery Point(s) into which Gas is redelivered by Company under this Transportation Agreement, unless another person or entity is specifically identified by Customer in writing to act as Customer’s Designee for the purposes of this Transportation Agreement.
- (f) “Day” means the period beginning at 9:00 a.m. on one calendar day and ending at 9:00 a.m. on the following calendar day. Unless otherwise noted, all times used in this Transportation Agreement are central clock times.
- (g) “Delivery Point(s)” means the point(s) of interconnection between Company’s facilities and Customer’s or Customer’s Designee’s facilities at the outlet of the Meter at Customer’s facilities, or Customer’s or Customer’s Designee’s pipeline, as more specifically identified and set forth in the Transportation Agreement executed by Customer and Company.
- (h) “Electric Generation Customer” means a customer who utilizes the Gas delivered by Company as fuel to generate electricity at Customer’s power plant at or near the Delivery Point.
- (i) “Gas” means natural gas produced from gas wells, gas produced in association with oil (casinghead gas), and/or the residue gas resulting from processing casinghead gas and/or gas well gas.
- (j) “Heating Value” or “Heat Content” means the total heating value expressed in Btu per cubic foot (gross heating value) of the Gas delivered under this Transportation Agreement, and will be determined at a temperature of 60 degrees Fahrenheit, saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32 degrees Fahrenheit converted to base conditions of 60 degrees Fahrenheit and a pressure of 14.65 psia and adjusted to reflect actual water vapor content.
- (k) “Industrial Customer” has the meaning contained in Rate Schedule - Definitions.
- (l) “Make-up Volumes” means the quantity of gas specifically and separately nominated by Customer and confirmed by Company to resolve any imbalance under this Transportation Agreement.
- (m) “Maximum Daily Quantity” or “MDQ” means the maximum quantity of Gas that Customer may receive from Company under this Transportation Agreement in the aggregate at the Delivery Point(s) during any Day, as may be adjusted pursuant to the Rate Schedules applicable to the type of service provided by Company.
- (n) “Maximum Hourly Quantity” or “MHQ” means the maximum quantity of Gas that Customer may receive from Company under this Transportation Agreement in the aggregate at the Delivery Point(s) during any clock hour, at an instantaneous flow rate over the entire hour.
- (o) “Mcf” means 1,000 cubic feet.
- (p) “MMBtu” means one million Btu. Additionally, one MMBtu will equal one decatherm, and any reference to decatherms will equate to MMBtus.
- (q) “Month” means the period beginning at 9:00 a.m. on the first Day of a calendar month and ending at 9:00 a.m. on the first Day of the succeeding calendar month.
- (r) “Psia” means pounds per square inch absolute.
- (s) “Receipt Point(s)” means the point(s) of interconnection between Company’s facilities and Customer’s or Customer’s Designee’s pipeline facilities, as more specifically identified and set forth in the Transportation Agreement executed by Customer and Company.
- (t) “Retention Volumes” means the quantity of Gas retained by Company, as compensation for fuel used, and for lost and unaccounted for quantities of Gas, equal to the percentage specified in the Rate Schedules applicable to the type of service provided by Company, as the same may be changed from time to time.

(u) "Transportation Agreement" means the written agreement executed by Customer and Company, which establishes the rights and obligations of Customer and Company related to natural gas transportation service provided by Company.

(v) "Year" means a period of 12 consecutive Months beginning at 9:00 a.m. on the first Day of a calendar Month and ending at 9:00 a.m. on the same date of each succeeding year during the term of this Transportation Agreement.

2. Quantity

Customer agrees to transport hereunder the entire natural gas requirements at Customer's facilities connected to the Delivery Point identified in this Transportation Agreement; provided, however, the quantities of Gas to be transported under this Transportation Agreement will not exceed during any Day the Maximum Daily Quantity, or during any hour the Maximum Hourly Quantity, as set forth in this Transportation Agreement unless otherwise mutually agreed by Company and Customer. The calculation of all quantities of Gas received and delivered under the Transportation Agreement will be on an MMBtu basis for all purposes, including, but not limited to, calculating imbalance charges and Retention Volumes.

3. Laws and Regulations

(a) *Transportation Agreements Subject to Applicable Laws.* This Transportation Agreement is subject to applicable state and federal laws, and orders, directives, rules, and regulations of any governmental body, official, or agency having jurisdiction over the transportation of Gas under the Transportation Agreement; therefore, Company's obligations and liabilities under the Transportation Agreement will be limited accordingly.

(b) *Intrastate Transportation.* **Customer's and/or Customer's Designees' facilities utilized for the delivery and acceptance of Gas under this Transportation Agreement shall not be subject to the Natural Gas Act of 1938, as amended (the "NGA"). Customer and Customer's Designees will take no action nor commit any act of omission that will subject any transaction under a transportation agreement or Company's facilities to jurisdiction of the Federal Energy Regulatory Commission ("FERC") or any successor governmental agency under the terms of the NGA. The Gas delivered and accepted under this Transportation Agreement shall not have been nor shall be sold, transported, or otherwise utilized in a manner that will subject Company to the terms of the NGA. In addition to and without excluding any remedy Company may have at law or in equity, Customer will be liable to Company for all damages, injuries, and reasonable expenses Company may sustain by reason of any breach of the provisions of this paragraph. Customer hereby waives any defense for breach of this paragraph that Company could avoid NGA jurisdiction under the provisions of Section 1(c) of such Act.**

4. Nominations

(a) Customer will provide Company with Customer's nomination for the first Day of each Month no later than 2:00 p.m. on the second business Day prior to the first Day of such Month. Each such nomination will contain Customer's nominated quantities for the Delivery Point(s) and the Receipt Point(s), designation of the appropriate contract(s) covering such Gas, and the identity by name and telephone number of individual(s) who have authority to confirm the nominated Gas quantities at each Receipt Point and Delivery Point. Customer may change nominated quantities for any business Day, provided such nomination change must be received by Company prior to 11:30 a.m. of any business Day to be effective the next Day. Intra-day nominations may be made upon mutual agreement of Customer and Company. If Customer fails to furnish nominations as required above for any Day during the term of this Transportation Agreement, then Company may suspend transportation service under this Transportation Agreement for such Day and such interruption of service will not prevent enforcement by Company of any other of its legal rights or remedies, including imbalance resolutions, nor be construed as a breach of Company's obligations under this Transportation Agreement. If Customer fails to nominate quantities for three consecutive Months during the term of this Transportation Agreement, then Company, upon 30 Days' prior written notice to Customer, may terminate this Transportation Agreement; provided, however, the obligation to make payment for monies due under this Transportation Agreement will not be extinguished. Company at any time and from time to time and for any specified or unspecified time period(s), may for operational reasons prorate and/or totally refuse to accept new nominations or honor then existing nominations at certain then existing Receipt Point(s); however, Company will endeavor to notify Customer or Customer's Designee of such refusal as soon as practicable. Notwithstanding the foregoing, Customer will not attempt to utilize the nomination process set forth above to reserve or gain additional pipeline capacity by over nomination, and in the event Company, in its reasonable discretion, determines that Customer has attempted to do so, then Company will have the right, with prior notice, to: (i) revise the nomination; or (ii) suspend service under this Transportation Agreement.

(b) If Customer fails to furnish transportation nominations as required herein for any month during the term of this Transportation Agreement, and Customer receives Gas from Company at the Delivery Point(s), then Company may

charge Customer for each Day that Customer does not have a confirmed nomination in place, 150% of difference in the highest and lowest “midpoint” price for the Katy point listed in *Platts Gas Daily* in the table entitled “Daily Price Survey” for the applicable Month. If Customer fails to furnish transportation nominations as required herein for any Day or Month, then Customer’s transportation nomination for such Day or Month will be deemed to be zero MMBtu.

5. Imbalances

(a) *Customer’s Balancing Obligations.* Customer will balance, on a simultaneous basis, between the quantities of Gas received by Company at the Receipt Point(s), less the Retention Volumes and Make-up Volumes, and the quantities of Gas delivered at the Delivery Point(s). An imbalance will exist under this Transportation Agreement when, during any designated time period during the term thereof, there is a numerical difference between the quantity of Gas delivered by Company to Customer at the Delivery Point and the quantity of Gas received by Company from Customer (or Customer’s Designee) at the Receipt Point(s), exclusive of Retention Volumes and Make-up Volumes. Customer will be solely responsible to monitor actual deliveries and receipts under this Transportation Agreement. Customer must adjust its nominations, deliveries, and receipts to maintain a simultaneous balance between the quantities of Gas received at the Receipt Point(s) and the quantities of Gas delivered at the Delivery Point(s), and must notify Company of any imbalances or situations that may cause imbalances. If Company is unable to receive Gas at any Receipt Point in the quantities nominated, or deliver Gas at any Delivery Point in the quantities nominated, as provided for herein, Company will notify Customer as soon as reasonably practicable.

(b) Company will have no obligation, during any designated time period during the term of this Transportation Agreement, to deliver Gas to Customer under this Transportation Agreement in excess of the quantity received by Company at the applicable Receipt Point(s), less Retention Volumes and Make-up Volumes, nor will Company have any obligation, during any designated time period during the term of this Transportation Agreement, to receive from Customer at the applicable Receipt Point(s) quantities of Gas under the Transportation Agreement that exceed the quantities of Gas delivered by Company to Customer under this Transportation Agreement, plus applicable Retention Volumes and Make-up Volumes.

(c) *Imbalance Charges.* In the event of an imbalance under this Transportation Agreement, Company may charge Customer the applicable imbalance charges specified in the Rate Schedules applicable to the type of service provided by Company.

(d) *Operational Flow Orders.* Upon at least one hour prior notification by Company that operational conditions exist on Company’s system that, in Company’s reasonable opinion, may adversely affect service to other Customers or otherwise impact system integrity (an “Operational Flow Order”), Customer will be responsible to ensure that quantities of gas delivered at the Delivery Point(s) during each hour are either: i) less than or equal to, or ii) greater than or equal to the confirmed nominated receipt quantities of gas for such hour at the Receipt Point(s), as notified by Company.

(e) *Company May Restrict Receipts and Deliveries to Maintain Balance.* Notwithstanding anything contained herein or in this Transportation Agreement, Company will always have the total and unrestricted right, but no obligation whatsoever, to at any time and from time to time restrict, interrupt, or reduce its receipt and/or delivery of Gas under this Transportation Agreement in order to maintain a simultaneous balance for each Delivery Point or to correct any prior imbalance under this Transportation Agreement.

(f) *Remaining Imbalances after Contract Expires or Is Terminated.* Notwithstanding anything contained herein or in this Transportation Agreement, in the event there is an imbalance in Customer’s Imbalance Account at the end of the term (including any extension of the term for the purpose of eliminating imbalances as required on the signature page hereof) of the Transportation Agreement, Customer’s Imbalance Account will be eliminated as follows: (i) for under-deliveries by Customer, Company will have the right to invoice Customer for the product of: (a) the MMBtu in Customer’s Imbalance Account and (b) the highest “midpoint” price for the Katy point listed in *Platt’s Gas Daily*, in the table entitled “Daily Price Survey,” published on any Day during the 90 Days preceding the end of the term of this Transportation Agreement; and (ii) for over-deliveries by Customer that Company is prevented from re-delivering to Customer during the 90-Day period preceding the end of the term of this Transportation Agreement as a result of the actions or inaction of Customer or its agents, or for other reasons beyond Company’s reasonable control, Customer will be deemed to have conveyed, assigned, and transferred to Company all right, title, and interest to such gas, at no cost, fee, or expense to Company. Customer must pay the amount contained in any invoice issued pursuant to this paragraph within 10 Days after receipt of such invoice, or such longer period as prescribed by applicable law.

6. Rates

(a) *Rates.* Customer will receive and pay for Gas transportation service under the terms and conditions of this Transportation Agreement, commencing with the effective date, and during each Month, at the rates and fees set forth in the applicable Rate Schedule identified in this Transportation Agreement.

(b) *Regulatory Intervention.* Should the appropriate Regulatory Authority find such rates to be unreasonable for any reason or in any way in violation of any provision of law, and determine a rate lower than the rates set forth in the applicable Rate Schedule, Company may terminate this Transportation Agreement by giving Customer 30 Days' prior written notice of such termination. Should such Regulatory Authority determine a rate higher than the rates set forth in this Transportation Agreement, Customer may terminate this Transportation Agreement by giving Company 30 Days' prior written notice of such termination.

(c) *Other Fees.* The use of certain Receipt Point(s) may require that Customer also pay a compression fee, third-party meter fee, and/or additional retention. Any such fee(s) will be charged in addition to all other applicable rates and fees under this Transportation Agreement and/or Company will retain an additional percentage of such Gas over the Retention Volumes identified under this Transportation Agreement; provided that Company has notified Customer of such fee(s) and/or additional retention percentage.

7. Receipt Point(s) and Delivery Point(s)

(a) *Receipt Point(s).* Gas delivered by Customer (or Customer's Designee) to Company under this Transportation Agreement will be delivered at the Receipt Point(s) identified in this Transportation Agreement. Notwithstanding anything contained herein to the contrary, in the event it becomes necessary for operational reasons (as determined by Company in its reasonable opinion), or a change of ownership of specific Receipt Point(s) or appurtenant facilities, or if, in Company's reasonable opinion, the receipt of Gas from a specific Receipt Point under this Transportation Agreement ever becomes uneconomical for any reason whatsoever, then Company will have the right (i) upon 48 hours' prior written notice to Customer, to discontinue the receipt of Gas from any such Receipt Point(s) and/or (ii) upon 30 Days' prior written notice to Customer, to delete any such Receipt Point(s) from all Transportation Agreements. Notwithstanding the foregoing, if, in Company's reasonable opinion, it becomes necessary for operational reasons, Company will have the right, at any time and from time to time, to require Customer to deliver the Gas to be transported under this Transportation Agreement at Receipt Point(s) located in a particular geographic region(s).

(b) *Delivery Point(s).* Gas transported by Company under this Transportation Agreement will be delivered to Customer at the Delivery Point(s) identified in this Transportation Agreement.

(c) *Allocations.* It is recognized that Gas deliveries from one or more parties other than Customer may also be received at any particular Receipt Point. If that occurs, Gas received at such Receipt Point may be allocated among the parties delivering and receiving the Gas. As between Company and Customer, Company will, in its sole discretion, determine the allocation of all receipts at such Receipt Point, and the resulting quantities received under this Transportation Agreement. Each party will furnish the other party all data required to accurately account for all Gas delivered to, and received by, Company at the Receipt Point(s) under this Transportation Agreement.

8. Pressures at Points of Receipt and Delivery

(a) *Pressures at Receipt Point(s).* Customer (or Customer's Designee) will deliver Gas to Company at the Receipt Point(s) at pressures sufficient to enter Company's pipeline system at such point(s); provided, however, that Customer's delivery pressure into Company's system at the Receipt Point(s) may not exceed Company's maximum allowable operating pressure, as such may vary from time to time, at any such point(s) or cause the pressure at such point(s) to exceed Company's maximum allowable operating pressure.

(b) *Pressures at Delivery Point(s).* Company will deliver Gas to Customer or Customer's Designee at the Delivery Point(s) at Company's operating pressure, as such may vary from time to time.

9. Measuring Equipment and Testing

(a) *Metering Party and Non-Metering Party.* The Gas delivered to Company at the Receipt Point(s), and delivered to Customer at the Delivery Point(s), will be measured by measuring devices of standard type, which, unless otherwise mutually agreed by Customer and Company, will be owned, installed, operated, and maintained by Company (or its designee). Measurement devices and equipment will be tested and adjusted for accuracy in accordance with industry standards at the request of either party; provided, however, if Customer requests a test and the applicable measurement device or equipment is found to be operating within the tolerances set forth herein, then Customer must reimburse Company for the costs of the test. For the purposes of these General Transportation Contract Terms and Conditions, the party metering the Gas, or whose designee meters the Gas, at a particular Receipt Point or Delivery Point is referred to as the "Metering Party" and the other party is referred to as the "Non-Metering Party."

(b) *Additional Facilities.* If adequate metering facilities are already in existence at the Receipt and Delivery Point(s) under this Transportation Agreement, such existing metering facilities will be used for so long as, in Company's reasonable opinion, they remain adequate and the party having title to such facilities will retain title to such facilities.

(c) *Access to Equipment.* The Non-Metering Party may have access to the Metering Party's metering equipment at all times, to the extent such access does not interfere with the Metering Party's operations, but the maintenance, calibration, and adjustment thereof will be done only by the employees or agents of the Metering Party. Records from such metering equipment will remain the property of the Metering Party and must be kept on file by said party for a period of not less than two Years. However, upon request of the Non-Metering Party, the Metering Party will make available to the Non-Metering Party quantity records from its metering equipment, together with calculations therefrom, for inspection and verification, subject to return to the Metering Party within 30 Days after receipt thereof.

(d) *Check Meters.* The Non-Metering Party may, at its option and expense, install and operate Meters, instruments, and equipment, in a manner that will not interfere with the Metering Party's equipment, to check the Metering Party's Meters, instruments, and equipment, but the measurement of Gas for the purpose of this Transportation Agreement will be by the Metering Party's Meter only, except as hereinafter specifically provided. The Meters, check Meters, instruments, and equipment installed by each party will be subject at all reasonable times to inspection or examination by the other party, but the calibration and adjustment thereof will be done only by the installing party.

(e) *Meter Tests.* At the request of the Non-Metering Party, the Metering Party will give reasonable prior notice to the Non-Metering Party, or its properly-designated agent, of the time of all tests of the Receipt and Delivery Point Meter(s) sufficiently in advance of such tests so that the Non-Metering Party may conveniently have its representatives present; provided, however, that if the Metering Party has given such notice to the Non-Metering Party and the Non-Metering Party's representative is not present at the time specified, then the Metering Party may proceed with the test as though the Non-Metering Party's representative were present.

(f) *Meter Errors.* Meter measurements computed by the Metering Party will be deemed to be correct except where the Meter is found to be inaccurate by more than 1%, fast or slow, or to have failed to register, in either of which cases the Metering Party will repair or replace the Meter. The quantity of Gas delivered while the Meter was inaccurate or failed to register will be determined by the readings of the Non-Metering Party's check Meter, if installed and in good operating condition, or by correcting the error if the percentage of error is ascertainable by calibration or mathematical calculation. If not so ascertainable, then it will be determined by estimating the quantity on a basis of deliveries under similar conditions when the Meter was registering accurately, but such adjustment or correction will be made only for the last ½ of the period that has elapsed since the previous test. Notwithstanding the above, the Meter quantity for a specified month, as initially measured, will be deemed to be correct, if in accordance with the above procedure the resultant correction is less than 50 MMBtu.

(g) *Measurement Disputes.* In the event of a measurement dispute between Company and Customer under this Transportation Agreement, the measured quantities computed by the Metering Party will be deemed to be correct and relied upon for gas imbalance accounting until such dispute is resolved.

(h) *Remote Monitoring and Data Acquisition.* Company will install, or cause to be installed, communications equipment to allow for the remote monitoring and Meter data retrieval from the metering equipment at all Delivery Point(s) under this Transportation Agreement. Customer will reimburse Company, within ten days from receipt of Company's invoice, for any such communications or related metering equipment and associated equipment, and all labor and overhead expenses attributable to such equipment. Failure to reimburse Company as provided herein, will allow Company to suspend services with respect to the applicable Delivery Point(s).

10. Measurements

(a) *Temperature Measurements.* For metering points for which the daily quantity is expected to exceed 5,000 MMBtu per Day, the Metering Party will, at Customer's expense, properly install and operate a device of standard make to continuously determine or record flowing temperature. The temperature values will be used in Gas measurement computations

(b) *Standards.* The Meters for measurement of quantities at the Receipt and Delivery Point(s) will be installed and operated, and Gas measurement computations will be made, in accordance with current industry standards. Orifice metering will be performed in accordance with the latest version of A.G.A. Report No. 3 - ANSI/API 2530. Positive displacement (rotary, diaphragm, fluidic oscillator) will be performed in accordance with the latest version of ANSI B109.1, B109.2, or B109.3. Turbine metering will be performed in accordance with the latest version of A.G.A. Report No. 7. Ultrasonic metering will be performed in accordance with the latest version of A.G.A. Report No. 9. Coriolis Metering will be done in accordance with the latest version of A.G.A. Report 11. Electronic Gas Measurement (EGM) will be performed in accordance with the latest version of API Manual of Petroleum Measurement Standards Chapter 21 - Flow Measurement Using Electronic Metering Systems. The unit of measurement of Gas will be 1,000 cubic feet at a

base pressure of 14.65 psia and a temperature base of 60 degrees Fahrenheit. Meter measurements will be computed by the Metering Party into such units in accordance with the Ideal Gas Laws for quantity variations due to metered pressure and corrected for deviation using average values of recorded relative density and flowing temperature, or by using the calculated relative density determined by the method mentioned in paragraph (c) below. In no circumstance will the average value of flowing temperature be determined for a period of less than one Day.

(c) *Heating Value and Relative Density.* The average heating value (Btu) and relative density of the Gas delivered under this Transportation Agreement by either party may be determined by the use of recording instruments of standard type, which may be installed and operated by the Metering Party at the metering point, or at such other point or points as are mutually agreeable to both parties; provided, however, if there is no Btu/relative density instrument at a particular Receipt or Delivery Point specified in this Transportation Agreement, then the heating value and relative density of the Gas at such point may be determined by "on-site" sampling and laboratory analysis or other reasonable industry standard methods.

(d) *Measurements Made Only While Gas Flowing.* In Gas measurement computations the determinations for the average values for Meter pressure, relative density, and flowing temperature values will be determined only during periods of time when Gas is actually flowing through the Meter(s).

(e) *Gas Industry Standards.* Gas industry standards are in the process of being developed by the North American Energy Standards Board, subject to FERC approval. To the extent that Company reasonably deems it necessary, from time to time and at any time, to implement any or all of such standards, Company will have the right to add such standards hereto and/or modify or change the provisions contained herein in order to effect such changes if such changes do not have a material adverse effect on the rights of Customer under this Transportation Agreement.

11. Quality

(a) *Quality.* Each party will deliver to the other party under this Transportation Agreement Gas that is of merchantable quality and is commercially free from water, hazardous substances, hydrocarbon liquids, bacteria, and other objectionable liquids, solids, and/or Gas components. In addition, the Gas delivered by each party under this Transportation Agreement will specifically contain not more than:

- (i) 0.05% oxygen,
- (ii) five grains of total sulphur consisting of not more than ¼ grain of hydrogen sulphide and one grain of mercaptan sulphur per 100 cubic feet of Gas,
- (iii) 2% by volume of carbon dioxide,
- (iv) 4% by volume total non-hydrocarbon and inert gases, and
- (v) seven pounds of water vapor per one million cubic feet of Gas; provided, however, if Customer tenders Gas for transportation upstream of a dehydration plant, Company may, at its option, waive Customer's obligation to deliver dehydrated Gas, subject to Company's continuing right to withdraw such waiver at any time in the future.

The Gas will be at temperatures not in excess of 120 degrees Fahrenheit nor less than 40 degrees Fahrenheit, provided that the Gas will have a hydrocarbon dew point not to exceed 40 degrees Fahrenheit at the delivery pressure, and will have a heat content of not less than 950 nor more than 1,100 Btu per cubic foot under the conditions of measurement contained herein. Company will not be obligated to accept any Gas delivered by Customer (or Customer's Designee) under this Transportation Agreement that is not interchangeable with other Gas in Company's pipeline at the Receipt Point(s) listed in the Transportation Agreement. Company's determination of such interchangeability will be based upon a factor that is equivalent to the quotient obtained by dividing the total heating value of such Gas, expressed in Btu, by the square root of the specific gravity of such Gas. Such factor must be within $\pm 7\%$ of the interchange factor established by Company for its system at the Receipt Point(s).

(b) *Quality Violations.* If at any time the Gas fails to meet the quality specifications enumerated herein, then the party receiving such Gas will notify the party delivering such Gas, and the delivering party will immediately correct such failure. If the delivering party is unable or unwilling to deliver Gas according to such specifications, the party receiving such Gas may refuse to accept delivery of Gas under this Transportation Agreement for so long as such condition exists.

(c) *Amendment of Quality Provisions.* Notwithstanding anything contained herein, Company reserves the right, at any time and from time to time, to unilaterally amend, on a nondiscriminatory basis, the quality specifications set forth above upon giving Customer at least 30 Days' prior written notice of any such change(s).

12. Additional Facilities

If new or additional facilities or equipment are required to effectuate the receipt or delivery of Gas under this Transportation Agreement, then Customer will reimburse Company, within ten Days from the date of receipt of Company's invoice, for any tap valves, metering facilities, Meter equipment, pipelines, and associated equipment, and all labor, overhead expenses and applicable taxes, attributable to the installation of such equipment. If the invoiced amount is not paid when due, then Customer will pay interest at the lesser of 18% per annum or the lowest legal rate of interest (provided that if Customer is a State Agency, as defined in Section 2251.001 of the Texas Government Code, then Customer will pay interest in accordance with Texas Government Code Section 2251.025 or Section 2251.026, whichever is applicable). Failure of Company to receive total reimbursement within ten Days of Customer's receipt of Company's invoice, or such later date as prescribed by applicable law, will allow Company to suspend and/or terminate this Transportation Agreement with respect to the service requiring new or additional facilities.

13. Taxes

(a) *Reimbursement for Taxes.* Customer will pay Company, by way of reimbursement, all Taxes paid by Company with respect to the transportation service and any other service provided under this Transportation Agreement, and that may be related to any associated facilities involved in the performance of this Transportation Agreement. If any such Taxes are paid by Company to any governmental authority that are calculated based upon the value of or price paid for the Gas transported under this Transportation Agreement, then Customer will notify Company of the purchase price of such Gas to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Customer fails or refuses to notify Company of the purchase price of such Gas within 30 Days from the date the related transportation service is provided, then Company will estimate the purchase price of such Gas in accordance with the provisions of any applicable franchise ordinance, or, in the absence of such a franchise ordinance, Company will have the right to pay such fees and taxes and to be reimbursed by Customer based upon the Actual Gas Cost Incurred by Company, as defined in Rider GCR - Gas Cost Recovery, for the relevant period.

In any event, Customer will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Customer's failure or refusal to disclose the purchase price of Gas transported under this Transportation Agreement.

(b) *Definition of Taxes.* The term "Taxes" as used herein means all taxes and fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein), general franchise taxes imposed on corporations on account of their corporate existence or on their right to do business within the state as a foreign corporation, and similar taxes], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. "Taxes" also includes any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue of Company under this Transportation Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees are based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under this Transportation Agreement, and any other fee, charge, cost reimbursement, tax reimbursement, or payment under this Transportation Agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of this Transportation Agreement.

(c) *Sales and Use Tax.* Texas sales and use tax will also be collected by Company on behalf of the State, as well as any other taxes required by law. However, Company will not collect the sales tax for the State if Customer provides Company with a valid sales tax exemption certificate.

14. Billing, Accounting, and Reports

(a) *Invoices.* On approximately the 15th Day of each Month, Company will render to Customer a statement for the preceding Month showing the quantity of Gas delivered at the Receipt Point(s) and Delivery Point(s) during such preceding Month; the amount of compensation due to Company under this Transportation Agreement, including tax reimbursement and any imbalance payments due under this Transportation Agreement; other reasonable and pertinent information that is necessary to explain and support the same; and any adjustments made by Company in determining the amount billed.

(b) *Payments.* Customer will pay to Company, on or before the 10th Day after receipt of Company's statement (or such later date as prescribed by applicable law), the amount set forth in Company's statement.

Notwithstanding anything contained in this Transportation Agreement, Company will have the right to require that all payments be made by electronic funds transfer. To assure proper credit, Customer should designate the company name, invoice number, and amount being paid in the Fedwire Text Section. If the amount contained in any statement is not paid when due, then Customer will pay interest at the lesser of 18% per annum or the highest legal rate of interest (provided that if Customer is a State Agency, as defined in Section 2251.001 of the Texas Government Code, then Customer will pay interest in accordance with Texas Government Code Section 2251.025 or Section 2251.026, whichever is applicable, and if Customer is a federal Customer, then Customer will pay interest in accordance with applicable federal law); provided, however, no interest will accrue on unpaid amounts when failure to make payment is the result of a bona fide dispute between the parties regarding such amounts (and Customer timely pays all amounts not in dispute) unless and until it is ultimately determined that Customer owes such disputed amount, whereupon Customer will pay Company that amount, plus interest computed back to the original payment due date, immediately upon such determination.

(c) *Audit.* Each party will have the right at all reasonable times to examine the records of the other party to the extent necessary to verify the accuracy of any statement, charge, computation, or demand made under or pursuant to any of the provisions in this Transportation Agreement. If any such examination reveals any inaccuracy in such billing theretofore made, the necessary adjustments in such billing and payment will be made; provided, that no adjustments for any billing or payment will be made for any inaccuracy claimed after the lapse of 25 Months from the rendition of the invoice relating thereto.

(d) *Credit-Worthiness.* If the credit worthiness or financial responsibility of Customer should, in Company's reasonable opinion, ever become unsatisfactory, then Company will notify Customer and upon request by Company at any time and from time to time during the term of this Transportation Agreement, Customer will deposit with Company: (i) such amount of money requested by Company, (ii) a letter of credit in a form acceptable to Company from a financial institution acceptable to Company in an amount requested by Company, or (iii) a corporate guarantee in a form acceptable to Company from a creditworthy entity, to guarantee the payment of statements and invoices under this Transportation Agreement, as well as any possible imbalances under this Transportation Agreement. Upon the termination of this Transportation Agreement, any money so deposited, less any amount due Company by Customer, will be refunded to Customer.

15. Responsibility

Customer will be deemed to be in control and possession of the Gas transported under this Transportation Agreement and be responsible for, and will hold Company harmless from, any damage or injury caused thereby until the same has been delivered to Company at the Receipt Point(s) and after such Gas has been delivered at the Delivery Point(s), except for injuries and damages caused by the negligence or other fault of Company. Company will be in control and possession of the Gas transported under this Transportation Agreement and be responsible for, and will hold Customer harmless from, any damage or injury caused thereby after receipt of the Gas at the Receipt Point(s) and until such Gas has been delivered to Customer (or for its account) at the Delivery Point(s), except for injuries and damages caused by the negligence or other fault of Customer.

16. Title--Warranty & Indemnity

Customer warrants to Company that at the time of delivery of Gas to Company under this Transportation Agreement Customer will have good title or the right to deliver such Gas, and that such Gas will be free and clear of all liens and adverse claims. Customer will indemnify Company, with respect to the Gas delivered by it, against all suits, actions, debts, accounts, damages, costs (including attorneys' fees), losses, and expenses arising from or out of any adverse claims of any and all persons to or against said Gas. Company warrants to Customer that Company will take no action to jeopardize Customer's title to the subject Gas.

17. Waiver of Breaches, Defaults, or Rights

No waiver by either Customer or Company of any one or more breaches, defaults, or rights under any provisions of this Transportation Agreement will operate or be construed as a waiver of any other breaches, defaults, or rights, whether of a like or of a different character. By providing written notice to the other party, either party may assert any right not previously asserted under this Transportation Agreement or may assert its right to object to a default not previously protested. Except as specifically provided herein, in the event of any dispute under this Transportation Agreement, the parties will, notwithstanding the pendency of such dispute, diligently proceed with the performance of this Transportation Agreement without prejudice to the rights of either party. Nothing contained in this paragraph will have the effect of waiving the applicable statute(s) of limitation.

18. Remedy for Breach

Except as otherwise specifically provided in these Transportation Contract Terms and Conditions or this Transportation Agreement, if either party fails to perform any of the covenants or obligations imposed upon it in this Transportation Agreement (except where such failure is excused thereunder as a result of a force majeure event), then the other party may, at its option (without waiving any other remedy for breach), by notice in writing specifying wherein the default has occurred, indicate such party's election to terminate this Transportation Agreement by reason thereof; provided, however, that Customer's failure to pay Company within a period of ten Days following Customer's receipt of written notice from Company advising of such failure to make payment in full within the time specified previously herein, will be a default that will give Company the right to immediately terminate this Transportation Agreement, unless such failure to pay such amounts is the result of a bona fide dispute between the parties regarding such amounts under this Transportation Agreement and Customer timely pays all amounts not in dispute. With respect to any other matters, the party in default will have 30 Days from receipt of such notice to remedy such default, and upon failure to do so, this Transportation Agreement will terminate from and after the expiration of such 30-Day period. Such termination will be an additional remedy and will not prejudice the right of the party not in default to collect any amounts due it under this Transportation Agreement for any damage or loss suffered by it and will not waive any other remedy to which the party not in default may be entitled for breach of this Transportation Agreement.

19. Force Majeure

(a) *Suspension of Performance.* In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under this Transportation Agreement, except the obligation to pay monies due under this Transportation Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch.

(b) *Definition of Force Majeure.* The term "force majeure" as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and that the above reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty.

(c) *Balancing Obligations Remain.* Notwithstanding the foregoing, an event of force majeure will in no way terminate Customer's obligation to balance quantities of Gas under this Transportation Agreement or make payment for quantities delivered prior to such event of force majeure.

20. Miscellaneous

(a) *Notices.* All notices, requests, demands, statements, and payments provided for in this Transportation Agreement must be given in writing directed to the party to whom given, and mailed to or delivered at such party's address set forth in this Transportation Agreement or at such address as each party may by like notice give to the other. Such mailed notices will be deemed to have been given when deposited in the United States mail (first class, registered, or certified), postage prepaid, or in the case of hand delivery, when delivered to a representative of either party by a representative of the other party. Either party may submit operational communications at the e-mail address set forth in this Transportation Agreement and Customer and Company will be responsible to monitor the applicable e-mail address for any such communications. Any such communications sent by Company to such e-mail address will be deemed received by Customer when sent by Company unless Customer has previously notified Company in writing of any change to Customer's designated e-mail address. If Company's e-mail system is not operational at the time an operational communication is to be sent, then Company may make the operational communication by utilizing any reasonable alternative means then available to Company, including, without limitation, electronic pager, telephone, facsimile, telegraph, etc., and such communication will satisfy the notice requirements of this paragraph.

(b) *Assignment.* All Transportation Agreements will be binding upon and inure to the benefit of Customer and Company and their respective successors and assigns; provided, however, that no Transportation Agreement may not

be transferred or assigned by Customer without the prior written consent of Company, which consent will not be unreasonably withheld, and any purported transfer or assignment without such consent will be null and void and will not operate to release Customer's obligations under this Transportation Agreement.

(c) *Entirety.* This Transportation Agreement, including any referenced Rate Schedules and attached exhibits, constitutes the entire agreement between Customer and Company covering the subject matter thereof, and there are no agreements, modifications, conditions, or understandings, written or oral, express or implied, pertaining to the subject matter thereof that are not contained therein.

(d) *Modifications.* Modifications of this Transportation Agreement will be effective only upon the mutual execution of appropriate amendments thereto by duly authorized representatives of Customer and Company.

(e) *Headings.* The captions or headings preceding the various parts of these General Transportation Contract Terms and Conditions and this Transportation Agreement are inserted and included solely for convenience and will never be considered or given any effect in construing this Transportation Agreement or any part of this Transportation Agreement, or in connection with the intent, duties, obligations, or liabilities of the parties.

(f) *Third-Parties.* This Transportation Agreement is entered into solely for the respective benefit of Company and Customer and nothing contained in this Transportation Agreement, either express or implied, will be interpreted or construed as conferring any rights, remedies, or claims under or in respect to this Transportation Agreement or any provision thereof upon any other person or entity, other than the successors or assigns of Customer and Company.

(g) *Joint Preparation.* No provision of this Transportation Agreement is to be construed against or to be interpreted to the disadvantage of Customer or Company by any court or other governmental or judicial authority by reason of Customer or Company having or being deemed to have prepared, structured, or dictated such provision.

(h) *Confidentiality.* Subject to the open records laws that may be applicable to Customer, Company and Customer will keep the terms and provisions of this Transportation Agreement confidential and not disclose them to any third parties. If disclosure is sought through process of a court, a government or a city, state, or federal regulatory agency, the party from whom disclosure is sought will resist disclosure through all reasonable means and will immediately notify the other party to allow it the opportunity to participate in such proceedings. However, Customer and Company will have the right to make such disclosures, if any, to governmental agencies and to their attorneys, auditors, accountants, and shareholders, who will in turn maintain its confidentiality. Company and Customer will cooperate to maintain confidentiality and to attempt to obtain a reasonable protective order or agreement to maintain that confidentiality under circumstances in which disclosure becomes necessary.

(i) *CHOICE OF LAW.* THIS TRANSPORTATION AGREEMENT IS GOVERNED BY AND WILL BE CONSTRUED IN ACCORDANCE WITH LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS. ANY LAWSUIT INVOLVING THIS TRANSPORTATION AGREEMENT BROUGHT BY CUSTOMER OR COMPANY WILL BE BROUGHT ONLY IN DALLAS COUNTY, TEXAS, WHETHER SUCH LAWSUIT BE BROUGHT IN FEDERAL OR STATE COURT. NEITHER CUSTOMER NOR COMPANY MAY RAISE ANY DEFENSE OR OBJECTION OR FILE ANY MOTION BASED ON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE, INCONVENIENCE OF THE FORUM, OR THE LIKE IN ANY CASE FILED IN A FEDERAL OR STATE COURT IN DALLAS COUNTY, TEXAS.

(j) *Counterparts.* This Transportation Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which will constitute one and the same agreement.

(k) *Service Regulations.* Company's Service Regulations on file with the applicable Regulatory Authorities are applicable to all Customers receiving service under a transportation agreement, except to the extent there is a conflict between this Transportation Agreement and Company's Service Regulations, in which case the provisions of this Transportation Agreement will control.

EXHIBIT B

PIPELINE/DISTRIBUTION TRANSPORTATION TERMS AND CONDITIONS FOR NGV GAS SERVICE

1. Capitalized Terms

Capitalized terms contained in these Pipeline/Distribution Transportation Terms and Conditions are defined in Company's General Transportation Contract Terms and Conditions.

2. Subject Matter

Subject to the terms and conditions of this Transportation Agreement, Company will receive Gas from Customer (or its designee) at the Receipt Point(s), will transport such Gas, and will deliver such Gas to Customer (or its designee) at the Delivery Point(s), provided such gas is ultimately used as a vehicle fuel, unless otherwise agreed by Company.

3. Priority of Service

(a) Company's receipt and delivery of all gas quantities under this Transportation Agreement will be subject to: (i) the provisions of Company's curtailment program approved by the applicable Regulatory Authority, and (ii) the other terms and conditions contained in this Transportation Agreement. For purposes of determining priority of service under Company's curtailment program, NGV Gas Service will be deemed a commercial gas service.

(b) When notified by Company to do so, Customer will curtail, interrupt, reduce, limit, terminate, or discontinue the use of Gas transported under this Transportation Agreement in conformity with the service priority provided for herein. In the event of any curtailment, interruption, reduction, limitation, termination, or discontinuation of service under this Transportation Agreement, Company personnel may enter Customer's premises to access Company's meter facilities, and physically turn off the Gas or reduce the quantity of Gas, and no one other than Company's personnel will thereafter be permitted to increase the quantity of Gas or turn the Gas back on. Company personnel will follow all Customer's safety procedures and protocols while on Customer's premises, except to the extent such procedures and protocols conflict with Company's safety procedures and protocols.

(c) Customer assumes any and all risks, including, but not limited to, lost profits, damaged or destroyed facilities, lost or damaged production, damaged or destroyed machinery and/or equipment, and the failure of a facility of Customer and/or Customer's business due to a curtailment, interruption, reduction, limitation, termination, or discontinuation of Customer's transportation under this Transportation Agreement. **Customer will indemnify and hold Company harmless from and against any and all damages, costs, losses, and expenses (including reasonable attorneys' fees) that may be sustained by Customer due to any claim, demand, suit, or action brought against Company (whether or not the claim, demand, suit, or action is found to be valid) by any person or entity arising out of, resulting from, or connected, in whole or in part, with, a curtailment, interruption, reduction, limitation, termination, or discontinuation of the transportation of Gas under the terms of this Transportation Agreement, except to the extent such damages, losses, and expenses result from the gross negligence or willful misconduct of Company.**

EXHIBIT C
RECEIPT POINT(S)

Any and all then active Pooling Stations on Company's Pipeline System.