

OPERATIONAL BALANCING AGREEMENT  
FORM OF SERVICE AGREEMENT

CONTRACT NO. \_\_\_\_\_

This Operational Balancing Agreement (this "Agreement") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Trunkline Gas Company, LLC ("Trunkline") and \_\_\_\_\_ ("OBA Party") (individually referred to herein as "Party" and collectively referred to herein as the "Parties").

WITNESSETH

WHEREAS, the Parties operate certain pipeline facilities which interconnect with Trunkline at the Point(s) of Receipt or Point(s) of Delivery specified on Exhibit A (the "Interconnection Point"); and

WHEREAS, the Parties have entered into one or more transportation agreements with various shippers (the "Shippers") whereby one of the Parties either receives Gas which the Shippers cause to be delivered at the Interconnection Point or delivers Gas which the Shippers cause to be received at the Interconnection Point; and

WHEREAS, from time to time the aggregate Quantity of Gas delivered to or by the Parties at the Interconnection Point is greater or less than the aggregate Quantity of Gas nominated by the Shippers and confirmed by the Parties, resulting in the inadvertent overdelivery or underdelivery of Gas by one Party to the other Party relative to the Shippers' nominated Quantities; and

WHEREAS, the Parties desire to enter into this Agreement pursuant to Section 7 of the General Terms and Conditions of Trunkline's FERC Gas Tariff, Fourth Revised Volume No. 1 (the "Tariff") in order to minimize operational conflicts at the Interconnection Point with respect to the delivery of Gas to and from Trunkline's facilities;

NOW, THEREFORE, in consideration of the mutual covenants and provisions herein contained and subject to all of the terms, provisions and conditions herein set forth, the Parties do hereby agree as follows:

ARTICLE 1

DEFINITIONS

1.1 The definitions of capitalized terms used herein shall have the meaning set forth in the Tariff unless otherwise defined in this Agreement.

## ARTICLE 2

### TARIFF PROVISIONS

2.1 The Parties agree that this Agreement and the activity at the Interconnection Point shall be governed by the General Terms and Conditions of the Tariff, including the provisions of Section 7 of the General Terms and Conditions of the Tariff, unless specifically set forth otherwise in this Agreement.

## ARTICLE 3

### CONFIRMATION OF NOMINATIONS

3.1 By 4:00 p.m. of the Nomination Date, each Party shall provide written or electronic notice to the other Party concerning the confirmed nominations received by each Party from the Shippers for whose account the Parties will deliver or receive Gas at the Interconnection Point. Notice of subsequent changes by the Shippers in nominated Quantities during any given Month will be similarly provided by the affected Party on the day of any such change. Any changes to such confirmed nominations to adjust for operational errors in the confirmed Quantities shall be effective only if confirmed in writing by the Parties. All written communications concerning confirmed nominations or changes to confirmed nominations shall be substantially in the form provided by Trunkline, unless the Parties otherwise expressly agree in writing.

## ARTICLE 4

### MONTHLY BALANCING

4.1 The Parties intend that the Quantities of Gas actually delivered and received each Gas Day at the Interconnection Point will equal the confirmed nominations. Each Party will allocate the Quantities to be delivered and received at the Interconnection Point among the Shippers in accordance with the confirmed nominations. Any variance between actual Quantities and confirmed nomination Quantities at the Interconnection Point for any Gas Day shall be subject to\_\_\_\_\_.

4.2 Nothing herein shall limit or restrict Trunkline's right to issue an Operational Flow Order pursuant to the Tariff.

## ARTICLE 5

### CUSTODY TRANSFER PROCEDURES

5.1 In the event that a capacity constraint occurs on either Party's facilities which results in curtailment of deliveries through the Interconnection Point, the Party on whose system the constraint has occurred shall determine the appropriate reallocation of Quantities to be delivered for the respective accounts of the Shippers. Notice of any such reallocation of Quantities due to curtailment shall be promptly provided pursuant to the provisions of Article 3. If the constraint occurs at the

Interconnection Point, the Party which owns the meter at the Interconnection Point shall be deemed to have the constraint on its system.

5.2 Any Quantities of Gas received and delivered to correct an operational imbalance shall be adjusted for variations in BTU content in accordance with the applicable provisions of the FERC Gas Tariff of the Party which receives the Gas. Measurement of Gas for all purposes hereunder shall be in accordance with the provisions set forth in the measuring Party's then effective FERC Gas Tariff, if applicable.

## ARTICLE 6

### TERM

6.1 This Agreement shall be effective from the date stated on Exhibit A and shall continue in effect until terminated by Trunkline or OBA Party \_\_\_\_\_.

## ARTICLE 7

### ASSIGNMENT - CHANGE OF OPERATOR

7.1 OBA Party shall not assign this Agreement without Trunkline's prior written consent.

7.2 OBA Party shall give Trunkline thirty (30) days written notice by certified mail prior to OBA Party transferring or terminating its duties as operator of the Interconnection Point. In the event of such transfer or termination of duties, OBA Party shall remain liable under this Agreement until this Agreement is terminated pursuant to Section 6.1 or assigned pursuant to Section 7.1.

## ARTICLE 8

### NO THIRD PARTY BENEFICIARIES

8.1 This Agreement shall not create any rights in third parties, and no provision of this Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than the Parties.

## ARTICLE 9

### GOVERNING LAW

9.1 THE CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAW RULE WHICH WOULD REFER ANY MATTER TO THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.

## ARTICLE 10

## NOTICES

10.1 Except as otherwise set forth in this Agreement or in the General Terms and Conditions of the Tariff, any notice or demand provided for herein, or any notice which any Party may desire to give to the other shall be in writing and shall be considered duly delivered when mailed, postage prepaid, addressed to the Party to whom such notice is given as follows:

### TRUNKLINE

Payment:	Trunkline Gas Company, LLC P. O. Box 201203 Houston, Texas 77216-1203
Nomination and Scheduling:	Trunkline Gas Company, LLC Attn: Marketing Operations P. O. Box 4967 Houston, Texas 77210-4967 Phone: (713) 962-9862 Fax: (713) 286-5402
Pipeline Emergencies: (Not to be used for any other purpose)	Trunkline Gas Company, LLC Attn: Gas Control P. O. Box 4967 Houston, Texas 77210-4967 Phone: (713) 627-5621 Toll Free: 1-800-225-3913 Texas only: 1-800-221-1084
All Other:	Trunkline Gas Company, LLC Attn: Customer Services P. O. Box 4967 Houston, Texas 77210-4967 Phone: (713) 627-4272 or 1-800-275-7375 Fax: (713) 989-1178

OBA PARTY

Billing:

Nomination and Scheduling: (1)

All Other:

(1) Please provide street address in addition to mailing address.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

OBA PARTY: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

Title: \_\_\_\_\_

EXECUTED \_\_\_\_\_, \_\_\_\_\_  
(Date)

TRUNKLINE GAS COMPANY, LLC

By: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

Title: \_\_\_\_\_

EXECUTED \_\_\_\_\_, \_\_\_\_\_  
(Date)

EXHIBIT A

Operational Balancing Agreement  
For  
Balancing Service

Between  
Trunkline Gas Company, LLC

and \_\_\_\_\_

Contract No. \_\_\_\_\_

Effective Date: \_\_\_\_\_

Supersedes Exhibit A dated: \_\_\_\_\_

OBA PARTY: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

Title: \_\_\_\_\_

Executed: \_\_\_\_\_

TRUNKLINE GAS COMPANY, LLC

BY: \_\_\_\_\_

\_\_\_\_\_  
(Please type or print name)

Title: \_\_\_\_\_

Executed: \_\_\_\_\_

EXHIBIT A

Operational Balancing Agreement  
For  
Balancing Service

Points of Receipt

<u>Seq. No.</u>	<u>Received From</u>	<u>Location</u>	<u>County</u>	<u>State</u>	<u>Meter No.</u>	<u>MDRO (Net of Fuel Reimbursement)</u>
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Effective from: \_\_\_\_\_ Through: \_\_\_\_\_

Description of Facilities

<u>Seq. No.</u>	<u>Existing/ Proposed</u>	<u>Zone</u>	<u>Operated and Maintained by</u>	<u>Atmos. Pres. (Psia)</u>
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Effective from: \_\_\_\_\_ Through: \_\_\_\_\_

EXHIBIT A

Operational Balancing Agreement  
For  
Balancing Service

Points of Delivery

<u>Seq. No.</u>	<u>Delivered To</u>	<u>Location</u>	<u>County</u>	<u>State</u>	<u>Meter No.</u>	<u>MDDO</u>
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Effective from: \_\_\_\_\_ Through: \_\_\_\_\_

Description of Facilities

<u>Seq. No.</u>	<u>Existing/ Proposed</u>	<u>Zone</u>	<u>Operated and Maintained by</u>	<u>Atmos. Pres. (Psia)</u>
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Effective from: \_\_\_\_\_ Through: \_\_\_\_\_