

Gas Transportation Service Agreement

Interruptible Gas Transportation Service (Rate Code 3G)

Department of Public Utilities - Orangeburg, South Carolina

This Agreement made and entered into this _____ day of _____, _____, by and between DEPARTMENT OF PUBLIC UTILITIES, CITY OF ORANGEBURG, its successors and assigns, hereinafter called "Department" and _____, its successors and assigns, hereinafter called "Customer".

WITNESSETH

WHEREAS, Department owns and operates a natural gas distribution system in the City and County of Orangeburg, South Carolina; and

WHEREAS, Department owns facilities to accept natural gas delivered into South Carolina from South Carolina Pipeline Corporation ("SCPC"), and

WHEREAS, Customer, or Customer's Agent, has entered into an agreement, or agreements, with South Carolina Pipeline Corporation and upstream pipelines as necessary, for the delivery of natural gas owned by Customer to Department's facilities in Orangeburg, South Carolina, and

WHEREAS, Customer has requested that Department transport certain volumes of natural gas belonging to Customer through Department's facilities and deliver said volumes of gas to Customer.

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements hereinafter set forth to be kept by the parties hereto, it is mutually agreed as follows:

1. SCOPE OF DELIVERY

Department agrees to accept deliveries of natural gas belonging to Customer at Department's delivery point from South Carolina Pipeline Corporation located near Orangeburg, South Carolina, and to transport Customer's gas and redeliver such gas to Customer. Customer agrees that the transportation service is provided on an interruptible basis, but that the Department shall endeavor to provide firm service for volumes received (less losses) by the Department for Customer's account. Interruptions of transportation service shall be at the sole discretion of Department or whenever service is interrupted by South Carolina Pipeline Corporation or any other transporting pipeline.

2. DAILY DELIVERIES

Department agrees to accept and transport up to _____ dekatherms of natural gas on a daily basis. Customer will notify Department at least five (5) days prior to the beginning of any month the volumes of gas, in dekatherms, to be transported on a daily basis during the calendar month. Customer has the right to change the volume to be transported during the month on a daily basis. It is Customer's responsibility to notify producers and connecting pipelines regarding any change in transportation volumes. Department will accept changes in daily volumes dispatched from South Carolina Pipeline Corporation; however, Department reserves the right to limit or restrict the volumes accepted and transported at any time whenever, in Department's sole opinion, operating conditions warrant a limitation or restriction on the acceptance or delivery of transportation gas. Limitations or restrictions

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may be because of, but not limited to, the utilization of deliverability capacity by Department for Department's system supply requirements.

3. DELIVERY PRESSURES

Department agrees to use due care and diligence to furnish gas hereunder at such uniform pressure as Department may elect up to, but not exceeding _____ pounds per square inch gauge, at the "Point of Delivery". Customer shall be responsible for the installation and operation of adequate safety equipment downstream of the Point of Delivery so as to relieve or control pressure variations within the limits described above that may, for any reason through malfunction of Department's equipment or otherwise, occur on Customer's side of the "Delivery Point".

4. INITIAL SERVICE

Department agrees to begin transporting gas for Customer at 10:00 a.m. Eastern Time on _____, _____, at which time any then effective Service Agreement between Customer and Department shall terminate.

5. TERM OF AGREEMENT

This Agreement shall become effective on _____ and shall continue in full force and effect through _____ and thereafter from billing period to billing period until terminated by either Customer or Department by written notice at least thirty (30) days prior to the beginning of any billing period.

6. RATE

Customer agrees to pay Department each month for all gas delivered by the Department during the month at the Department's then currently effective Interruptible Gas Transportation Service Rate Schedule. Customer further agrees that any imbalance between receipts (less losses) by the Department of gas for Customer's account and deliveries by the Department to Customer will be "cash-out" pursuant to the terms and conditions of the Department's Interruptible Gas Transportation Rate Schedule.

7. LOSSES

Department will retain 2% of all volumes received by Department on Customer's behalf for shrinkage and losses. The volumes retained by Department will not create or contribute to an imbalance.

The loss factor may be adjusted annually, up or down beginning with the bill for November of each year.

8. POSSESSION OF GAS

After Customer delivers gas or causes gas to be delivered to Department at the point(s) of receipt hereunder, Department shall be deemed to be in control and possession of the gas until it is redelivered to Customer at the point of delivery. Customer shall have no responsibility with respect to any gas delivered by Department or on account of anything which may be done, happen or arise, with respect to such gas until Department delivers such gas to Customer or for the account of Customer. Department shall have no responsibility with respect to such gas before Customer delivers such gas to Department or after Department redelivers such gas to Customer or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

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9. WARRANTY OF TITLE TO GAS

The Customer warrants for itself, its successors and assigns, that it will at the time of delivery to Department for transportation have good and merchantable title to all gas so delivered free and clear of all liens, encumbrances and claims whatsoever. Customer will indemnify Department and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas, including claims or any royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Department for transportation.

10. GENERAL TERMS AND CONDITIONS

The Department's General Terms and Conditions in effect apply are hereby incorporated in and made a part of this Transportation Agreement. Should there be any conflict between any portion of the Department's General Terms and Conditions in effect and this Transportation Agreement the parties agree that the provisions of the Transportation Agreement shall prevail.

11. NOTICES

All correspondence required of Customer and Department under this Service Agreement is to be addressed as follows:

To Department: Department of Public Utilities
City of Orangeburg
Post Office Box 1057
Orangeburg, South Carolina 29116-1057

To Customer: _____

12. SPECIAL PROVISIONS

The Customer bears sole responsibility for all costs incurred to deliver transportation gas to Department.

Customer will be required to reimburse Department for any out-of-pocket expenses incurred in connection with the initiation and rendering of service under this Transportation Agreement.

Department retains sole discretion as to whether or not a particular Customer or Customers shall receive service pursuant to a Gas Transportation Service Agreement.

13. CURTAILMENT OF TRANSPORTATION SERVICE

Transportation service may be curtailed or discontinued at the sole option of Department after not less than two (2) hours advance notice by telephone or otherwise. However, Customer shall continue to hold title to any gas (less losses) received by Department and not delivered prior to such curtailment or discontinuance. Department will notify Customer when conditions permit Department to resume transportation service.

Transportation service may also be curtailed or discontinued by some party other than Department (e.g., producer, Southern Natural, Transco, or SCPC). Department has no responsibility to notify Customer of curtailment by any third party.

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14. PRIORITY AND ALLOCATION OF TRANSPORTATION SERVICE

Customer acknowledges that other end-users of natural gas may from time to time contract with Department for the transportation of natural gas owned by them. In the event that available capacity or operating conditions exist which limit the acceptance by Department of natural gas to an amount that is less than the aggregate volume of all such natural gas tendered for transportation and redelivery by any or all end-users that have contracted with Department for transportation service, the following priorities and allocations shall apply:

- a. All natural gas purchased by Department for its system supply or otherwise owned by Department shall have the highest priority of acceptance into Department's system and the highest priority of delivery throughout Department's system.
- b. All natural gas owned by end-users and tendered to the Department for redelivery pursuant to the Department's Firm Gas Transportation Service Rate Schedule shall have priority second to the Department's system supply.
- c. All natural gas owned by end-users and tendered to the Department for redelivery pursuant to the Department's Interruptible Gas Transportation Service Rate Schedule shall have priority below that tendered to the Department for its system supply or redelivery pursuant to the Department's Firm Gas Transportation Service Rate Schedule.
- d. In the event that the total volume of natural gas tendered to Department for acceptance and redelivery relative to (b) or (c) above is greater than the capacity determined by Department to be available for acceptance and redelivery of natural gas, then acceptance and redelivery of such tendered gas shall be allocated pro rata based upon the contract volumes in all agreements for transportation service under (b) or (c) above as may be applicable.

The determination of the existence of limitations on capacity of operating conditions which limit the acceptability or deliverability of natural gas tendered to Department for transportation shall be at the sole discretion and judgment of Department.

IN WITNESS WHEREOF, this Service Agreement has been executed on the date first above written by the parties hereto by their officers or other representatives.

"Customer"

By: _____
Title: _____

Witness: _____

Date: _____

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG

"Department"

By: _____
Title: _____

Witness: _____

Date: _____

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.