

Cause No. 2021-CI-05138

CPS Energy,	§	In the District Court of
	§	
Plaintiff–Counter-defendant,	§	
	§	
v.	§	
	§	Bexar County, Texas
Houston Pipe Line Company, LP and	§	
Oasis Pipeline, LP,	§	
	§	
Defendants–Counterclaimants.	§	407th Judicial District

PLAINTIFF’S FIRST AMENDED ORIGINAL PETITION

On Friday, February 12, 2021, Governor Greg Abbott declared a disaster for all 254 counties in the State of Texas due to the impending winter storm now referred to as Winter Storm Uri. The next day, temperatures in San Antonio dropped below freezing, where they would stay for almost all of the next six days. During that time, natural gas production in Texas reportedly fell by almost half. When significant amounts of power generation failed, ERCOT ordered utilities across the state, including plaintiff CPS Energy, to shed electric power distribution to their customers. Ultimately, over four million Texans lost power.

In the midst of this catastrophic disaster, defendants Houston Pipe Line Company, LP (“HPL”) and Oasis Pipeline, LP (“Oasis,” and together with HPL, the “ET Pipelines”) saw an opportunity to exploit an emergency for profit. As the municipally owned gas and electric utility for millions of customers in and around San Antonio, CPS Energy required large volumes of natural gas to both run its gas-fired power plants and distribute to its residential and commercial gas customers. But when CPS Energy went to the ET Pipelines to purchase gas during this declared disaster, the ET Pipelines demanded prices as much as 15,000% higher than the prices they and other suppliers charged just days before the storm. Desperate for fuel to keep power on and gas flowing to furnaces and stovetops in its customers’ homes, CPS Energy had no choice but to agree to these exorbitant prices. The end result was a \$302 million bill from the ET Pipelines for just seven days’ worth of natural gas.

While regular Texans were dealing with the disaster's enormous human and economic toll, the ET Pipelines' parent company, Energy Transfer, excitedly bragged to its investors about its ability to "benefit" from the "strong commodity prices." And benefit it did. On May 6, 2021, Energy Transfer announced that it reaped a **\$2.4 billion windfall** from Winter Storm Uri. Almost all of these reported gains came from Energy Transfer's intrastate transportation and storage segment—the segment that includes the ET Pipelines. As San Antonio Mayor Ron Nirenberg has stated, permitting the ET Pipelines and other gas suppliers to reap such gains on the backs of regular Texans would result in one of the most massive wealth transfers in Texas history.

Fortunately for CPS Energy and its customers, well-established doctrines of Texas contract law forbid such a result. For well over a century, Texas law has recognized that unconscionable contract terms—i.e., grossly unfair terms extracted through an unequal bargaining process—are unenforceable. Further, a contract term that violates public policy is likewise void under Texas law, and Texas public policy has long prohibited taking advantage of a disaster to charge exorbitant or excessive prices for necessities. The ET Pipelines' blatant price gouging during the winter weather disaster fails both tests, and the outrageous prices the ET Pipelines demand are therefore unenforceable.

CPS Energy has already paid the ET Pipelines more than \$46 million for the gas they delivered during the disaster, which reflects a 1,000% increase from the prices prevailing just days earlier. But CPS Energy will not pay the outrageous, excessive, and exorbitant prices the ET Pipelines demand just so they can further pad their profits at the expense of CPS Energy's customers. CPS Energy therefore brings this suit for declaratory judgment and respectfully asks the Court to declare that the prices the ET Pipelines demand in excess of the amount CPS Energy has already paid are unenforceable as unconscionable and/or void as against Texas public policy.

DISCOVERY CONTROL PLAN AND RULE 47(C) STATEMENT

1. CPS Energy intends to conduct discovery in this matter under Level 3 of the Texas Rule of Civil Procedure 190.4, and affirmatively pleads that this suit is not governed by the expedited-actions process in Texas Rule of Civil Procedure 169.

2. In accordance with Rule 47(c) of the Texas Rules of Civil Procedure, CPS Energy states that it seeks monetary relief over \$1,000,000.00. Specifically, CPS Energy seeks declaratory relief, equitable relief, and attorneys' fees and costs. Nothing in this paragraph is intended to limit the scope of the relief sought in this Petition, as it may be amended from time to time.

PARTIES

3. The City of San Antonio, acting by and through the City Public Service Board (“**CPS Energy**”) is a municipally owned electric and gas utility that has a long history of service in the San Antonio area spanning more than 161 years.

4. Defendant HPL is a Delaware limited partnership doing business in Bexar County, whose principal office in the State of Texas is 8111 Westchester Drive, Suite 310, Dallas, Texas 75225. It owns and operates an intrastate natural gas pipeline system in Texas that buys, sells, and transports natural gas to utility and industrial customers across its system, and has direct physical interconnections with the facilities of CPS Energy for the delivery of natural gas supply. HPL has appeared in this action and may be served through its counsel.

5. Defendant Oasis is a Texas limited partnership doing business in Bexar County, whose principal office in the State of Texas is 8111 Westchester Drive, Suite 310, Dallas, Texas 75225. Like HPL, it also owns and operates an intrastate natural gas pipeline system in Texas that buys, sells, and transports natural gas to utility and industrial customers across its system, and has direct physical interconnections with the facilities of CPS Energy for the delivery of natural gas supply. Oasis has appeared in this case and may be served through its counsel.

JURISDICTION

6. This Court has jurisdiction because CPS Energy brings suit for an amount in excess of the minimum jurisdictional requirements of this Court.

VENUE

7. Venue is proper because all or a substantial number of facts giving rise to the dispute occurred in Bexar County.

FACTS

A. Background of the Parties and Their Relationship

1. CPS Energy

8. CPS Energy is the nation's largest municipally owned electric and gas utility. It is guided by an independent Board of Trustees and subject to the San Antonio City Council's reserved powers in the areas of rates, municipal utility debt, and eminent domain. It serves more than 2,000,000 residents, 820,000 electric customers, and 345,000 natural gas customers in its service territory, which includes not only the City of San Antonio but also 31 other municipalities in and around the metropolitan area, all of Bexar County, and portions of seven adjacent counties.

9. As an electric and gas utility, CPS Energy buys and uses natural gas for two purposes: (1) to use as fuel for its gas-fired power plants, and (2) to distribute directly to its customers for use in the furnaces, water heaters, stove tops, and other burner tips in their homes and businesses. CPS Energy purchases this gas from a number of suppliers with which it has standing contracts based on industry-standard forms published by the North American Energy Standards Board ("NAESB"). These base contracts provide the general terms and legal framework for the parties' transactions, but they are not self-executing. Rather, they are given legal effect only if and when the parties enter into a transaction confirmation ("Confirm") for an actual sale or purchase of natural gas for an agreed quantity, price, term, and point of delivery. It is pursuant to those Confirms that the sellers then deliver the gas.

10. Some of the transactions CPS Energy enters into provide for delivery of a set volume of gas per day over an extended period of time, such as one or more months. The gas purchased under these longer-term arrangements is known as baseload gas. But the volume of gas that CPS Energy requires on any given day varies drastically due to a variety of factors that are difficult to accurately predict weeks or months ahead of time. For that reason, although CPS purchases significant volumes of baseload gas under those longer-term arrangements, it purchases most of its gas in the so-called spot market, where purchases are made one to a few business days before the date of delivery, when CPS Energy's needs are more predictable.

11. When CPS Energy purchases gas on the spot market, the price is usually set in one of two ways. First, the parties may agree to a fixed price, such as \$3.00 per MMBtu. Second, the parties may agree to a price based on one of several daily indices published in Platts' *Gas Daily*. These daily indices are derived from the fixed-price transactions reported to Platts for each business day at certain delivery locations, including the Houston Ship Channel, Katy, and Waha hubs. Specifically, for each business day, Platts publishes a "midpoint" or index, also called the Gas Daily Average (GDA), for each reported location. This midpoint is simply the volume-weighted average of all transactions submitted to Platts for that location on that day. Platts also provides the number of transactions and the total volume of gas on which each daily index is based. For example, the *Gas Daily* sample provided on Platts' website shows the daily indices for April 3, 2019. For Houston Ship Channel, it provides a midpoint of \$2.68 per MMBtu and states that this is based on 41 reported fixed-price transactions with a combined volume of 201,000 MMBtu.

12. CPS Energy employs a number of tools and practices to optimize its gas purchasing. For example, CPS Energy enters into gas transportation contracts under which it obtains capacity on gas pipelines to transport gas from different market hubs to its city gates and/or gas-fired power plants. This gives CPS Energy access to a broad range of suppliers in different locations, often allowing CPS Energy to take advantage of geographic price disparities between the various market hubs. CPS Energy also enters into gas storage agreements through which it obtains capacity in natural gas storage facilities connected to pipelines, which gives CPS Energy operational flexibility in balancing its daily gas volumes.

13. Additionally, CPS Energy employs various hedging strategies to manage the risks associated with volatility in natural gas prices, pursuant to policies provided by CPS Energy's board under the Texas Public Funds Investment Act. Through these strategies, CPS Energy seeks to mitigate its exposure to adverse price volatility while still providing the flexibility to take advantage of favorable price movements. Under no circumstances, though, is CPS Energy permitted to engage in hedging strategies for purposes of speculation.

2. Energy Transfer and the ET Pipelines

14. The ET Pipelines' ultimate parent company, Energy Transfer, is a publicly traded energy infrastructure company. According to Energy Transfer's website, approximately 30% of the nation's natural gas and crude oil are moved through its more than 90,000 miles of pipelines and other infrastructure nationwide.

15. Among Energy Transfer's many business segments is its intrastate natural gas transportation and storage business in Texas, which includes more than 9,000 miles of pipelines. Energy Transfer claims that its intrastate natural gas system is the largest in the United States. The ET Pipelines own and/or operate two of Energy Transfer's major intrastate assets: the HPL System and the Oasis Pipeline.

16. The HPL System is composed of an extensive network of more than 3,920 miles of intrastate natural gas pipelines in and around southeast Texas, as well as the underground Bammel storage reservoir near Houston, among other assets. According to Energy Transfer, the HPL System is well situated to gather and transport gas in many of the major gas producing areas in Texas. The HPL System gives Energy Transfer a particularly strong presence in the key Houston Ship Channel and Katy Hub markets, which allows Energy Transfer to play an important role in the Texas natural gas markets.

17. The Oasis Pipeline is primarily a 36-inch natural gas pipeline that runs 750 miles from the Waha market hub in far west Texas to the Katy market hub near Houston. It has many interconnections with other pipelines, power plants, processing facilities, municipalities, and producers.

18. The ET Pipelines generate revenue in two primary ways. First, the ET Pipelines enter into transportation and storage agreements under which third parties purchase capacity to ship and store their own gas using the ET Pipelines' assets. Historically, the transportation and storage fees from such contracts have made up the largest component of Energy Transfer's earnings in its intrastate segment.

19. Second, and more relevant here, the ET Pipelines generate revenues and margin by selling natural gas that they own to third parties. The ET Pipelines acquire natural gas by purchasing it from producers at the wellhead or from other market participants, as well as by retaining it in kind as part of the compensation they charge for transportation and storage services. When the ET Pipelines purchase natural gas from producers, they generally do so at a discount to a specified index price.

20. Energy Transfer's control of its vast intrastate natural gas transportation and storage assets, including HPL and Oasis, gives it a dominant role as a seller of natural gas in many Texas market areas, especially the Houston Ship Channel and Katy. For example, Energy Transfer's sales have at times comprised 80 percent or more of total fixed-price gas sales at the Houston Ship Channel. And because Energy Transfer reports its fixed-price transactions to Platts, such an outsized share of fixed-price transactions at these locations, in turn, gives Energy Transfer the ability to influence, if not outright control, the daily indices for those locations.

3. The Parties' Relationship and Contracts

21. Until recently, CPS Energy and the ET Pipelines had a longstanding relationship. CPS Energy had in place a NAESB Base Contract for Sale and Purchase of Natural Gas (a "**NAESB Contract**") with each of the ET Pipelines. The NAESB Contract with HPL is dated February 1, 2012, and is attached hereto as Exhibit B. The NAESB Contract with Oasis is dated November 1, 2009, and is attached hereto as Exhibit C.¹ As noted above, the NAESB Contracts do not provide any actual transactions terms; when CPS Energy and one of the ET Pipelines would agree on a particular transaction, they would enter a Confirm with the quantity, delivery date(s), delivery point, and price. Notably, although the ET Pipelines are the counterparties to the NAESB Contracts and the related Confirms, CPS Energy dealt with San Antonio-based employees of Energy Transfer

¹ The counterparty to CPS Energy's NAESB Contract with Oasis was initially a different Energy Transfer affiliate, Texas Energy Transfer Company, Ltd. On January 17, 2011, Texas Energy Transfer Company assigned the NAESB Contract to Oasis Pipeline, L.P. The assignment is included in Exhibit C.

when buying gas from the ET Pipelines, and it was those Energy Transfer employees who executed the Confirms.

22. The NAESB Contracts require the ET Pipelines to invoice CPS Energy each month for all gas delivered and received in the preceding month. Payment of invoices is due on or before the 25th of the month or 10 days after receipt of the invoice, whichever is later. Under Section 7.4 of the NAESB Contracts, if CPS Energy disputes, in good faith, the amount of any invoice submitted, CPS Energy has the express contractual right to pay only the amounts that CPS Energy does not dispute and to withhold payment of any disputed amounts until the parties have an opportunity to resolve the amounts in dispute (the “**NAESB Dispute Resolution Procedures**”).

23. In addition to the NAESB Contracts, CPS Energy was also party to transportation and storage agreements with the ET Pipelines, through which CPS Energy could transport natural gas purchased from other suppliers and store gas at HPL’s Bammel storage facility.

B. The Winter Storm Disaster

24. Beginning on or about February 13, 2021, and continuing through February 19, 2021, the State of Texas experienced a statewide winter weather disaster in which more than four million Texas households ultimately lost power. In anticipation of the impending freeze, Texas Governor Greg Abbott issued a disaster declaration² on February 12, 2021, under Chapter 418 of the Texas Government Code, for all 254 Texas counties.³ Governor Abbott’s disaster declaration is attached hereto as Exhibit A.

25. Plunging temperatures during the winter storm caused significant increases in energy and natural gas demand across the state as Texans tried to warm their homes and businesses during the prolonged, bitterly cold weather. This, in turn, resulted in significantly increased demand for the purchase of natural gas by utilities like CPS Energy to provide fuel for their gas-fired generating fa-

² <https://gov.texas.gov/news/post/governor-abbott-issues-disaster-declaration-continues-to-deploy-resources-as-severe-winter-weather-impacts-texas>

³ On February 19, 2021, President Biden would likewise declare the havoc wreaked by the severe winter storm a major disaster. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/02/20/president-joseph-r-biden-jr-approves-texas-disaster-declaration/>

cilities and to service the needs of their gas distribution customers. The natural gas required by utilities like CPS Energy during this winter storm was critical to meet essential human needs for residences and businesses, to save lives, and to prevent substantial damage to property.

26. Near the beginning of February, natural gas suppliers were selling gas to utilities at around \$2.60/MMBtu. As the onset of the severe weather became more imminent and the forecasts came into clearer view, gas sellers began increasing natural gas prices. By Tuesday, February 9, CPS Energy was paying around \$3.17/MMBtu for next-day gas. By Wednesday, February 10, next-day prices crept up further to around \$3.25/MMBtu. On both days, CPS Energy bought significant volumes of gas.

27. On February 11, CPS Energy again set out to purchase significant amounts of gas from its suppliers, including the ET Pipelines. At around 7:00 AM, CPS Energy contacted Energy Transfer about buying gas from the ET Pipelines for both same-day and next-day delivery. Energy Transfer charged CPS Energy fixed prices of \$13–\$14/MMBtu for 100,000 MMBtu of gas to be delivered the same day, which CPS Energy accepted. For next-day (February 12) gas, Energy Transfer quoted CPS Energy \$15/MMBtu for 100,000 MMBtu. When Energy Transfer refused to come down on that \$15 price, CPS Energy asked if Energy Transfer would at least agree to lock in the same deal for each day through the upcoming long weekend and Tuesday, February 16. But Energy Transfer refused, saying that it was not offering any prices for gas to be delivered over the weekend until the next day, Friday, February 12. So CPS Energy was forced to purchase just the next-day gas at \$15.00.

28. By the early afternoon of February 11, CPS Energy was still in need of additional same-day gas. When it contacted the same Energy Transfer trader as earlier in the day, Energy Transfer quoted a price of \$30.00/MMBtu—more than double what it charged just hours earlier for the same volume at the same delivery point. Again, CPS Energy had little choice but to accept.

29. On Friday, February 12—the same day that Governor Abbott declared a statewide emergency—the ET Pipelines began demanding prices completely unhinged from any normal market forces. That morning, CPS Energy again set out to buy the significant volumes of natural gas

necessary to serve its customers' critical human needs. Because most trading in the spot market for natural gas is done only on weekdays, CPS Energy and other buyers typically secure their gas supplies for Saturday, Sunday, and Monday on the preceding Friday. In this instance, however, Monday was a holiday (President's Day), meaning that CPS Energy needed to secure gas for the next four days.

30. At 7:30 AM on Friday, CPS Energy contacted Energy Transfer and asked for a price quote for 150,000 MMBtu per day for delivery February 13–16. An hour and a half later, Energy Transfer's trader messaged CPS Energy back: "ok, are you sitting down?" and then quoted a price of \$150/MMBtu—ten times the price charged the previous morning for next-day gas. CPS Energy's employee responded, understandably, "Wow," and then asked for "one sec" to discuss the price with his superiors. But just nine minutes later—before CPS Energy could even respond to the \$150 offer—Energy Transfer withdrew the offer and raised its asking price to \$225/MMBtu. Unable to risk losing the much needed gas, CPS Energy had no choice but to accept. Later that day, CPS Energy would secure an additional 40,000 MMBtu per day from the ET Pipelines for the long weekend at \$150/MMBtu by accepting offers posted on the ICE trading platform.

31. All in all, the ET Pipelines charged CPS Energy a volume-weighted average price of **\$212/MMBtu** for gas to be delivered over the long weekend. Such prices were completely unprecedented. According to *Gas Daily*, prior to February 2021, the highest midpoint price experienced in the Texas intrastate gas market since October 1994 was \$24.96/MMBtu at Houston Ship Channel on February 26, 2003, which exceeded even the highest midpoint prices reported during a series of severe cold and polar vortex events in 2011 and 2014.

32. Throughout the long weekend, temperatures plummeted and freezing precipitation bore down on Texas. Widespread failures in electric power generation across the state led to critically low levels of reserve power. On the morning of February 15, ERCOT issued load-shedding requirements, ordering retail electric providers like CPS Energy to drastically reduce electricity distribution to their customers. The result was widespread blackouts across Texas.

33. When normal day-ahead gas trading resumed on Tuesday, February 16, as temperatures in San Antonio dipped to a record-low 12 degrees Fahrenheit and millions remained without power,⁴ the ET Pipelines surged their prices to truly unimaginable levels. That morning Energy Transfer quoted CPS Energy a price of **\$400/MMBtu** for next-day (i.e., February 17) gas. CPS Energy again implored Energy Transfer to lower the price, even reminding Energy Transfer that the gas was for human needs. The response? “No wiggle room... We **have to** hold at \$400.” Once again, CPS Energy had no choice but to accede.

34. The next day, on February 17, 2021, at the height of the declared statewide disaster, and after San Antonio had experienced 100-plus consecutive hours of below freezing temperatures, the ET Pipelines went even higher, charging their highest price for natural gas of the entire disaster period: **\$500/MMBtu** for same-day gas, representing an increase of more than 15,000% over pre-event prices. To put that price in context, if gas stations and corner stores in Texas had increased the price of gasoline by the same degree, Texans would have been paying \$425 a gallon and approximately \$7,000 to fill up at the pump. Energy Transfer’s price on February 17 for next-day gas, \$300/MMBtu, was hardly better. But, again, CPS Energy had no choice but to agree, as temperatures in San Antonio were as cold as those in Anchorage, Alaska, and another round of freezing rain and snow was on the way.⁵

35. On that same day that Energy Transfer was charging CPS Energy unprecedented prices for the natural gas needed to keep the power on and gas flowing to its customers in San Antonio, Energy Transfer’s co-chief executive was already bragging to investors about his company’s ability “to benefit” from the disaster based on, as he put it, “strong commodity prices.”⁶

36. Energy Transfer continued demanding such “strong” prices through the next day. On February 18, Energy Transfer charged CPS Energy a volume-weighted average price of approx-

⁴ This beat the previous record of 16 degrees set in 1895.
<https://www.nbcnews.com/news/weather/texans-battle-relentless-drastic-freezes-power-outages-record-cold-persist-n1258044>

⁵ <https://www.expressnews.com/projects/2021/san-antonio-snow-timeline/>

⁶ *Fossil Fuel Executives Gloat About Profits, PR From Winter Storm Crisis*, THE INTERCEPT, Feb. 23, 2021.

imately \$72/MMBtu for next-day gas. Although seemingly less egregious than the prices demanded over the previous few days, this still represented a 27-fold increase over pre-event prices.

37. In sum, throughout the winter-weather disaster, CPS Energy faced a Hobson's choice: Pay an exorbitant price for gas or run out of the gas supply it needed to (i) generate electricity already in critically short supply, and (ii) serve its gas customers' critical human needs. At the mercy of the ET Pipelines and with no other alternative, CPS Energy assented to the ET Pipelines' demands. The Confirms for CPS Energy's transactions with HPL during the declared disaster are attached hereto as Exhibit D, and the Confirms for the transactions with Oasis are attached hereto as Exhibit E.

C. Unconscionability, Public Policy, and the Unlawful Price Threshold

38. The ET Pipelines' conduct is not only offensive to standard notions of decency, it is anathema to Texas law. The ET Pipelines' outrageous prices are unenforceable under at least two long-standing doctrines of Texas contract law.

39. First, the ET Pipelines' prices are unconscionable. Unconscionable contracts have long been unenforceable under Texas law. *See In re Poly-Am., L.P.*, 262 S.W.3d 337, 349 (Tex. 2008) (“[U]nconscionability...has been recognized and applied by this Court for well over a century.”); TEX. BUS. & COM. CODE § 2.302. A contract term is unconscionable and, thus, unenforceable if “given the parties' general commercial background and the commercial needs of the particular trade or case, the clause involved is so one-sided that it is unconscionable under the circumstances existing when the parties made the contract.” *In re Poly Am.*, 262 S.W.3d at 349. To determine unconscionability, courts must examine the contract or clause's “commercial setting, purpose and effect,” TEX. BUS. & COM. CODE § 2.302, as well as the “entire atmosphere in which the agreement was made,” *Aalok Anita, Inc. v. Shell Oil Co.*, No. 14-95-00682-CV, 1996 WL 544424, at *3 (Tex. App.—Houston [14th Dist.] Sept. 26, 1996, no writ). In determining whether a contract provision is unconscionable, courts examine procedural and substantive aspects of the agreement. Factors courts consider in determining procedural unconscionability include (i) the presence of deception, overreach-

ing, or sharp business practices, (ii) the absence of a viable alternative, and (iii) the non-bargaining ability of one party. Substantive unconscionability focuses on the fairness of the contract provision and asks whether it is sufficiently shocking or gross to justify court intervention.

40. Second, the ET Pipelines' prices are void as against public policy. Texas courts will not enforce contract provisions that are against public policy. And taking financial advantage of a statewide disaster is contrary to Texas public policy. Texas, like 35 other states, has declared it illegal for the providers of essential goods and services to charge excessive prices during a declared disaster when businesses and consumers are at the mercy of those providers. Specifically, section 17.46 of the Texas Deceptive Trade Practices Act (the "DTPA") provides that it is unlawful to take advantage of a disaster declared by the Governor under Chapter 418 of the Government Code by:

(A) selling or leasing fuel . . . or another necessity at an exorbitant or excessive price;
or

(B) demanding an exorbitant or excessive price in connection with the sale or lease of fuel . . . or another necessity.

TEX. BUS. & COM. CODE § 17.46(b)(27). Although CPS Energy does not bring a cause of action under the DTPA, this provision is nevertheless a legislative declaration that price gouging is unlawful and against public policy in Texas.⁷

41. The prices that the ET Pipelines extracted from CPS Energy are unenforceable under either doctrine. As detailed above, in the midst of a declared statewide disaster, when homes and businesses were at their mercy and CPS Energy had no bargaining power, the ET Pipelines charged CPS Energy natural gas prices that were more than 15,000% of prevailing prices before the winter

⁷ Communications from the Texas Attorney General's Office further highlight that price gouging or otherwise profiteering from scarcity during a declared disaster violates Texas public policy. The Attorney General's website, for example, declares price gouging during a statewide disaster "illegal," and states that "if a disaster has been declared by the Governor of Texas or the President, and businesses raise the price of their products to exorbitant or excessive rates to take advantage of the disaster declaration, then it is quite likely that price gouging is taking place." Indeed, the Attorney General's office has issued civil investigative demands for information about natural gas prices during the storm, and has expanded the scope of its investigation into price gouging related to the storm to include the natural gas industry.

storm. A spreadsheet showing the excessive and unconscionable amounts charged by the ET Pipelines is attached hereto as Exhibit F. By any objective standard, the prices the ET Pipelines charged CPS Energy (and thereby its consumers) for the fuel necessary to heat homes and generate electricity during the February 2021 declared disaster were “excessive,” “exorbitant,” gross, and shocking, and are, therefore, unconscionable and amount to unlawful price gouging in violation of Texas public policy.

42. Based upon a review of (i) the increases in pricing of natural gas during prior natural disasters, (ii) the increases in pricing for other essential products during prior natural disasters, and (iii) the price gouging statutes of other states, it is clear that ET Pipelines’ unprecedented natural gas prices during the disaster crossed the line between legal pricing and unlawful and unconscionable price gouging beginning with deliveries for February 13, 2021, and continued to remain across that line through February 19, 2021. CPS Energy is conducting a good-faith analysis to determine the precise point at which the ET Pipelines’ natural gas prices during the February 2021 disaster crossed the line from legitimate commercial pricing to unconscionable, unlawful price gouging (the “Unlawful Price Threshold”). Although CPS Energy’s analysis is ongoing, its initial analysis to date, based on historical precedent, finds that the Unlawful Price Threshold is at or near \$38.83/MMBtu (the “Estimated Unlawful Price Threshold”), and that any price during the February 2021 disaster in excess of that amount is prima facie unconscionable and contrary to Texas’s declared public policy against price gouging.

43. CPS Energy disputes all amounts charged for natural gas delivered to CPS Energy in excess of the Unlawful Price Threshold (the “Unlawful Price Amounts”). The basis of that dispute is that the ET Pipelines charged exorbitant, excessive, and unlawful prices to profit from a declared disaster in violation of Texas public policy and the prohibition on unconscionable contracts. This Court should declare any attempt by ET Pipelines to collect prices for natural gas sold to CPS Energy during the disaster in excess of the Unlawful Price Threshold to be unenforceable.

44. CPS Energy has timely paid all undisputed amounts due to ET Pipelines under its NAESB Contracts (i.e., all amounts that do not exceed the Unlawful Price Threshold), and has only

withheld amounts that it disputes in good faith (i.e., the Unlawful Price Amounts) as expressly permitted by the NAESB Dispute Resolution Procedures.

45. As reflected on the spreadsheet attached as Exhibit F, the ET Pipelines' charges for the sales in February 2021 total approximately \$308,872,569—\$116,789,070 for HPL and \$192,083,499 for Oasis. Had all of the sales for which Defendants charged exorbitant and unconscionable prices been made at the Estimated Unlawful Price Threshold, the charges would total approximately \$51,950,243.92—\$19,654,610.96 for HPL and \$32,295,632.96 for Oasis—and CPS Energy has paid the ET Pipelines these amounts. Thus, if the Unlawful Price Threshold derived from CPS Energy's final analysis conforms exactly to the Estimated Unlawful Price Threshold, the Unlawful Price Amounts will equal approximately \$256,922,325.08.

46. Paying the ET Pipelines a price equal to the Unlawful Price Threshold is no bargain. The Estimated Unlawful Price Threshold, \$38.83/MMBtu, is 1,000% greater than the price of the same commodity two days before commencement of the gubernatorially declared disaster, 50% more than the highest midpoint price ever reported in 2003, and substantially more than the midpoint prices reported for the same commodity in similar cold weather events occurring in 2011 and 2014. For the ET Pipelines to instead insist that CPS Energy pay prices that are as much as 1,200% higher than this Estimated Unlawful Price Threshold is unequivocally shocking.

47. CPS Energy must seek to protect its customers from unconscionable and unlawful prices. The only mechanism available to CPS Energy, as a municipally owned utility, to recover the costs it incurs in providing electricity and natural gas service is from the customers it serves. This includes all costs for procurement of natural gas that is used to both generate power and as a source of fuel in homes and businesses for cooking and other critical human needs. CPS Energy functions as a pass-through entity, meaning the recovery from customers must include the full cost of operations, including fuel. CPS Energy does not have a mechanism (like corporate shareholders) to spare customers from these costs. Thus, it is CPS Energy's customers who will ultimately bear the cost if ET Pipelines are permitted to extract these unlawful and unconscionable prices from CPS Energy.

D. Energy Transfer's Unprecedented Profits

48. Energy Transfer's February 17 prediction that it stood to "benefit" from the prices it was demanding during the winter weather disaster would prove to be a vast understatement. According to Energy Transfer's public filings and statements, it reaped a **\$2.4 billion windfall** from the disaster, and almost all of those gains were attributable to its intrastate transportation and storage segment—the segment that includes the ET Pipelines. In particular, for the first quarter of 2021, Energy Transfer's intrastate segment reported \$1.07 billion in margin from natural gas sales alone. By comparison, Energy Transfer reported just \$88 million in such margin for the first quarter of 2020, and \$317 million for the entire year of 2020. In other words, Energy Transfer extracted more than three years' worth of intrastate gas-sales margin in just a matter of days.

49. The aftermath of a declared statewide disaster should not be a jackpot for gas sellers like the ET Pipelines. Absent action by this Court to nullify the ET Pipelines' price gouging, the ET Pipelines and Energy Transfer will be incentivized to view future gubernatorially declared disasters as opportunities for profit. Further, it will render future disaster declarations meaningless relative to their statutorily prescribed purpose of protecting Texans from predatory pricing.

E. The ET Pipelines' Attempts to Coerce Payment of the Unlawful Amounts

50. Likely motivated by the prospect of such record profits, the ET Pipelines and Energy Transfer have taken a number of actions meant to compel CPS Energy to pay the Unlawful Amounts. For starters, on February 23, 2021, just days after the snow finally melted, Energy Transfer sent an email to CPS Energy demanding that CPS Energy provide "adequate assurance" in the form of a letter of credit or cash for the full amount of its unlawful and unconscionable charges, which it estimated to be \$317,500,000. The email reads as follows:

"Due to the unprecedented weather event over the past 10 days, the price of natural gas rose dramatically. As a result, our credit exposure to CPS Energy has risen accordingly. Therefore, Houston Pipe Line Company LP (HPL) and Oasis Pipeline, LP (Oasis) is requesting Adequate Assurance in the form of an irrevocable standby letter of credit or cash to cover our unsecured credit exposure of approximately \$317.5MM (HPL = \$124.6MM; Oasis = \$192.9MM). Please review and advise."

51. This was clearly a bad-faith attempt by the ET Pipelines to effectively accelerate collection of their outrageous prices from CPS Energy and to preempt CPS Energy's rights under Section 7.4 of the NAESB Contracts to withhold payment of the disputed Unlawful Price Amounts until any dispute between the parties as to the unlawful nature of such charges can be resolved. Further, by making a baseless request for adequate assurance, the ET Pipelines were also attempting to manufacture grounds to declare an Event of Default under the NAESB Contracts to use as leverage against CPS Energy.

52. Following receipt of Energy Transfer's February 23 demand for adequate assurance, CPS Energy responded with a request for justification. CPS Energy also furnished Energy Transfer with financial information establishing CPS Energy's ability to meet all of its lawful obligations as they become due. Notwithstanding that fact, after learning that CPS Energy was not willing to accede to what amounted to a baseless demand for advance payment, Energy Transfer retaliated by instructing its traders to no longer sell natural gas to CPS Energy. The natural gas Energy Transfer refused to continue selling to CPS Energy was a source of supply for CPS Energy's electric generation facilities serving its customer base.

53. When that did not work, Energy Transfer increased the frequency and urgency of its demands for adequate assurance. As a result, CPS Energy filed this suit and obtained a temporary restraining order (TRO) that temporarily prohibited the ET Pipelines from declaring CPS Energy in default of its gas purchase contracts based on CPS Energy's lawful exercise of its contractual right to withhold payment of disputed portions of their natural gas charges. With the time provided by the TRO, CPS Energy was able to mitigate the risk that the ET Pipelines' unilateral declaration of default would endanger its compliance (or, more accurately, its perceived compliance) with certain "cross-default" covenants in its various credit agreements and, thus, its access to the essential financial liquidity that those credit agreements provide. As a result, when the ET Pipelines later unilaterally declared the Court's TRO void and took the vary actions the TRO prohibited, CPS Energy was able to avoid the intended harm.

54. But Energy Transfer's and the ET Pipelines' attempts at retaliation did not stop there. Despite their status as gas utilities under the Texas Utilities Code and their corresponding duties not to discriminate in the services they provide or rates they charge, the ET Pipelines refused to renew the transportation and storage agreements that CPS Energy had in place with them (which expired on June 30) or otherwise offer transportation and storage services to CPS Energy. And Energy Transfer made no attempt to hide their retaliatory motives: Energy Transfer's representatives stated that the ET Pipelines would not offer any services to CPS Energy unless and until it agreed to drop its dispute over the \$256 million Unlawful Price Amounts.

55. CPS Energy will not be intimidated by Energy Transfer's sharp practices. Leveraging an unprecedented disaster to wrest enormous profits from ordinary Texans is wrong and, fortunately, unlawful. And CPS Energy, for its customers, will have its day in court.

CAUSE OF ACTION—DECLARATORY JUDGMENT

56. CPS Energy hereby repeats and re-alleges each of the preceding paragraphs set forth herein.

57. CPS Energy seeks a declaratory judgment pursuant to Chapter 37 of the Texas Civil Practice and Remedies Code.

58. CPS Energy seeks a declaratory judgment that (a) the amounts charged to CPS Energy by ET Pipelines under their NAESB Contracts and related Confirms in excess of the Unlawful Price Threshold (*i.e.*, the Unlawful Price Amounts) are unenforceable because they are unconscionable and/or violate Texas public policy, (b) CPS Energy has no liability to Defendants under its NAESB Contracts and related Confirms to pay Defendants the Unlawful Price Amounts, and (c) CPS Energy's withholding payment of the Unlawful Price Amounts as permitted by, and in accordance with, the NAESB Dispute Resolution Procedures, is in compliance with said contracts.

59. Attorney Fees. CPS Energy has engaged counsel. CPS Energy is entitled to, and hereby seeks, recovery of its reasonable and necessary attorneys' fees incurred in the prosecution of its claims herein under Section 37.009 of the Texas Civil Practice and Remedies Code.

CONDITIONS PRECEDENT

60. All conditions precedent to CPS Energy's claim for relief have been performed or have occurred.

CONCLUSION AND PRAYER

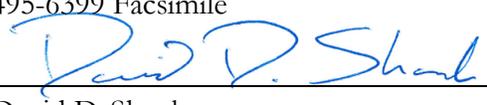
61. For these reasons, CPS Energy asks that Defendants be cited to appear and answer, and that CPS Energy be awarded the following relief against Defendants:

- a. Declaratory judgment;
- b. Court costs;
- c. Reasonable attorneys' fees; and
- d. All other relief to which CPS Energy is entitled.

Dated: September 22, 2021

SCOTT DOUGLASS & McCONNICO LLP
303 Colorado Street, Suite 2400
Austin, Texas 78701
(512) 495-6300 Telephone
(512) 495-6399 Facsimile

By: _____


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CERTIFICATE OF SERVICE

I certify that on September 22, 2021, I served a copy of the foregoing on the parties through electronic service.

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*Counsel for defendants Houston Pipe Line Company,
LP and Oasis Pipeline, LP*



David D. Shank

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

David Shank on behalf of David Shank
Bar No. 24075056
dshank@scottdoug.com
Envelope ID: 57520272
Status as of 9/24/2021 3:02 PM CST

Associated Case Party: CPS ENERGY

Name	BarNumber	Email	TimestampSubmitted	Status
Lisa Cabello		lcabello@scottdoug.com	9/22/2021 7:55:12 PM	SENT
Santosh Aravind		saravind@scottdoug.com	9/22/2021 7:55:12 PM	SENT

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
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Amy Farish		afarish@yettercoleman.com	9/22/2021 7:55:12 PM	SENT
Justin Tschoepe		jtschoepe@yettercoleman.com	9/22/2021 7:55:12 PM	SENT

Exhibit

A

PROCLAMATION
BY THE
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, GREG ABBOTT, Governor of the State of Texas, do hereby certify that severe winter weather poses an imminent threat of widespread and severe property damage, injury, and loss of life due to prolonged freezing temperatures, heavy snow, and freezing rain statewide.

THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby declare a state of disaster in all 254 counties based on the existence of such threat.

Pursuant to Section 418.017 of the code, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016 of the code, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to protect life or property threatened by this declared disaster, I hereby authorize the suspension of such statutes and rules for the duration of this declared disaster.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

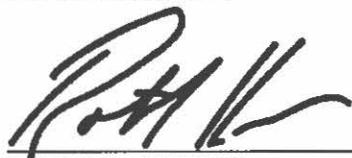
IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 12th day of February, 2021.



GREG ABBOTT
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30 p.m. O'CLOCK
FEB 12 2021

ATTESTED BY:



RUTH R. HUGHS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30 AM O'CLOCK
FEB 12 2021

Exhibit B

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: February 1, 2012

The parties to this Base Contract are the following:

PARTY A	PARTY NAME	PARTY B
City of San Antonio, acting by and through its City Public Service Board (CPS Energy)		Houston Pipe Line Company LP
145 Navarro, San Antonio, Texas 78205	ADDRESS	711 Louisiana, Suite 900 Houston, Texas 77002
www.cpsenergy.com	BUSINESS WEBSITE	www.energytransfer.com
	CONTRACT NUMBER	
00-79-3607-32000	D-U-N-S® NUMBER	004788188
<input checked="" type="checkbox"/> US FEDERAL: 74-6002071 <input type="checkbox"/> OTHER:	TAX ID NUMBERS	<input checked="" type="checkbox"/> US FEDERAL: <u>52-2334477</u> <input type="checkbox"/> OTHER:
	JURISDICTION OF ORGANIZATION	Delaware
<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input checked="" type="checkbox"/> Other: TX municipal utility	COMPANY TYPE	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other:
N/A	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
145 Navarro, San Antonio, Texas 78205 ATTN: Gas Supply TEL#: 210-353-2101 FAX#: 210-353-4632 EMAIL:	• COMMERCIAL	711 Louisiana, Suite 900, Houston, Texas 77002 ATTN: <u>Contract Administration</u> TEL#: (832) 668-1000 FAX#: (832) 668-1115 EMAIL:
145 Navarro, San Antonio, Texas 78205 ATTN: Gas Supply TEL#: 210-353-4668 FAX#: 210-353-4632 EMAIL: N/A	• SCHEDULING	711 Louisiana, Suite 900, Houston, Texas 77002 ATTN: <u>Scheduling</u> TEL#: (832) 668-1000 FAX#: (832) 668-1115 EMAIL:
145 Navarro, San Antonio, Texas 78205 ATTN: Gas Supply TEL#: 210-353-2101 FAX#: 210-353-4632 EMAIL: N/A	• CONTRACT AND LEGAL NOTICES	711 Louisiana, Suite 900, Houston, Texas 77002 ATTN: <u>Contract Administration</u> TEL#: (832) 668-1000 FAX#: (832) 668-1115 EMAIL:
145 Navarro, San Antonio, Texas 78205 ATTN: Chief Risk Officer, Enterprise Risk Management TEL#: 210-353-3613 FAX#: 210-353-3058 EMAIL: N/A	• CREDIT	711 Louisiana, Suite 900, Houston, Texas 77002 ATTN: <u>Credit Risk Management</u> TEL#: (832) 668-1223 FAX#: (832) 668-1220 EMAIL:
145 Navarro, San Antonio, Texas 78205 ATTN: Gas Supply TEL#: 210-353-2755 FAX#: 210-353-4632 EMAIL: N/A	• TRANSACTION CONFIRMATIONS	711 Louisiana, Suite 900, Houston, Texas 77002 ATTN: <u>Jennifer Kuehl</u> TEL#: (832) 668-1439 FAX#: (832) 668-1115 EMAIL:
ACCOUNTING INFORMATION		
145 Navarro, San Antonio, Texas 78205 ATTN: Gas Supply TEL#: 210-353-4653 FAX#: 210-353-4632 EMAIL: N/A	• INVOICES • PAYMENTS • SETTLEMENTS	711 Louisiana, Suite 900, Houston, Texas 77002 ATTN: <u>Gas Accounting</u> TEL#: (832) 668-1000 FAX#: (713) 452-4923 EMAIL:
BANK: JP Morgan Chase Bank ABA: 021000021 ACCT: 12508404931 OTHER DETAILS:	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: <u>Wells Fargo, NA</u> ABA: <u>053000219</u> ACCT: <u>2079900565247</u> OTHER DETAILS: <u>Attn: Houston Pipe Line Company LP</u>
BANK: JP Morgan Chase Bank ACH # 111000614 ACCT: 12508404931 OTHER DETAILS:	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure <input checked="" type="checkbox"/> Oral (default) OR <input type="checkbox"/> Written	Section 10.2 Additional Events of Default <input checked="" type="checkbox"/> No Additional Events of Default (default) <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: _____ <input type="checkbox"/> Party B: _____ <input type="checkbox"/> Transactional Cross Default
Section 2.7 Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) OR <input type="checkbox"/> _____ Business Days after receipt	Section 10.3.1 Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) OR <input type="checkbox"/> Early Termination Damages Do Not Apply
Section 2.8 Confirming Party <input checked="" type="checkbox"/> Seller (default) OR <input type="checkbox"/> Buyer	Section 10.3.2 Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input checked="" type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular OR <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) OR <input type="checkbox"/> Spot Price Standard	Section 15.5 Choice Of Law <u>Texas</u>
Note: The following Spot Price Publication applies to both of the immediately preceding.	
Section 2.31 Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) OR <input type="checkbox"/> _____	Section 15.10 Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) OR <input type="checkbox"/> Confidentiality does not apply
Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR <input type="checkbox"/> Seller Pays Before and At Delivery Point	Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check
Section 7.2 Payment Date <input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) OR <input type="checkbox"/> Day of Month following Month of delivery	Section 7.7 Netting <input checked="" type="checkbox"/> Netting applies (default) OR <input type="checkbox"/> Netting does not apply
X Special Provisions Number of sheets attached: 4 Pages <input type="checkbox"/> Addendum(s): _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

City of San Antonio, acting by and through City Public Service Board (CPS Energy)	PARTY NAME	HOUSTON PIPE LINE COMPANY LP By: HPL GP, LLC, its general partner
By:	SIGNATURE	By:
Mark D. Werner	PRINTED NAME	Tim Small
Director – Fuels & Hedging	TITLE	–Sr. Vice President

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

- 3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is

not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure,

and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____, _____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$ _____/MMBtu or _____				
Delivery Period: Begin: _____, _____ End: _____, _____				
Performance Obligation and Contract Quantity: (Select One) <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP </td> <td style="width: 33%; vertical-align: top;"> Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller </td> <td style="width: 33%; vertical-align: top;"> Interruptible: Up to _____ MMBtus/day </td> </tr> </table>		Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day		
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):				
Special Conditions: _____ _____				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

Appendix "1"
Special Provisions "A"

Houston Pipe Line Company LP and City of San Antonio acting by and through its City Public Service Board (CPS Energy) hereby agree effective as of the 1st day of February, 2012 to the following Special Provisions ("Special Provisions") to the NAESB Base Contract for Sale and Purchase of Natural Gas ("Base Contract"), which hereby modifies and amends the Base Contract dated and effective as of February 1, 2012. Unless specifically agreed otherwise in a Transaction Confirmation, the Base Contract, as modified by these Special Provisions, shall apply to all transactions for the purchase and sale of Gas (each a "Transaction") between the Parties. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Base Contract.

1. The second sentence of Section 1.2 Oral Transaction Procedure is amended by deleting the words "effectuated in an EDI transmission or telephone conversation with the offer and acceptance" and replacing them with "effectuated in an EDI transmission, telephone conversation or other mutually acceptable electronic means of communication indicating the offer and acceptance" and by adding the following sentence to the end of Section 1.2: "All Transactions are entered into in reliance of the fact that this Base Contract (including any Special Provisions and any Addenda hereto agreed upon by the parties) and all Transactions hereunder form a single integrated agreement between the parties and the parties would not otherwise enter into any Gas purchase and sale transactions."

2. In order to clarify the intentions of both Parties in Section 1.3, Section 1.3 is amended by replacing the last two sentences thereof with the following:

"If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then the oral agreement reached under Section 1.2 shall be controlling and satisfy the statute of frauds. In the event of a conflict among the terms of (i) a Transaction Confirmation that is signed or passage of the Confirm Deadline without objection from the receiving party, (ii) the oral agreement of the parties which may be evidenced as set forth in Section 1.2, where the parties have selected the Oral Transaction Procedure in the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence, absent manifest error in the Transaction Confirmation referenced in item (i). In the event a Transaction Confirmation referenced in item (i) contains a manifest error and the parties have selected "Oral Transaction Procedure", the oral agreement specified in clause (ii) will have priority over such Transaction Confirmation."

3. Section 1 is further amended by adding the following new Section 1.5:

"1.5 All transactions are entered into in reliance on the fact that all elements of the Contract described in its definition (Section 2.9) constitute a single agreement between the parties, and, in absence of the same forming a single agreement, the parties would not otherwise enter into any transactions hereunder."

4. Section 1.4 is amended by adding the following sentence between the second and third sentences in that section:

"No party may knowingly destroy or erase a recording once the possessing party becomes aware of an actual dispute in which the recording may reasonably be anticipated to be discoverable."

5. Delete Sections 2.1 "Additional Event of Default", 2.23 "Indebtedness Cross Default", 2.30 "Specified Transaction" and 2.33 "Transactional Cross Default".

6. Section 7 is hereby further amended by adding the following new Section 7.8:

"As to all transactions under this Contract where CPS Energy is Buyer,

(i) Buyer acknowledges, agrees and represents to Seller that this Contract is a "contract subject to this subchapter" within the meaning of Section 271.151(2), Texas Local Government Code, that by entering into this Contract, Buyer waives sovereign immunity to suit for the purpose of adjudicating a claim for breach of this Contract, subject to the terms and conditions of Subchapter I, Chapter 271, Texas Local Government Code, and that Buyer enjoys no sovereign immunity from liability for breach of this Contract. It shall be the duty of the Treasurer of Buyer to transfer funds of Buyer as required from time to time to make all payment due from Buyer hereunder. It is further agreed and represented that Buyer

expressly authorizes that the prevailing party in any adjudication between the parties hereto related to a breach of this Contract may recover its reasonable and necessary attorney's fees as specified in Texas Local Government Code Section 271.153(a)(3), and

(ii) Seller acknowledges and agrees that, notwithstanding anything herein to the contrary, (i) the obligations of Buyer under this Contract are payable solely from and to the extent of revenues available from Buyer's gas and electric utility systems, (ii) Buyer's obligations hereunder shall never constitute a pledge of Buyer's taxing powers or be payable from funds raised or to be raised by taxation and (iii) the performance by Buyer of all duties and obligations imposed upon it hereby, the exercise of all powers granted to it hereunder, the carrying out of all covenants, agreements, and promises made by it hereunder, and liability of Buyer for all warranties and other covenants herein shall be limited solely to the revenues of Buyer's gas and electric utility systems."

7. Section 8.6 is added as a new section under Section 8 -Title, Warranty and Indemnity, as follows:

"8.6 Intrastate Warranty. The following representations and warranties shall apply to Transactions if Houston Pipe Line Company LP is Buyer, Seller represents and warrants to Buyer that all Gas will have been produced (a) within the state of Texas and will not have been commingled with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce in such manner which would subject an intrastate Transporter to the jurisdiction of the Federal Energy Regulatory Commission or any successor authority under the Natural Gas Act of 1938 or (b) outside of the state of Texas with any transportation on an interstate pipeline having been conducted under Section 311 (a)(1) of the Natural Gas Policy Act. "

8. Section 9.3 is amended by deleting all but the first sentence and inserting the following at the end of the first sentence:

"Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which Notice is received is not a Business Day or if such Notice is received after five p.m. on a Business Day, then such Notice shall be deemed to have been received on the next following Business Day."

9. Section 10.1 is amended (i) by deleting "If" in the line and replacing it with "Notwithstanding Section 3.2, if" and (ii) by deleting from the second sentence thereof "or guaranty" and inserting in its place ", or other mutually acceptable forms".

10. Section 10.2 is amended by deleting the phrase "within 48 hours but at least one Business Day" and replacing it with the phrase "within two (2) Business Days" and is further amended by deleting item (ix) and replacing it with the new item (ix) as follows: "(ix) consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such party under this Contract to which it or its predecessor was a party by operation of law or the resulting, surviving or transferee entity is materially weaker from a credit perspective as determined by the other party acting in good faith and in a commercially reasonable manner."

11. The following provision is added as the third paragraph of Section 10.3.1:

"The Non-Defaulting Party shall also aggregate Costs that the Non-Defaulting Party incurs in connection with the termination, acceleration and/or liquidation of each Terminated Transaction. As used herein, "Costs" means, with respect to the Non-Defaulting Party, (a) losses associated with transportation/transmission for the Terminated Transactions pursuant to this Contract incurred by the Non-Defaulting Party which cannot be avoided through the Non-Defaulting Party's reasonable efforts; and (b) commercially reasonable external attorneys' fees and court costs, if any, incurred in connection with enforcing its rights in respect of the Terminated Transactions provided however that such Costs shall only be payable if the Non-Defaulting Party ultimately prevails in enforcing its rights hereunder."

12. Section 10.5 is amended by deleting the existing text in its entirety and replacing it with the following:

"10.5 Each party acknowledges and agrees that: (i) the transactions hereunder constitute a "forward contract" within the meaning of Title 11 of the United States Code (the "Code"); (ii) each party hereto is a "forward

contract merchant” within the meaning of the Code with respect to any transaction that constitutes a “forward contract”; (iii) all payments made or to be made pursuant to this Contract constitute “settlement payments” within the meaning of the Code; (iv) all transfers of Adequate Assurance of Performance pursuant to this Contract constitute “margin payments” within the meaning of the Code; (v) each party’s rights under Sections 10.2, 10.3, and 10.4 of this Contract constitute “contractual rights to liquidate” the transactions within the meaning of the Code, (vi) it is an “eligible commercial entity” as defined in Section 1a (11) of the Commodity Exchange Act, and it is an “eligible contract participant” within the meaning of Section 1(a)12 of the Commodities Exchange Act, as amended, and (vii) it has entered into this Contract (and each transaction forming part hereof) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Gas referred to in any transaction hereunder to which it is a party and the material economic terms of each transaction are subject to individual negotiation by the parties.”

13. Section 11.1 is amended by deleting the second sentence therein and replacing it with the following:

The term "Force Majeure" as employed herein means an event not anticipated as of the date hereof, which is not within the reasonable control of the Party, or in the case of third party obligations or facilities, the third party, claiming suspension, and which by the exercise of due diligence such Party, or third party, is unable to overcome or obtain or cause to be obtained a commercially reasonable substitute performance therefore. Subject to the foregoing sentence, events of Force Majeure shall include the events as further defined in Section 11.2 and shall include an event of Force Majeure occurring with respect to the facilities or services of Buyer's or Seller's Transporter and declared by such Transporter."

14. Section 11.2 is amended by adding the following after the last sentence of the section as follows:

"Seller shall be excused from the performance of any obligation that Seller is unable to perform due to necessary pipeline integrity activities, the necessity or desirability of repairing, altering, maintaining, inspecting, replacing, changing the size of, substituting or removing pipelines or appurtenant facilities. Such excuse of performance shall continue only for such time as interruption of service may be reasonable and unavoidable; and Seller shall give Buyer reasonable notice of its intention to suspend performance hereunder, except in cases of emergency where such notice is impracticable, and shall endeavor to arrange such interruption so as to inconvenience Buyer as little as possible. Service interruptions as sanctioned by the provisions hereof are expressly included in the definition of "force majeure" for the purpose of this Agreement; provided however, the requirement that Seller shall have been unable to prevent such service interruptions by the exercise of due diligence and planning, as required in Section 11.1 above, shall not apply to such service interruptions. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance."

15. Section 11.3 is amended by deleting (v) in the first sentence thereof and replacing them with (v), (vi), and (vii) as follows:

"(v) the loss or failure of Seller's Gas supply, including, without limitation, depletion of reserves or other failure of production, (vi) increases or decreases in gas supply due to allocation or reallocation of production by well operators, pipelines, or third parties other than regulatory agencies, except, as provided in Section 11.2.; or (vii) interruption of specific supply or markets at "pooling points" or "hubs" without the hub or pooling point operator claiming Force Majeure."

16. Section 14 is amended by deleting the second sentence, reading as follows, “If either party fails to provide two quotes then the average of the other party’s two quotes shall determine the replacement price for the Floating Price.”, and inserting the following text in its place:

“If either party shall be unable to provide two quotes then the average of the remaining quotes shall determine the replacement price for the Floating Price.”

17. Section 15 is modified by deleting 15.11 and replacing it with the following new Section 15.11:

"Section 15.11 EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY

SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT, ANY TRANSACTION, OR ANY CREDIT SUPPORT DOCUMENT HEREUNDER."

18. Section 15.13 Both Parties agree that the obligations under this Agreement are performable in Bexar County, Texas.

IN WITNESS WHEREOF, the Parties have executed these Special Provisions to supplement and, where applicable, to modify and supersede the Base Contract by and between the Parties.

HOUSTON PIPE LINE COMPANY LP
By: HPL GP, LLC, its general partner

By: 
Name: Tim Small
Title: SVP - COMMERCIAL

City of San Antonio, acting by and through its City Public Service Board (CPS Energy)

By: 
Name: Mark D. Werner
Title: Director - Fuels & Hedging *PV*

Legal: 
Credit: JC
Comm: Pro
CA: LIT

Exhibit C

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: 11-1-09. The parties to this Base Contract are the following:

**City of San Antonio, acting by and through its
City Public Service Board (CPS Energy)**
145 Navarro, San Antonio, Texas 78205
Duns Number: 00-79-3607-32000
Contract Number: 0185-GS-09-CPSFD
U.S. Federal Tax ID Number: 74-6002071

and **Texas Energy Transfer Company, Ltd.**
800 E. Sonterra Blvd., Suite 400, San Antonio, TX 78258
Duns Number: 12-271-7866
Contract Number: _____
U.S. Federal Tax ID Number: 270030184

Notices:

145 Navarro, San Antonio, Texas 78205
Attn: **Gas Supply**
Phone: **210-353-4261** Fax: **210-353-4632**

800 E. Sonterra Blvd., Suite 400, San Antonio, TX 78258
Attn: **Contract Administration**
Phone: **(210) 403-7487** Fax: **(210) 403-7500**

Confirmations:

145 Navarro, San Antonio, Texas 78205
Attn: **Gas Supply**
Phone: **210-353-4261** Fax: **210-353-4632**

711 Louisiana, Suite 900, Houston, Texas 77002
Attn: **Elizabeth Hernandez**
Phone: **(832) 668-1338** Fax: **(832) 668-1115**

Invoices and Payments:

145 Navarro, San Antonio, Texas 78205
Attn: **Gas Supply**
Phone: **210-353-4261** Fax: **210-353-4632**

800 E. Sonterra Blvd., Suite 400, San Antonio, TX 78258
Attn: **Gas Accounting**
Phone: **(210) 403-7300** Fax: **(210) 403-7500**

Wire Transfer or ACH Numbers (if applicable):

BANK: **JP Morgan Chase Bank**
ABA: **021000021-wire 111000614-ACH**
ACCT: **12508404931**
Other Details: _____

BANK: **Wachovia Bank, Winston-Salem, NC**
ABA: **053000219**
ACCT: **2079900565179**
Other Details: **Texas Energy Transfer Company, Ltd.**

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. **Select only one box from each section:**

<p>Section 1.2 <input checked="" type="checkbox"/> Oral (default) Transaction Procedure <input type="checkbox"/> Written</p>	<p>Section 7.2 <input checked="" type="checkbox"/> 25th Day of Month following Month of delivery (default) <input type="checkbox"/> _____ Day of Month following Month of delivery</p>
<p>Section 2.5 <input checked="" type="checkbox"/> 2 Business Days after receipt (default) Confirm Deadline <input type="checkbox"/> _____ Business Days after receipt</p>	<p>Section 7.2 <input checked="" type="checkbox"/> Wire transfer (default) Method of Payment <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check</p>
<p>Section 2.6 <input checked="" type="checkbox"/> Seller (default) Confirming Party <input type="checkbox"/> Buyer</p>	<p>Section 7.7 <input checked="" type="checkbox"/> Netting applies (default) Netting <input type="checkbox"/> Netting does not apply</p>
<p>Section 3.2 <input checked="" type="checkbox"/> Cover Standard (default) Performance Obligation <input type="checkbox"/> Spot Price Standard</p> <p>Note: The following Spot Price Publication applies to both of the immediately preceding.</p> <p>Section 2.26 <input checked="" type="checkbox"/> Gas Daily Midpoint (default) Spot Price Publication <input type="checkbox"/> _____</p>	<p>Section 10.3.1 <input checked="" type="checkbox"/> Early Termination Damages Apply (default) Early Termination Damages <input type="checkbox"/> Early Termination Damages Do Not Apply</p> <p>Section 10.3.2 <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) Other Agreement Setoffs <input type="checkbox"/> Other Agreement Setoffs Do Not Apply</p> <p>Section 14.5 Choice Of Law Texas</p>
<p>Section 6 <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) Taxes <input type="checkbox"/> Seller Pays Before and At Delivery Point</p>	<p>Section 14.10 <input checked="" type="checkbox"/> Confidentiality applies (default) Confidentiality <input type="checkbox"/> Confidentiality does not apply</p>
<p><input checked="" type="checkbox"/> Special Provisions Number of sheets attached: 2 Pages attached <input type="checkbox"/> Addendum(s): _____</p>	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

**City of San Antonio, Texas acting by and through its
City Public Service Board (CPS Energy)**

By Mark Werner
Name: **Mark Werner**
Title: **Director-Fuels and Hedging**

Texas Energy Transfer Company, Ltd.
By: **TETC, LLC, its general partner**

By Mike Howard
Name: **Mike Howard**
Title: **President - Midstream**

MK
Legal
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General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

- 2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.7. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no

single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

**TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY**

EXHIBIT A

Letterhead/Logo	Date: _____, _____ Transaction Confirmation #: _____
-----------------	---

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____
--	---

Contract Price: \$ _____ /MMBtu or _____

Delivery Period: Begin: _____, _____ End: _____, _____

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
---	---	---

Delivery Point(s): _____
 (If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____
---	--

**ADDENDUM NUMBER ONE
SPECIAL PROVISIONS TO BASE CONTRACT FOR
PURCHASE AND SALE OF NATURAL GAS**

City of San Antonio acting by and through its City Public Service Board (CPS Energy) and Texas Energy Transfer Company, Ltd. hereby agree as of the 15th day of November, 2009, to the following Special Provisions ("Special Provisions") to the Base Contract for the Purchase and Sale of Natural Gas ("Base Contract"), which hereby modifies and amends the Base Contract dated and effective as of the November 1, 2009. Unless specifically agreed otherwise in a Transaction Confirmation, the Base Contract, as modified by these Special Provisions, shall apply to all transactions for the Purchase and Sale of Natural Gas (each a "Transaction") between the Parties. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Base Contract.

1 The second sentence of Section 1.2 Oral Transaction Procedure is amended by deleting the words "effectuated in an EDI transmission or telephone conversation with the offer and acceptance" and replacing them with "effectuated in an EDI transmission, telephone conversation or other mutually acceptable electronic means of communication indicating the offer and acceptance" and by adding the following sentence to the end of Section 1.2: "All Transactions are entered into in reliance of the fact that this Base Contract (including any Special Provisions and any Addenda hereto agreed upon by the parties) and all Transactions hereunder form a single integrated agreement between the parties and the parties would not otherwise enter into any Gas purchase and sale transactions."

2 In order to clarify the intentions of both Parties in Section 1.3, Section 1.3 is amended by replacing the last two sentences thereof with the following:

"If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then the oral agreement reached under Section 1.2 shall be controlling and satisfy the statute of frauds. In the event of a conflict among the terms of (i) a Transaction Confirmation that is signed or passage of the Confirm Deadline without objection from the receiving party, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure in the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence, absent manifest error in the Transaction Confirmation referenced in item (i). In the event a Transaction Confirmation referenced in item (i) contains a manifest error and the parties have selected "Oral Transaction Procedure", the oral agreement specified in clause (ii) will have priority over such Transaction Confirmation."

3 Section 1.4 is amended by adding the following sentence between the second and third sentences in that section:

"No party may knowingly destroy or erase a recording once the possessing party becomes aware of an actual dispute in which the recording may reasonably be anticipated to be discoverable

4 Section 8.5 is added as a new section under Section 8 -Title, Warranty and Indemnity, as follows:

"8.5 Intrastate Warranty. The following representations and warranties shall apply to Transactions if Texas Energy Transfer Company, Ltd. is Buyer, Seller represents and warrants to Buyer that all Gas will have been produced (a) within the state of Texas and will not have been commingled with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce in such manner which would subject an intrastate Transporter to the jurisdiction of the Federal Energy Regulatory Commission or any successor authority under the Natural Gas Act of 1938 or (b) outside of the state of Texas with any transportation on an interstate pipeline having been conducted under Section 311 (a)(1) of the Natural Gas Policy Act. "

5. Section 9.3 is amended by deleting all but the first sentence and inserting the following at the end of the first sentence:

"Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which Notice is received is not a Business Day or if such Notice is received after five p.m. on a Business Day, then such Notice shall be deemed to have been received on the next following Business Day."

6. Section 10.1 is amended by deleting "If" in the line and replacing it with "Notwithstanding section 3.2, if".

7. Section 10.1 is further amended by deleting from the second sentence thereof "or a performance bond or guaranty" and inserting in its place ", or other mutually acceptable forms".

8. Section 10.2 is amended by deleting the phrase "within 48 hours but at least one Business Day" and replacing it with the phrase "within two (2) Business Days" and is further amended by the addition of item (ix) in the following manner: Delete the word "or" prior to item (viii) and add, between the ";" at the end of item (viii) and prior to the word "then", the words

"(ix) consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such party under this Contract to which it or its predecessor was a party by operation of law or the resulting, surviving or transferee entity is materially weaker from a credit perspective as determined by the other party acting in good faith and in a commercially reasonable manner."

9. Section 11.1 is amended by deleting the second sentence therein and replacing it with the following:

The term "Force Majeure" as employed herein means an event not anticipated as of the date hereof, which is not within the reasonable control of the Party, or in the case of third party obligations or facilities, the third party, claiming suspension, and which by the exercise of due diligence such Party, or third party, is unable to overcome or obtain or cause to be obtained a commercially reasonable substitute performance therefore. Subject to the foregoing sentence, events of Force Majeure shall include the events as further defined in Section 11.2 and shall include an event of Force Majeure occurring with respect to the facilities or services of Buyer's or Seller's Transporter and declared by such Transporter."

10. Section 11.3 is amended by deleting (v) in the first sentence thereof and replacing them with (v), (vi), and (vii) as follows:

"(v) the loss or failure of Seller's Gas supply, including, without limitation, depletion of reserves or other failure of production, (vi) increases or decreases in gas supply due to allocation or reallocation of production by well operators, pipelines, or third parties other than regulatory agencies, except, as provided in Section 11.2.; or (vii) interruption of specific supply or markets at "pooling points" or "hubs" without the hub or pooling point operator claiming Force Majeure. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges."

11. Section 14 is modified by inserting the following new Sections 14.12, 14.13 and 14.14:

"Section 14.12 If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party shall be unable to provide two quotes then the average of the remaining quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

Section 14.13 Both Parties agree that the obligations under this Agreement are performable in Bexar County, Texas.

Section 14.14 EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT, ANY TRANSACTION, OR ANY CREDIT SUPPORT DOCUMENT HEREUNDER."

IN WITNESS WHEREOF, the Parties have executed these Special Provisions to supplement and where applicable, to modify and supersede the Base Contract by and between the Parties.

City of San Antonio, acting by and through its City Public Service Board (CPS Energy)

By [Signature]
Name: Mark D. Werner
Title: Director - Fuels & Hedging

Texas Energy Transfer Company, Ltd.
By: TETC, LLC, its general partner

By [Signature]
Name: Mike Howard
Title: President - Midstream

Legal [Signature]
Credit [Signature]
Comment

END



711 Louisiana St., Suite 900
Houston, TX 77002
energytransfer.com

January 17, 2011

CERTIFIED MAIL RETURN RECEIPT REQUESTED
7010 1870 0002 0617 9139

City Public Service Board of San Antonio
145 Navarro
San Antonio, TX 78205
Attn: Gas Supply

RE: NOTICE OF ASSIGNMENT OF NAESB BASE AGREEMENT
Contract No. 880021

Dear Sir or Madam:

Reference is hereby made to that certain NAESB Base Agreement effective 11/1/2009, by and between City Public Service Board of San Antonio ("Company") and Texas Energy Transfer Company, Ltd. ("TETC"), as the same may have been amended and assigned from time to time (the "Agreement").

TETC hereby notifies Company that TETC has elected to assign the Agreement to its affiliate, Oasis Pipeline, L.P., effective February 1, 2011. All future notices, correspondence and invoices should be sent to:

Notices/Correspondence:

Oasis Pipeline, L.P.
Attn: Contract Administration
711 Louisiana St. Suite 900
Houston, TX 77002
Fax: (832) 668-1115

Invoices:

Oasis Pipeline, L.P.
Attn: Gas Accounting
711 Louisiana St. Suite 900
Houston, TX 77002
Fax: (713) 452-4923

Enclosed, please find the appropriate assignment documentation.

If you have any questions regarding the foregoing, please feel free to contact me at (832) 668-1364.

Very truly yours,

TEXAS ENERGY TRANSFER COMPANY, LTD.


Cheryl Dudley - Manager - Contract Administration

ASSIGNMENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

KNOW ALL MEN BY THESE PRESENTS:

THAT TEXAS ENERGY TRANSFER COMPANY, LTD, a Texas limited partnership (herein called "Assignor") for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration in hand paid by Assignee, the receipt and sufficiency of which are hereby acknowledged, does hereby TRANSFER, ASSIGN, CONVEY, and DELIVER unto OASIS PIPELINE, LP, a Texas limited partnership (herein called "Assignee") all of its right, title, and interest in and to the contracts and agreements identified in the listing attached hereto as Exhibit "A".

As part of the consideration for this assignment, Assignee expressly assumes and agrees to be bound by all of the obligations imposed upon Assignor under the provisions of said contracts and agreements.

TO HAVE AND TO HOLD the same, together with all and singular all rights, interest and privileges in anywise belonging, unto the said OASIS PIPELINE, LP, its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in multiple originals on this the 10th day of January, 2011 but effective as of February 1, 2011.

TEXAS ENERGY TRANSFER COMPANY, LTD.
By: TETC, LLC, its general partner

By: *Mackie*
Name - *Mackie McCrea*
Title - *President*

"Assignee"

*POB JC
firm
VMS*

OASIS PIPELINE, LP
By: ETC OASIS GP, LLC, its general partner

By: *Mackie*
Name - *Mackie McCrea*
Title - *President*

"Assignor"

*POB JC
firm
VMS*

Exhibit "A"

Counterparty Name	Contract Type	Effective Date	Contract Number
City Public Service Board of San Antonio	NAESB	11/1/2009	880021



ENERGY TRANSFER

1201 Louisiana St., Suite 1200
Houston, TX 77002
energytransfer.com

October 30, 2009

VIA OVERNIGHT DELIVERY

City of San Antonio
c/o City Public Service Board
145 Navarro
San Antonio, Texas 78205

Attention: Gas Supply

Re: NAESB executed Agreement between City of San Antonio and Texas Energy Transfer Company, Ltd.

Ladies and Gentlemen:

Attached for your files are executed original copies of the referenced Agreement. If you have any questions, or if we can be of assistance please feel free to call me at (832) 668-1457.

Very truly yours,

Bob Walker
Sr. Paralegal

Exhibit D



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 12, 2021

CPS Trade #: (62083)

Trade Date: 02/12/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD
--	--

Contract Price: \$ 225.0 /MMBtu

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Delivery Point(s): 987357 HPL CPS Karnes

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>50,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	
subject to Section 4.2. at election of		
<input type="checkbox"/> Seller <input type="checkbox"/> Buyer		

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: <u>Manager, Gas Supply</u> Date: <u>Feb 12, 2021, 12:00 AM</u>
---	---

Contract Price: \$ 225.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 12, 2021

Revised

CPS Trade #: (62084)

Trade Date: 02/12/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD
--	--

Contract Price: \$ 150.0 /MMBtu

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Delivery Point(s): 987342 HSC Pool

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>10,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	

subject to Section 4.2. at election of

Seller Buyer

Special Conditions:



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Feb 12, 2021, 12:00 AM
---	---

Contract Price: \$ 150.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 12, 2021

Revised

CPS Trade #: (62085)

Trade Date: 02/12/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD
--	--

Contract Price: \$ 150.0 /MMBtu

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Delivery Point(s): 987342 HSC Pool

(Note: if a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<input type="checkbox"/> 10,000 MMBtus/Day	<input type="checkbox"/> 0.0 MMBtus/Day Minimum	Up to <input type="checkbox"/> 0.0 MMBtus/Day
<input type="checkbox"/> EFP	<input type="checkbox"/> 0.0 MMBtus/Day Maximum	

subject to Section 4.2. at election of

Seller Buyer

Special Conditions:



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Feb 12, 2021, 12:00 AM
---	---

Contract Price: \$ 150.0000 /MMBtu



**TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY**
February 12, 2021

CPS Trade #: (62086)

Trade Date: 02/12/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD
--	--

Contract Price: \$ 180.0 /MMBtu

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Delivery Point(s): 986780 Oasis Katy

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>10,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	

subject to Section 4.2. at election of

Seller Buyer

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>for Steve</i></u> Title: Manager, Gas Supply Date: Feb 12, 2021, 12:00 AM
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Contract Price: \$ 180.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 12, 2021

CPS Trade #: (62087)

Trade Date: 02/12/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD
--	--

Contract Price: \$ 180.0 /MMBtu

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Delivery Point(s): 986780 Oasis Katy

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>10,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	
subject to Section 4.2. at election of		
<input type="checkbox"/> Seller		<input type="checkbox"/> Buyer

Special Conditions:



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Feb 12, 2021, 12:00 AM
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Contract Price: \$ 180.0000 /MMBtu



**TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY**
February 23, 2021

CPS Trade #: (62323)

Trade Date: 02/23/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

<p>Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258</p> <p>Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:</p>	<p>Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205</p> <p>Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD</p>
---	--

Contract Price: \$ 500.0 /MMBtu

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Delivery Point(s): 987357 HPL CPS Karnes

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)		Firm (Variable Quantity)		Interruptible:	
<u>80,000</u>	MMBtus/Day	<u>0.0</u>	MMBtus/Day Minimum	Up to <u>0.0</u>	MMBtus/Day
<input type="checkbox"/>	EFP	<u>0.0</u>	MMBtus/Day Maximum		
subject to Section 4.2. at election of					
<input type="checkbox"/> Seller		<input type="checkbox"/> Buyer			

Special Conditions: _____



<p>Seller By: _____ Title: _____ Date: _____</p>	<p>Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Feb 23, 2021, 12:00 AM</p>
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Contract Price: \$ 500.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
March 1, 2021

CPS Trade #: (62417)

Trade Date: 02/24/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD
--	--

Contract Price: \$ 300.0 /MMBtu

Delivery Period: Begin: 02/18/2021 End: 02/18/2021

Delivery Point(s): 987357 HPL CPS Karnes

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>35,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	
<small>subject to Section 4.2. at election of</small>		
<input type="checkbox"/> Seller <input type="checkbox"/> Buyer		

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Mar 1, 2021, 12:00 AM
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Contract Price: \$ 300.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
March 1, 2021

CPS Trade #: (62453)

Trade Date: 02/25/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/12. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Houston Pipe Line Company LP 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract: 0202-GS-12-CPSFD
--	--

Contract Price: \$ 50.0 /MMBtu

Delivery Period: Begin: 02/19/2021 End: 02/19/2021

Delivery Point(s): 986780 Oasis Katy

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<input type="checkbox"/> 10,000 MMBtus/Day	<input type="checkbox"/> 0.0 MMBtus/Day Minimum	Up to <input type="checkbox"/> 0.0 MMBtus/Day
<input type="checkbox"/> EFP	<input type="checkbox"/> 0.0 MMBtus/Day Maximum	
<small>subject to Section 4.2. at election of</small>		
<input type="checkbox"/> Seller <input type="checkbox"/> Buyer		

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Mar 1, 2021, 12:00 AM
---	--

Contract Price: \$ 50.0000 /MMBtu

Exhibit

E



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 12, 2021

CPS Trade #: (62089)

Trade Date: 02/12/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:
--	---

Contract Price: \$ 225.0 /MMBtu

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Delivery Point(s): 1702-Oasis Rio Nogales

(Note: if a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>50,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	
subject to Section 4.2. at election of		
<input type="checkbox"/> Seller <input type="checkbox"/> Buyer		

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Feb 12, 2021, 12:00 AM
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Contract Price: \$ 225.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 12, 2021

CPS Trade #: (62090)

Trade Date: 02/12/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:
--	---

Contract Price: \$ 225.0 /MMBtu

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Delivery Point(s): 1483 Oasis North Gate

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>50,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	
subject to Section 4.2. at election of		
<input type="checkbox"/> Seller		<input type="checkbox"/> Buyer

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: <u>Manager, Gas Supply</u> Date: <u>Feb 12, 2021, 12:00 AM</u>
---	---

Contract Price: \$ 225.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 23, 2021

CPS Trade #: (62325)

Trade Date: 02/23/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:
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Contract Price: \$ 400.0 /MMBtu

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Delivery Point(s): 1702-Oasis Rio Nogales

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)		Firm (Variable Quantity)		Interruptible:	
<u>50,000</u>	MMBtus/Day	<u>0.0</u>	MMBtus/Day Minimum	Up to <u>0.0</u>	MMBtus/Day
<input type="checkbox"/> EFP		<u>0.0</u>	MMBtus/Day Maximum		
subject to Section 4.2 at election of					
<input type="checkbox"/> Seller		<input type="checkbox"/> Buyer			

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: <u>Manager, Gas Supply</u> Date: <u>Feb 23, 2021, 12:00 AM</u>
---	---

Contract Price: \$ 400.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 23, 2021

CPS Trade #: (62326)

Trade Date: 02/23/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:
--	---

Contract Price: \$ 400.0 /MMBtu

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Delivery Point(s): 1483 Oasis North Gate

(Note: if a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>25,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	

subject to Section 4.2. at election of

Seller Buyer

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Feb 23, 2021, 12:00 AM
---	---

Contract Price: \$ 400.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
February 23, 2021

CPS Trade #: (62327 _____)

Trade Date: 02/23/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:
--	---

Contract Price: \$ 500.0 /MMBtu

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Delivery Point(s): 1483 Oasis North Gate

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
50,000 MMBtus/Day	0.0 MMBtus/Day Minimum	Up to 0.0 MMBtus/Day
<input type="checkbox"/> EFP	0.0 MMBtus/Day Maximum	
subject to Section 4.2. at election of		
<input type="checkbox"/> Seller <input type="checkbox"/> Buyer		

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <i>[Signature]</i> Title: Manager, Gas Supply Date: Feb 23, 2021, 12:00 AM
---	--

Contract Price: \$ 500.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
March 1, 2021

CPS Trade #: (62419)

Trade Date: 02/24/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

<p>Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258</p> <p>Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:</p>	<p>Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205</p> <p>Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:</p>
---	---

Contract Price: \$ 300.0 /MMBtu

Delivery Period: Begin: 02/18/2021 End: 02/18/2021

Delivery Point(s): 1702-Oasis Rio Nogales

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<input type="checkbox"/> 50,000 MMBtus/Day	<input type="checkbox"/> 0.0 MMBtus/Day Minimum	Up to <input type="checkbox"/> 0.0 MMBtus/Day
<input type="checkbox"/> EFP	<input type="checkbox"/> 0.0 MMBtus/Day Maximum	
<small>subject to Section 4.2. at election of</small>		
<input type="checkbox"/> Seller	<input type="checkbox"/> Buyer	

Special Conditions: _____



<p>Seller By: _____ Title: _____ Date: _____</p>	<p>Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Mar 1, 2021, 12:00 AM</p>
---	--

Contract Price: \$ 300.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
March 1, 2021

CPS Trade #: (62420)

Trade Date: 02/24/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

<p>Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258</p> <p>Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:</p>	<p>Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205</p> <p>Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:</p>
---	---

Contract Price: \$ 300.0 /MMBtu

Delivery Period: Begin: 02/18/2021 End: 02/18/2021

Delivery Point(s): 1483 Oasis North Gate

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<input type="checkbox"/> 75,000 MMBtus/Day	<input type="checkbox"/> 0.0 MMBtus/Day Minimum	Up to <input type="checkbox"/> 0.0 MMBtus/Day
<input type="checkbox"/> EFP	<input type="checkbox"/> 0.0 MMBtus/Day Maximum	
<small>subject to Section 4.2. at election of</small>		
<input type="checkbox"/> Seller <input type="checkbox"/> Buyer		

Special Conditions: _____



<p>Seller By: _____ Title: _____ Date: _____</p>	<p>Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Mar 1, 2021, 12:00 AM</p>
---	--

Contract Price: \$ 300.0000 /MMBtu



TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY
March 1, 2021

CPS Trade #: (62454)

Trade Date: 02/25/2021

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated Missing Data The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller Oasis Pipeline, L.P. 800 E. Sonterra Blvd. Suite 400 San Antonio, Texas 78258 Attn: Jennifer Merritt Phone: 210-870-2749 Facsimile: 713-989-1215 Base Contract:	Buyer City of San Antonio, Texas Acting By And Through The City Public Service Board 145 Navarro, 4th Floor San Antonio, TX 78205 Attn: Bruce Bordovsky Phone: 210-353-2707 Facsimile: 210-353-4632 Base Contract:
--	---

Contract Price: \$ 75.0 /MMBtu

Delivery Period: Begin: 02/19/2021 End: 02/19/2021

Delivery Point(s): 1702-Oasis Rio Nogales

(Note: If a pooling point is used, list a specific geographic and pipeline location)

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity)	Firm (Variable Quantity)	Interruptible:
<u>75,000</u> MMBtus/Day	<u>0.0</u> MMBtus/Day Minimum	Up to <u>0.0</u> MMBtus/Day
<input type="checkbox"/> EFP	<u>0.0</u> MMBtus/Day Maximum	
subject to Section 4.2. at election of		
<input type="checkbox"/> Seller	<input type="checkbox"/> Buyer	

Special Conditions: _____



Seller By: _____ Title: _____ Date: _____	Buyer By: <u><i>[Signature]</i></u> Title: Manager, Gas Supply Date: Mar 1, 2021, 12:00 AM
---	--

Contract Price: \$ 75.0000 /MMBtu

Exhibit

F

<u>Effective Date</u>	<u>Counterparty</u>	<u>Original Purchase</u>		<u>Total Contract</u>		<u>Max Lawful</u>	<u>Total Lawful</u>		<u>Unlawful Charges</u>
		<u>Qty</u>	<u>Allocated Qty</u>	<u>Contract Price</u>	<u>Charges</u>	<u>Price</u>	<u>Charges</u>		
2/11/2021	Houston Pipeline	50,000	50,000	\$ 14.00	\$ 700,000.00	-	\$ 700,000.00	\$ -	
2/11/2021	Houston Pipeline	50,000	50,002	\$ 30.00	\$ 1,500,060.00	-	\$ 1,500,060.00	\$ -	
2/13/2021	Houston Pipeline	10,000	10,000	\$ 150.00	\$ 1,500,000.000	\$ 38.83	\$ 388,300.00	\$ 1,111,700.00	
2/13/2021	Houston Pipeline	10,000	10,000	\$ 150.00	\$ 1,500,000.000	\$ 38.83	\$ 388,300.00	\$ 1,111,700.00	
2/13/2021	Houston Pipeline	50,000	48,659	\$ 225.00	\$ 10,948,275.000	\$ 38.83	\$ 1,889,428.97	\$ 9,058,846.03	
2/13/2021	Houston Pipeline	10,000	10,000	\$ 180.00	\$ 1,800,000.000	\$ 38.83	\$ 388,300.00	\$ 1,411,700.00	
2/13/2021	Houston Pipeline	10,000	10,000	\$ 180.00	\$ 1,800,000.000	\$ 38.83	\$ 388,300.00	\$ 1,411,700.00	
2/14/2021	Houston Pipeline	10,000	10,000	\$ 150.00	\$ 1,500,000.000	\$ 38.83	\$ 388,300.00	\$ 1,111,700.00	
2/14/2021	Houston Pipeline	10,000	10,000	\$ 150.00	\$ 1,500,000.000	\$ 38.83	\$ 388,300.00	\$ 1,111,700.00	
2/14/2021	Houston Pipeline	50,000	47,678	\$ 225.00	\$ 10,727,550.000	\$ 38.83	\$ 1,851,336.74	\$ 8,876,213.26	
2/14/2021	Houston Pipeline	10,000	10,000	\$ 180.00	\$ 1,800,000.000	\$ 38.83	\$ 388,300.00	\$ 1,411,700.00	
2/14/2021	Houston Pipeline	10,000	10,000	\$ 180.00	\$ 1,800,000.000	\$ 38.83	\$ 388,300.00	\$ 1,411,700.00	
2/15/2021	Houston Pipeline	10,000	10,000	\$ 150.00	\$ 1,500,000.000	\$ 38.83	\$ 388,300.00	\$ 1,111,700.00	
2/15/2021	Houston Pipeline	10,000	8,467	\$ 150.00	\$ 1,270,050.000	\$ 38.83	\$ 328,773.61	\$ 941,276.39	
2/15/2021	Houston Pipeline	50,000	39,217	\$ 225.00	\$ 8,823,825.000	\$ 38.83	\$ 1,522,796.11	\$ 7,301,028.89	
2/15/2021	Houston Pipeline	10,000	6,427	\$ 180.00	\$ 1,156,860.000	\$ 38.83	\$ 249,560.41	\$ 907,299.59	
2/15/2021	Houston Pipeline	10,000	10,000	\$ 180.00	\$ 1,800,000.000	\$ 38.83	\$ 388,300.00	\$ 1,411,700.00	
2/16/2021	Houston Pipeline	10,000	10,000	\$ 150.00	\$ 1,500,000.000	\$ 38.83	\$ 388,300.00	\$ 1,111,700.00	
2/16/2021	Houston Pipeline	10,000	10,000	\$ 150.00	\$ 1,500,000.000	\$ 38.83	\$ 388,300.00	\$ 1,111,700.00	
2/16/2021	Houston Pipeline	50,000	34,474	\$ 225.00	\$ 7,756,650.000	\$ 38.83	\$ 1,338,625.42	\$ 6,418,024.58	
2/16/2021	Houston Pipeline	10,000	10,000	\$ 180.00	\$ 1,800,000.000	\$ 38.83	\$ 388,300.00	\$ 1,411,700.00	
2/16/2021	Houston Pipeline	10,000	10,000	\$ 180.00	\$ 1,800,000.000	\$ 38.83	\$ 388,300.00	\$ 1,411,700.00	
2/17/2021	Houston Pipeline	80,000	79,644	\$ 500.00	\$ 39,822,000.000	\$ 38.83	\$ 3,092,576.52	\$ 36,729,423.48	
2/18/2021	Houston Pipeline	35,000	34,946	\$ 300.00	\$ 10,483,800.000	\$ 38.83	\$ 1,356,953.18	\$ 9,126,846.82	
2/19/2021	Houston Pipeline	10,000	10,000	\$ 50.00	\$ 500,000.000	\$ 38.83	\$ 388,300.00	\$ 111,700.00	
		<u>585,000</u>	<u>549,514</u>	<u>\$ 116,789,070.00</u>			<u>\$ 19,654,610.96</u>	<u>\$ 97,134,459.04</u>	

Effective Date	Counterparty	Original Purchase		Total Contract		Max Lawful	Total Lawful		Unlawful Charges
		Qty	Allocated Qty	Contract Price	Charges	Price	Charges		
2/5/2021	Oasis Pipeline, LP	10,000	10,000	\$ 2.75	\$ 27,500.00	-	\$ 27,500.00	\$ -	
2/11/2021	Oasis Pipeline, LP	50,000	50,000	\$ 4.60	\$ 230,000.00	-	\$ 230,000.00	\$ -	
2/11/2021	Oasis Pipeline, LP	14,760	14,760	\$ 4.25	\$ 62,730.00	-	\$ 62,730.00	\$ -	
2/11/2021	Oasis Pipeline, LP	30,240	30,240	\$ 4.25	\$ 128,520.00	-	\$ 128,520.00	\$ -	
2/11/2021	Oasis Pipeline, LP	40,000	40,000	\$ 12.00	\$ 480,000.00	-	\$ 480,000.00	\$ -	
2/11/2021	Oasis Pipeline, LP	50,000	49,608	\$ 13.00	\$ 644,904.00	-	\$ 644,904.00	\$ -	
2/12/2021	Oasis Pipeline, LP	30,960	30,960	\$ 12.14	\$ 375,699.60	-	\$ 375,699.60	\$ -	
2/12/2021	Oasis Pipeline, LP	49,040	49,040	\$ 12.14	\$ 595,100.40	-	\$ 595,100.40	\$ -	
2/12/2021	Oasis Pipeline, LP	50,000	50,833	\$ 15.00	\$ 762,495.00	-	\$ 762,495.00	\$ -	
2/12/2021	Oasis Pipeline, LP	50,000	50,000	\$ 15.00	\$ 750,000.00	-	\$ 750,000.00	\$ -	
2/13/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/13/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/14/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/14/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/15/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/15/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/16/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/16/2021	Oasis Pipeline, LP	50,000	50,000	\$ 225.00	\$ 11,250,000.00	\$ 38.83	\$ 1,941,500.00	\$ 9,308,500.00	
2/17/2021	Oasis Pipeline, LP	25,000	25,000	\$ 400.00	\$ 10,000,000.00	\$ 38.83	\$ 970,750.00	\$ 9,029,250.00	
2/17/2021	Oasis Pipeline, LP	50,000	49,474	\$ 500.00	\$ 24,737,000.00	\$ 38.83	\$ 1,921,075.42	\$ 22,815,924.58	
2/17/2021	Oasis Pipeline, LP	50,000	50,000	\$ 400.00	\$ 20,000,000.00	\$ 38.83	\$ 1,941,500.00	\$ 18,058,500.00	
2/18/2021	Oasis Pipeline, LP	75,000	75,232	\$ 300.00	\$ 22,569,600.00	\$ 38.83	\$ 2,921,258.56	\$ 19,648,341.44	
2/18/2021	Oasis Pipeline, LP	50,000	50,000	\$ 300.00	\$ 15,000,000.00	\$ 38.83	\$ 1,941,500.00	\$ 13,058,500.00	
2/19/2021	Oasis Pipeline, LP	75,000	74,906	\$ 75.00	\$ 5,617,950.00	\$ 38.83	\$ 2,908,599.98	\$ 2,709,350.02	
2/24/2021	Oasis Pipeline, LP	40,000	40,000	\$ 2.55	\$ 102,000.00	-	\$ 102,000.00	\$ -	
		<u>1,140,000</u>	<u>1,140,053</u>				<u>\$ 32,295,632.96</u>	<u>\$ 159,787,866.04</u>	

Invoiced Amt. (Rcvd 3/16/21) \$ 192,018,904.00
Difference¹ \$ 64,595.00

Volume Differences¹:

- 2/12 -- Oasis Northgate volume correction to reflect excess volume received on supply side
- 2/17 -- Oasis Northgate allocation correction between day ahead volume and intraday package
- 2/18 -- Oasis Northgate volume correction to reflect purchase nomination for this day