

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION
SERVICE UNDER FT-1 RATE SCHEDULE

THIS AGREEMENT is made this ____ day of _____, _____, between Discovery Gas Transmission LLC, a Delaware limited liability company, hereinafter referred to as "Transporter", and _____, a _____, hereinafter referred to as "Shipper".

ARTICLE I

1. GAS TO BE TRANSPORTED

- 1.1 Subject to the terms and provisions of this Service Agreement and Transporter's FT-1 Rate Schedule, Transporter agrees to accept such quantities of Gas as Shipper may cause to be tendered to Transporter at: (i) the Primary Receipt Point(s), designated pursuant to Subsection 2.1 of Article II, (ii) any Primary Receipt Point(s) for quantities in excess of the MDQs for each Primary Receipt Point set forth in Exhibit A on the same priority basis as an Alternate Receipt Point, or (iii) any Alternate Receipt Point(s) nominated by Shipper, on any Day during the term of this Service Agreement; provided, however, that Transporter shall only be obligated to accept on any Day for Transportation hereunder that quantity of Gas Transporter determines it has Available Capacity to receive, transport, and deliver, and provided further that in no event shall Transporter be obligated to transport Gas on any Day in excess of the MDQs for any Primary Receipt Point or in excess of the MDRQ-Mainline or MDRQ-Expansion, as appropriate, set forth in Exhibit B.
- 1.2 If on any Day Transporter should determine that the remaining Transportation capacity of the Mainline Facilities or Expansion Facilities, as appropriate, on its System, after it has transported Gas for Shippers with superior rights to Transportation, is insufficient to transport all

quantities of Gas under similar Transportation agreements entitled to similar Transportation services, Transporter shall allocate the available Transportation capacity on the basis set forth in Section 6 of the General Terms and Conditions incorporated by reference in Transporter's FT- 1 Rate Schedule.

- 1.3 Subject to the terms and provisions of this Service Agreement and Transporter's FT-1 Rate Schedule, Transporter shall deliver for the account of Shipper and Shipper shall accept at: (i) the Primary Delivery Point(s) referenced in Subsection 2.2 of Article II, (ii) any Primary Delivery Point(s) for quantities in excess of the MDQs for each Primary Delivery Point set forth in Exhibit B on the same priority basis as an Alternate Delivery Point, or (iii) any Alternate Delivery Point(s) nominated by Shipper, an Equivalent Quantity of Gas, less appropriate reductions for Fuel, Lost and Unaccounted for Gas, to the total quantity of Gas received by Transporter for the account of Shipper at the Primary and Alternate Receipt Point(s) for Transportation hereunder; provided, however, that in no event shall Transporter be obligated to deliver Gas on any Day in excess of the MDQs for any Primary Delivery Point set forth in Exhibit B or in excess of Shipper's MDRQ-Mainline or MDRQ-Expansion, as appropriate, set forth in Exhibit B.

ARTICLE II

2. RECEIPT POINT(S), DELIVERY POINT(S) AND PRESSURES

- 2.1 The Primary Receipt Point(s) at which Shipper shall cause Gas to be tendered to Transporter for Transportation hereunder are described in Exhibit A to this Service Agreement. Other pertinent factors applicable to the Primary Receipt Point(s) are also set forth in Exhibit A. Alternate Receipt Point(s), at which Shipper may cause Gas to be tendered to Transporter for Transportation hereunder, shall include all Receipt Points along the Mainline Facilities or Expansion Facilities, as appropriate, of Transporter's System, subject to the availability of capacity at such Receipt Points.

- 2.2 The Primary Delivery Point(s) at which Transporter shall deliver Equivalent Quantities of Gas transported hereunder, after appropriate reductions for Fuel, Lost and Unaccounted for Gas, are described in Exhibit B to this Service Agreement. Other pertinent factors applicable to the Primary Delivery Point(s) are also set forth in Exhibit B. Alternate Delivery Point(s), at which Transporter may deliver Gas for the account of Shipper, shall include all Delivery Points along the Mainline Facilities or Expansion Facilities, as appropriate, of Transporter's System, subject to the availability of capacity at such Delivery Points.
- 2.3 Shipper shall cause Gas to be delivered to Transporter at Receipt Point(s) at a pressure sufficient to allow the Gas to enter Transporter's System as such pressure may vary from time to time and place to place. Transporter shall not be required to compress Gas in order to receive Gas into the Mainline Facilities or Expansion Facilities, as appropriate, of its System.
- 2.4 Transporter shall deliver Gas at each Delivery Point for the account of Shipper at the pressure which shall be available from time to time in the Mainline Facilities or Expansion Facilities, as appropriate, of Transporter's System.

ARTICLE III

3. RATE(S), FT-1 RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS
- 3.1 Unless Shipper and Transporter have agreed to a Negotiated Rate as set forth in Exhibit D, Shipper shall pay Transporter for services rendered hereunder in accordance with Transporter's FT-1 Rate Schedule, or superseding rate schedule(s), on file with and subject to the jurisdiction of the Commission and lawfully in effect from time to time. The following are the charges set forth in such FT-1 Rate Schedule which apply to service rendered under this Service Agreement:
- (List applicable charges by reference to Section 3 of FT-1 Rate Schedule)

- 3.2 Transporter shall have the right, from time to time, to file and to seek Commission approval, pursuant to Section 4 of the Natural Gas Act, or other relevant authority to change any rates, charges or provisions set forth in its FT-1 Rate Schedule or its General Terms and Conditions. Transporter shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Service Agreement shall be deemed to include such changes which become effective by operation of law or by Commission order, without prejudice to Shipper's right to protest the same.
- 3.3 This Service Agreement in all respects is subject to the provisions of Transporter's FT-1 Rate Schedule, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in such FT-1 Rate Schedule filed by Transporter with the Commission, all of which are by reference made a part hereof.
- 3.4 Any changes or additions to this Service Agreement are set forth in Exhibit C.

ARTICLE IV

4. REGULATORY REQUIREMENTS AND CONDITIONS PRECEDENT
- 4.1 The Transportation arrangements provided for in this Service Agreement are subject to the provisions of Part 284 of the Commission's regulations, as amended from time to time.
- 4.2 Transportation of Gas provided for under the terms and provisions of this Service Agreement shall not commence until the following conditions have been met:
- a. Any construction, acquisition, or expansion of facilities necessary to commence Transportation has been completed;

Issued by: L. Roberson, Vice President

Issued on: September 8, 1997

Effective on: November 10, 1997

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. CP96-712-000, issued February 27, 1997, 78 FERC ¶ 61,194

- b. Any certificate or regulatory authorization for the use of facilities necessary to commence Transportation has been obtained;
- c. Any force majeure event preventing Transporter from performing its obligations under this Service Agreement has been remedied; and
- d. Shipper satisfies Transporter's creditworthiness criteria in accordance with Section 10 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

5. TERM

- 5.1 This Service Agreement shall be effective _____.
- 5.2 After this Service Agreement becomes effective, it shall continue in full force and effect until _____.

ARTICLE VI

6. CANCELLATION OF PRIOR CONTRACTS

- 6.1 When this Service Agreement becomes effective, it supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto for the Transportation of Gas by Transporter for Shipper:

ARTICLE VII

7. NOTICES

7.1 Any formal notice, request or demand that either party gives to the other regarding this Service Agreement shall be in writing and shall be mailed by first class, registered or certified mail, or be delivered in hand, to the following address of the other party:

Transporter: Discovery Gas Transmission LLC

Shipper:

or to such other address as either party may designate by formal written notice. Routine communications may be sent by ordinary mail or by facsimile. Operational communications by telephone, facsimile or other mutually agreeable means will be considered as duly delivered without further written confirmation, unless specifically required otherwise by Transporter's FERC Gas Tariff.

7.2 Written nominations to schedule Transportation service hereunder shall be directed to Transporter's gas control department at the following facsimile number:

Discovery Gas Transmission LLC
Gas Control Dispatching Department
Telephone No.: _____
Facsimile No.: _____

7.3 Electronic transfer payments to Transporter shall be accompanied with the instructions "To Credit the Account of Discovery Gas Transmission LLC" and shall be sent to the following bank and account number:

(This Subsection 7.3 is to be completed indicating the Bank Name, Bank Address and Account Number)

7.4 Remittance detail supporting electronic transfer payments to Transporter and any notice, request or demand regarding statements, bills or payments shall be mailed to the following address:

Discovery Gas Transmission LLC

ARTICLE VIII

8. MISCELLANEOUS

8.1 Transporter and Shipper expressly agree that the laws of the State of Louisiana shall govern the validity, construction, interpretation and effect of this Service Agreement and of the General Terms and Conditions incorporated by reference in Transporter's FT-1 Rate Schedule.

8.2 Unless otherwise provided by the terms of a separate written agreement, all substances, whether or not of commercial value, including all liquid hydrocarbons or Condensates of whatever nature, that Transporter recovers in the course of transporting the quantities of Gas

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tendered hereunder by Shipper shall be Transporter's sole property and Transporter shall not be obligated to account to Shipper for any value, whether or not realized by Transporter, that may attach or be said to attach to such substances.

- 8.3 Exhibits A, B, C and D attached to this Service Agreement, are hereby incorporated by reference as part of this Service Agreement. The parties may amend Exhibits A, B, C and D by mutual agreement, which amendments shall be reflected in a revised Exhibit A, B, C or D and shall be incorporated by reference as part of this Service Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement in duplicate originals on the Day and Year first written above.

Discovery Gas Transmission LLC

By: _____
(Name)

Title: _____

(Shipper)

By: _____
(Name)

Title: _____

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 APPLICABLE TO FIRM TRANSPORTATION
 SERVICE UNDER FT-1 RATE SCHEDULE

EXHIBIT B

To The FT-1
 Transportation Service Agreement
 Dated _____
 Between Discovery Gas Transmission LLC
 And _____

Primary Delivery Points	Delivery Pressure(s) (PSIG)*	Maximum Daily Quantity (Dt)**	(%)
Mainline			
Texas Eastern	_____	_____	_____
Bridgeline	_____	_____	_____
Gulf South	_____	_____	_____
Larose Processing Plant	_____	_____	_____
_____	_____	_____	_____
Expansion			
Columbia Gulf	_____	_____	_____
Tennessee	_____	_____	_____
Transco ***	_____	_____	_____
_____	_____	_____	_____

Shipper's Maximum Daily Reservation Quantity (MDRQ-Mainline): _____

*Necessary pressure to deliver Gas from the Mainline Facilities or Expansion Facilities, as appropriate, on Transporter's System, not in excess of.

**Discovery's obligation to deliver Gas on the Mainline Facilities for a Shipper is net of any shrinkage of the Shipper's Gas as a result of the processing performed on the Gas prior to its delivery by Discovery.

***Subject to Transporter's lease of capacity from Texas Eastern Transmission, LP

Effective Date of this Exhibit B: _____

Supersedes Exhibit B Effective: _____

 (Shipper) Discovery Gas Transmission LLC

By: _____ By: _____
 (Name) (Name)

Title: _____ Title: _____

Date: _____ Date: _____

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EXHIBIT C

To The FT-1
Transportation Service Agreement
Dated _____
Between Discovery Gas Transmission LLC
And _____

Other Operating Provisions

Additional or Substitute Provisions

Effective Date of this Exhibit C: _____

Supersedes Exhibit C Effective: _____

(Shipper) Discovery Gas Transmission LLC

By: _____ By: _____
(Name) (Name)

Title: _____ Title: _____

Date: _____ Date: _____

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EXHIBIT D

To The FT-1
Transportation Service Agreement
Dated _____
Between Discovery Gas Transmission LLC
And _____

Negotiated Rate

Effective Period

Effective Date of this Exhibit D: _____

Supersedes Exhibit D Effective: _____

(Shipper) Discovery Gas Transmission LLC

By: _____ By: _____
(Name) (Name)

Title: _____ Title: _____

Date: _____ Date: _____