

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia)
Gas of Ohio, Inc. for Approval of an Ar-)
rangement with Citigroup Energy Inc. and)
Shell Energy North America (US), L.P. In-)
volving the Purchase of Natural Gas for PIPP)
Customers.)

Case No. 09-131-GA-UNC

APPLICATION OF COLUMBIA GAS OF OHIO, INC.

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Now comes the applicant, Columbia Gas of Ohio, Inc. ("Columbia" or "the Company"), and requests Commission authority to exclude a gas supply from the normal operation of the Commission's Gas Cost Recovery ("GCR") rules. This gas supply will be used to serve Columbia's Percentage of Income Payment Plan ("PIPP") customers.

In support of this application, Columbia represents to the Commission that:

1. Columbia is a public utility and a natural gas company subject to the jurisdiction of the Commission by virtue of the provisions of Revised Code § 4905.03(A)(6).
2. Columbia has initiated a statewide gas transportation program for its residential and small commercial customers, referred to as the Columbia Customer CHOICESM gas transportation program. The Commission in its Finding and Order dated June 18, 1998, in Case Nos. 98-593-GA-COI and 98-549-GA-ATA, approved that program. However, PIPP customers are not eligible to participate in the CHOICE[®] program, and therefore do not have the opportunity to benefit from the type of commodity cost competition that exists in that program.
3. In conjunction with the CHOICE[®] program, Columbia has aggregated all of its PIPP customers into a single pool, and let marketers bid on the right to provide the gas supply for the pool. Columbia specified that all marketer bids had to reflect the sale of gas to Columbia at a price equal to a defined index for gas, plus firm transportation commodity and demand charges calculated at a 100% load factor, adjusted for pipeline shrinkage, less a Supplier Bid Credit. PIPP customers would then be charged Columbia's Expected Gas Cost ("EGC") less the Supplier Bid Credit, instead of Columbia's EGC. This ensures that Columbia's PIPP customers benefit from

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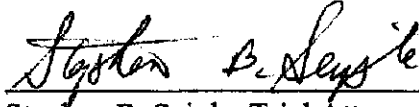
competition in the gas commodity marketplace, in a fashion similar to that of non-PIPP customers participating in the CHOICE[®] program.

4. As a result of an auction process conducted February 12, 2009, with the assistance of World Energy Solutions, Inc., Columbia has entered into a contract with Citigroup Energy Inc. ("Citigroup") and with Shell Energy North America (US), L.P. ("Shell") to supply gas commodity for Columbia's PIPP customers for the twelve-month period ending March 31, 2010. The two contracts are attached as Exhibit A and Exhibit B, and both include a "regulatory-out clause," as required by the Commission in the aforementioned Finding and Order of June 18, 1998.

5. Under the normal operation of the Commission's rules PIPP customers would not realize the potential benefit of commodity cost competition within the CHOICE[®] program, while non-PIPP customers are permitted to take advantage of such competition. Therefore, Columbia hereby requests that the Commission permit Columbia to bill PIPP customers Columbia's EGC less the Supplier Bid Credit instead of Columbia's EGC, thereby enabling PIPP customers to benefit from competition in the gas commodity marketplace. PIPP customers are no longer subject to Columbia's refund adjustment, actual adjustment, and balance adjustment. Because there are two supplier contracts this year, the Supplier Bid Credit shall be the weighted average credit from each of the two supplier contracts.

WHEREFORE, Columbia respectfully requests that it be permitted to bill PIPP customers Columbia's average EGC less the Supplier Bid Credit.

Respectfully submitted by
COLUMBIA GAS OF OHIO, INC.

A handwritten signature in cursive script, reading "Stephen B. Seiple", is written over a horizontal line.

Stephen B. Seiple, Trial Attorney

Stephen B. Seiple, Assistant General Counsel
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Attorneys for Applicant
COLUMBIA GAS OF OHIO, INC.

EXHIBIT A

PIPP SUPPLIER AGREEMENT

EXHIBIT A

Transaction Confirmation

Transaction Confirmation Date: February 13, 2009
 Seller's Transaction Confirmation #: 2554299

Buyer's Transaction Confirmation #:

This Transaction Confirmation is subject to the Base Contract for Sale and Purchase of Natural Gas entered into between Seller and Buyer, dated October 1, 2007. Furthermore, for this Transaction Confirmation only, the following Special Conditions described herein shall be deemed as incorporated into the Base Contract between Buyer and Seller dated October 1, 2007. All other provisions of the Base Contract dated October 1, 2007 shall remain in full force and effect as written.

SELLER:

Citigroup Energy Inc.
 2800 Post Oak Boulevard, Suite 500
 Houston, TX 77056
 Attn: David Selbst
 Phone: 713-693-6832
 Fax: 713-752-5208
 Email Address for Notifications:

David_r.selbst@citi.com

BUYER:

Columbia Gas of Ohio, Inc.
 200 Civic Center Drive
 Columbus, OH 43215
 Attn: Manager, Energy Trading
 Phone: 614-460-5227
 Fax: 614-460-6442
 Email Address for Notifications:

Traders@Nisource.com

Contract Price: Monthly Index as described in the Special Conditions, herein.

Delivery Period: Begin: April 1, 2009
 End: March 31, 2010

Contract Quantity: 22,500 MMBtu/Day

Performance Obligation: Firm

Delivery Point(s): Seller's Interruptible Paper Pool (IPP) on Columbia Gas Transmission Corporation (TCO).

Special Conditions:Definitions

"Agreed Index" shall mean the index price as published for the first of the month *Platts Inside FERC's Gas Market Report*, under the heading "prices of Spot Gas Delivered to Pipelines" for "Columbia Gulf Transmission Co., Mainline". In the event that the Agreed Index ceases to be published, then Seller and Buyer shall select a replacement index by mutual agreement. If Seller and Buyer are unable to agree on a replacement index, the selection of a replacement index shall be resolved through arbitration.

Pricing Provisions

For the quantities actually delivered each month hereunder, Buyer will pay Seller a commodity price equal to the price reported in the Agreed Index for each month, plus 100% load factor (LF) costs on Columbia Gulf Transmission Company (Columbia Gulf) mainline (FTS-1), less a Supplier Bid Credit of \$0.0103/MMBtu.

The Contract Price shall be calculated as follows:

Contract Price = [Agreed Index / (1 - FTS-1 Fuel)] + FTS-1 Commodity + 100% LF FTS-1 Demand - Supplier Bid Credit of \$0.0103/MMBtu.

Pricing Provisions (Continued)

Buyer shall at all times have the right to offset the amount paid to Seller by any debts owed to Buyer by Seller.

Operational Orders

Buyer shall have the right to reduce the receipt of Seller's gas deliveries on days when Buyer has also issued an Operational Flow Order or Operational Matching Order for its on-system transportation services.

Regulation

The parties recognize that the PIPP Customer Supply program is subject to the approval of the Public Utilities Commission of Ohio ("PUCO") and the parties agree to use their best efforts to obtain any necessary approvals from the PUCO. If the PUCO does not approve this program, this Transaction Confirmation shall be considered null and void. If the PUCO modifies the program in a manner unacceptable to either party, such party may terminate the Transaction Confirmation upon five (5) business days written notice to the other party.

Buyer: Columbia Gas of Ohio, Inc.

By: Scott D. Phelps

Printed: Scott D. Phelps

Title: Director, Gas Management Services

Date: 2/19/2009

Seller: Citigroup Energy Inc.

By: Dale Newner

Printed: DALE NEWNER

Title: DIRECTOR

Date: 2-18-2009

Approved as to form 2/19/09
TMK

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: October 1, 2007. The parties to this Base Contract are the following:

Columbia Gas of Ohio, Inc. ("NiSource LDC")

200 Civic Center Drive, Columbus, Ohio 43215

Duns Number: 004773586

Contract Number:

U.S. Federal Tax ID Number: 31-0673990

Notices:

200 Civic Center Drive, Columbus, Ohio 43215

Attn: Manager, Contracts and Scheduling

Phone: (614) 460-4996

Fax: (614) 480-6442

Confirmations:

200 Civic Center Drive, Columbus, Ohio 43215

Attn: Manager, Energy Trading

Phone: (614) 460-6227

Fax: (614) 480-6442

Invoices and Payments:

200 Civic Center Drive, Columbus, Ohio 43215

Attn: Manager, Gas Purchase Services

Phone: (614) 460-6225

Fax: (614) 460-6442

Wire Transfer or ACH Numbers (if applicable):

BANK: PNC BANK, Pittsburgh, PA

ABA: 043000096

ACCT: 1008985232

Other Details: Columbia Gas of Ohio, Inc.

and **Citigroup Energy Inc., a corporation organized under the laws of the State of Delaware ("CEI")**

2800 Post Oak Boulevard, Suite 500, Houston, TX 77056

Duns Number: 14-518-4631

Contract Number:

U.S. Federal Tax ID Number: 27-0069674

2800 Post Oak Boulevard, Suite 500, Houston, TX 77056

Attn: Commodity Operations Group

Phone: (713) 752-5407

Fax: (646) 291-3383

2800 Post Oak Boulevard, Suite 500, Houston, TX 77056

Attn: Commodity Operations Group

Phone: (713) 752-5418

Fax: (646) 291-3383

Email: ceiconfirms@citigroup.com

2800 Post Oak Boulevard, Suite 500, Houston, TX 77056

Attn: Commodity Operations Group

Phone: (713) 752-5417

Fax: (646) 291-3381

Email: ceisettlements@citigroup.com

BANK: CITIUS33

ABA: 021000089

ACCT: 3056-9329

Other Details:


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:

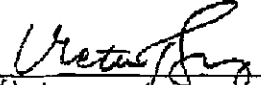
Section 1.2 Transaction Procedure <input checked="" type="checkbox"/> Oral (default) <input type="checkbox"/> Written	Section 7.2 Payment Date <input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) <input type="checkbox"/> Day of Month following Month of delivery
Section 2.5 Confirm Deadline <input type="checkbox"/> 2 Business Days after receipt (default) <input checked="" type="checkbox"/> 5 Business Days after receipt	Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input checked="" type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check
Section 2.6 Confirming Party <input type="checkbox"/> Seller (default) <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> NiSource LDC	Section 7.7 Netting <input type="checkbox"/> Netting applies (default) <input checked="" type="checkbox"/> Netting does not apply
Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) <input type="checkbox"/> Spot Price Standard	Section 10.3.1 Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) <input type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding. Section 2.26 Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) <input type="checkbox"/>	Section 10.3.2 Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) <input type="checkbox"/> Seller Pays Before and At Delivery Point	Section 14.5 Choice Of Law New York
<input checked="" type="checkbox"/> Special Provisions Number of sheets attached: four <input type="checkbox"/> Addendum(s):	Section 14.10 Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) <input type="checkbox"/> Confidentiality does not apply

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

COLUMBIA GAS OF OHIO, INC.

CITIGROUP ENERGY INC.

By 
 Name: Michael D. Watson
 Title: Vice President, Energy Supply Services

By 
 Name: Victoria T. Sharp
 Title: Director

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 or interruption of 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 or 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

<p align="center">Letterhead/Logo</p>	<p>Date: _____</p> <p>Transaction Confirmation #: _____</p>			
<p>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.</p>				
<p>SELLER:</p> <p>_____</p> <p>_____</p> <p>Attn: _____</p> <p>Phone: _____</p> <p>Fax: _____</p> <p>Base Contract No. _____</p> <p>Transporter: _____</p> <p>Transporter Contract Number: _____</p>	<p>BUYER:</p> <p>_____</p> <p>_____</p> <p>Attn: _____</p> <p>Phone: _____</p> <p>Fax: _____</p> <p>Base Contract No. _____</p> <p>Transporter: _____</p> <p>Transporter Contract Number: _____</p>			
<p>Contract Price: \$ _____ /MMBtu or _____</p>				
<p>Delivery Period: Begin: _____ End: _____</p>				
<p>Performance Obligation and Contract Quantity: (Select One)</p> <table style="width:100%;"> <tr> <td style="width:33%; vertical-align: top;"> <p>Firm (Fixed Quantity):</p> <p>_____ MMBtus/day</p> <p><input type="checkbox"/> ERP</p> </td> <td style="width:33%; vertical-align: top;"> <p>Firm (Variable Quantity):</p> <p>_____ MMBtus/day Minimum</p> <p>_____ MMBtus/day Maximum</p> <p>subject to Section 4.2, at election of</p> <p><input type="checkbox"/> Buyer or <input type="checkbox"/> Seller</p> </td> <td style="width:33%; vertical-align: top;"> <p>Interruptible:</p> <p>Up to _____ MMBtus/day</p> </td> </tr> </table>		<p>Firm (Fixed Quantity):</p> <p>_____ MMBtus/day</p> <p><input type="checkbox"/> ERP</p>	<p>Firm (Variable Quantity):</p> <p>_____ MMBtus/day Minimum</p> <p>_____ MMBtus/day Maximum</p> <p>subject to Section 4.2, at election of</p> <p><input type="checkbox"/> Buyer or <input type="checkbox"/> Seller</p>	<p>Interruptible:</p> <p>Up to _____ MMBtus/day</p>
<p>Firm (Fixed Quantity):</p> <p>_____ MMBtus/day</p> <p><input type="checkbox"/> ERP</p>	<p>Firm (Variable Quantity):</p> <p>_____ MMBtus/day Minimum</p> <p>_____ MMBtus/day Maximum</p> <p>subject to Section 4.2, at election of</p> <p><input type="checkbox"/> Buyer or <input type="checkbox"/> Seller</p>	<p>Interruptible:</p> <p>Up to _____ MMBtus/day</p>		
<p>Delivery Point(s): _____</p> <p>(If a pooling point is used, list a specific geographic and pipeline location):</p>				
<p>Special Conditions:</p>				
<p>Seller: _____</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>Buyer: _____</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>			

Special Provisions ("Special Provisions") attached to and forming a part of that certain Base Contract for Sale and Purchase of Natural Gas dated October 1, 2007 (the "Base Contract") by and between: Columbia Gas of Ohio, Inc. ("NiSource LDC") and Citigroup Energy Inc. ("Counterparty").

Capitalized terms used in these Special Provisions shall have the meanings ascribed to them in the Base Contract. Section references in these Special Provisions refer to a Section of the General Terms and Conditions of the Base Contract, unless stated otherwise. In the event of a conflict among the terms of the Base Contract or the General Terms and Conditions and these Special Provisions, the terms of these Special Provisions shall govern in priority.

SECTION 1. PURPOSES AND PROCEDURES

The following language shall be added after Section 1.1 as Section 1.1.1:

"Purchase and sale transactions pursuant to the terms of this Contract may include exchanges in which the performance obligations of each Party include both receiving and delivering gas as specified in the effectuating Transaction Confirmation. For purposes of an exchange transaction, when a party is receiving gas, it is the Buyer and when a Party is delivering Gas, it is the Seller under the terms of this Contract. For purposes of Sections 2.8, 2.23, 7 and other provisions related to payment obligations under this Contract, the party owing money pursuant to the terms of the Transaction Confirmation is the Buyer and the party that is owed money pursuant to the terms of the Transaction Confirmation is the Seller."

Section 1.4 shall be amended as follows:

Delete the 3rd and 4th sentences and replace with the following language:

"When the parties have selected the Oral Transaction procedure in Section 1.2 of the Base Contract, (i) each party consents to the recordings of its representatives' telephone conversations with respect to the Base Contract or any transaction without further notice; (ii) the parties agree and recognize that in some instances purchases and sales may be facilitated through brokers and recorded; and (iii) neither party will object to the introduction of recordings into evidence based on such evidence being a recording. To the extent that one party records telephone conversations ("the Recording Party") and the other party does not ("the Non-Recording Party"), the Recording Party shall, in the event of any dispute, make a complete and unedited copy of such party's tape of the entire day's conversations with the Non-Recording Party's personnel available to the Non-Recording Party. The Recording Party will retain tapes for a consistent period of time in accordance with the Recording Party's policy unless one party notifies the other that a particular Transaction is under review and warrants further retention.

FURTHER, WHEN THE PARTIES HAVE SELECTED THE ORAL TRANSACTION PROCEDURE IN SECTION 1.2 OF THE BASE CONTRACT, BOTH PARTIES WAIVE OBJECTIONS BASED ON THE STATUTE OF FRAUDS, THE PAROL EVIDENCE RULE, OR SIMILAR EVIDENTIARY RULES, WHEN RECORDED CONVERSATIONS ARE INTRODUCED INTO EVIDENCE (i) TO PROVE A CONTRACT OR (ii) TO PROVE THE AUTHORITY OF REPRESENTATIVES (ACTUAL OR APPARENT) TO ENTER INTO THE BINDING TRANSACTIONS CONTEMPLATED HEREIN. HOWEVER, BOTH PARTIES RESERVE THE RIGHT TO OBJECT BASED ON ANY APPLICABLE RULE TO RECORDED CONVERSATIONS SUBMITTED FOR OTHER PURPOSES."

SECTION 2. DEFINITIONS

Section 2.11 shall be deleted in its entirety and the following substituted in lieu thereof:

"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 guaranty, or other good and sufficient security of a continuing nature. The issuer of any such security and/or the guarantor must be acceptable to the other party at its sole discretion. The other party agrees to act in a reasonable manner in evaluating such issuer and/or guarantor."

Section 2.21 shall be amended by adding the following parenthetical to the end of the sentence: ("Dth").

The following Section shall be added:

2.30 "Specified Transaction" shall mean (a) any transaction, other than transactions entered into under this Base Contract (including an agreement with respect thereto) now existing or hereafter entered into between the parties to this Base Contract, which shall include, but not be limited to, a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, cap transaction, floor transaction, collar transaction, weather derivative, capacity release, aggregation service, gathering service, transportation service, park and loan or other services or transactions provided pursuant to a regulated tariff, an agreement for the purchase, sale or transfer of any Commodity or any other commodity trading transaction, or any similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions, or (c) any other financial arrangement not specified in (a) or (b) above. For this purpose, the term "Commodity" means any tangible or intangible commodity of any type or description (including, without limitation, natural gas, and byproducts thereof).

SECTION 3. PERFORMANCE OBLIGATION

The following language shall be added to the Cover Standard in line 10 of Section 3.2 after the phrase "and no such replacement or sale is available" in (ii):

"or the non-breaching party elects, at its sole option not to replace Gas or sell Gas,"

The following Section shall be added as Section 3.5:

"In addition, for so long as non-performance is continuing, the Performing Party may, upon one (1) Business Day notice, suspend its performance under any or all transactions between the parties for the purchase and sale of Gas."

SECTION 6. TAXES

Section 6 is hereby amended by the addition of the following paragraph:

"Within ten (10) Business Days of the receipt of a written request by one party from the other party, such party shall provide to the other party such certificates, documents or other evidence sufficient to confirm the exemption from liability for any Taxes by such party for each jurisdiction in which the purchase, sale and/or delivery of any Gas takes place or is to take place under this Contract, such that the other party will bear no obligation in relation to the purchase, sale and/or delivery of any Gas for charging, collecting and/or remitting to any local, municipal, state or federal authority or agency any Taxes for which such party hereunder is otherwise exempt."

SECTION 7. BILLING, PAYMENT AND AUDIT

The following Sections shall be added:

7.8 Netting shall not apply to any accelerated payment obligation under Section 7.3; provided, however, that the party due payment under an accelerated payment invoice may net all sums due thereunder against any amounts payable by it when making payments under Section 7. Notwithstanding Section 7.2 and 7.4, the Non-Performing Party shall pay as invoiced any undisputed amounts regarding any payment required to be made under Section 7.3; however, any payments on disputed amounts shall not be made until such dispute is resolved between the parties with interest at the rate provided in Section 7.5 in the event that the dispute is resolved in favor of the Non-Performing Party.

7.9 Notwithstanding Section 7.2, if the Non-Performing Party fails to pay the accelerated payment invoice within five (5) Business Days pursuant to Section 7.3, then, while the non-performance is continuing, the Non-Defaulting Party may declare an Early Termination Date with respect to the applicable transaction in accordance with the provisions of Section 10.3. The failure of the Non-Defaulting Party to exercise any of the remedies in this Section 7.9 shall not constitute a waiver of the non-performance or any other rights or remedies of the Non-Defaulting Party in connection therewith.

SECTION 10. FINANCIAL RESPONSIBILITY:

Section 10.1 shall be deleted in its entirety and the following substituted in lieu thereof:

"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, a guaranty, or other acceptable forms. The

issuer of any such security and/or the guarantor must also be acceptable to X at its sole discretion. X agrees to act in a reasonable manner in evaluating such issuer and/or guarantor."

Section 10.2 is amended by the addition of items (ix), (x), and (xi) 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) be in default under any Specified Transaction between the parties; (x) 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 Base 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, (xi) have any representation or warranty made or repeated or deemed made or repeated by a party or its guarantor, in this Contract or any document or guaranty provided in connection herewith, determined to have been false, incorrect or intentionally misleading in any material respect when made or deemed to have been made or repeated"

SECTION 12. TERM

Section 12 is amended by deleting the second sentence and replacing it with the following: "The rights of either party pursuant to: (i) Section 7.6, (ii) Section 13, (iii) Section 14.10, (iv) Waiver of Jury Trial provisions (if applicable), (v) the obligations to make payment hereunder, and (vi) the obligation of either party to indemnify the other pursuant hereto, shall survive the termination of the Base Contract or any transaction."

SECTION 14. MISCELLANEOUS:

Section 14.1 is hereby deleted in its entirety and replaced with the following:

"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 the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements or (ii) transfer or assign this Contract to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such 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; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring party delivers such tax and enforceability assurance as the non-transferring party may reasonably request."

Section 14.5 is hereby amended by the addition of the following:

"With respect to any suit, action or proceedings (a "Proceeding") relating to any dispute arising out of or in connection with the Contract, each party knowingly, voluntarily and irrevocably (i) WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE CONTRACT AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS CONTRACT, (ii) submits to exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and (iii) waives any objection which it may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding has been brought in an inconvenient forum and further waives the right to object, with respect to any such Proceeding, that such court does not have any jurisdiction over such party."

Section 14.8. Section 14.8 is hereby amended by the addition of the following at the end of the first sentence:

"The parties further represent to each other on the date hereof and on each date on which it enters into a transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that transaction):

- (i) It is acting for its own account, and it has made its own independent decisions to enter into that transaction and as to whether that transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that transaction; it being understood that information and explanations related to the terms and conditions of a transaction shall not be considered investment advice or a recommendation to enter into that transaction. It has not received from the other party any assurance or guarantee as to the expected results of that transaction.

- (ii) It is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that transaction. It is also capable of assuming, and assumes, the financial and other risks of that transaction.
- (iii) The other party is not acting as a fiduciary or an advisor to it in respect of that transaction.
- (iv) It is an "Eligible Commercial Entity" as defined in Section 1a(11) of the Commodity Exchange Act, as amended.
- (v) The assets that are used, directly or indirectly, in connection with the execution, delivery and performance of this Contract and the transactions entered into pursuant hereto are legally and beneficially owned by such party and are not held by it, directly or indirectly, for the benefit of or under any form of any employee benefit or other plan, trust plan, pension plan, individual retirement accounts or other type of similar plans.

Section 14.10 is hereby amended by:

- (i) The deletion of item (iv) in the first sentence and the substitution of the following therefore: "(iv) to the extent such information may be aggregated with other information pertaining to purchases and sales of Gas without reference to any counterparty and furnished to such third party for the sole purpose of calculating a published index;"
- (ii) The addition of "subpoena," before "applicable" in the fifth line of the section; and
- (iii) The deletion of "or" before "(iv)" and the addition of the following at the end of the first sentence: "or (v) at the request of a bank examiner in connection with an examination of CEI or its affiliates".

The following Sections shall be added:

14.12 Each party agrees that the provisions of this Base Contract supersede and replace in their entirety any requirements of law relating to adequate assurance of future performance, including without limitation Article 2 of the Uniform Commercial Code, as enacted in New York. This notwithstanding, the parties acknowledge that this Base Contract and the Special Provisions document the terms of a contract for the sale of goods and that the applicable provisions of Article II of the Uniform Commercial Code (the "UCC") shall apply to the Transactions set forth herein.

14.13 The Base Contract constitutes a "qualified financial contract" as that term is defined in N.Y.G.O.L. §5-701(b)(2).

14.15. (a) Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any proposed changes to the rates, terms, and/or conditions of service of this Contract or any transaction entered into hereunder, whether proposed by a party, a non-party or FERC acting *sua sponte*, shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), and the parties hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review thereto, including without limitation the "just and reasonable" standard.

(b) Without limiting the generality of subsection (a), the rates, terms, and/or conditions of service specified in this Contract or any transaction entered into hereunder shall remain in effect for the entire term of the Contract, and shall not be subject to either prospective or retroactive revision through application or complaint to FERC pursuant to sections 4 or 5 of the Natural Gas Act, or any other provisions of the Natural Gas Act, absent the prior written agreement of all parties hereto."

14.16. Each of the parties will deliver, upon execution of this Contract, evidence reasonably satisfactory to the other party of (i) the authority of such party to enter into this Contract, (ii) the authority of its guarantor to execute and deliver its guaranty, if any, (iii) the authority and genuine signature of the individual signing this Contract and (iv) the authority and genuine signature of the individual signing the guaranty to be delivered on behalf of such party, if any."

EXHIBIT B
PIPP SUPPLIER AGREEMENT

Transaction Confirmation

Transaction Confirmation Date: February 13, 2009

Seller's Transaction Confirmation #:

Buyer's Transaction Confirmation #:

This Transaction Confirmation is subject to the Base Contract for Sale and Purchase of Natural Gas entered into between Seller and Buyer, dated May 15, 2005. Furthermore, for this Transaction Confirmation only, the following Special Conditions described herein shall be deemed as incorporated into the Base Contract between Buyer and Seller dated May 15, 2005. All other provisions of the Base Contract dated May 15, 2005 shall remain in full force and effect as written.

SELLER:

Shell Energy North America (US), L.P.
 909 Fannin, Suite 700
 Houston, Texas 77010
 Attn: Lisset Garza, Curtis Oliveras
 Phone: 713-767-5470
 Fax: 713-265-2171
 Email Address for Notifications:
lisset.garza@shell.com
curtis.oliveras@shell.com

BUYER:

Columbia Gas of Ohio, Inc.
 200 Civic Center Drive
 Columbus, OH 43215
 Attn: Manager, Energy Trading
 Phone: 614-460-6227
 Fax: 614-460-6442
 Email Address for Notifications:
Tradere@Nisource.com

Contract Price: Monthly Index as described in the Special Conditions, herein.

Delivery Period: Begin: April 1, 2009
 End: March 31, 2010

Contract Quantity: 7,500 MMBtu/Day

Performance Obligation: Firm

Delivery Point(s): Seller's Interruptible Paper Pool (IPP) on Columbia Gas Transmission Corporation (TGO).

Special Conditions:**Definitions**

"Agreed Index" shall mean the index price as published for the first of the month *Platts Inside FERC's Gas Market Report*, under the heading "prices of Spot Gas Delivered to Pipelines" for "Columbia Gulf Transmission Co., Mainline". In the event that the Agreed Index ceases to be published, then Seller and Buyer shall select a replacement index by mutual agreement. If Seller and Buyer are unable to agree on a replacement index, the selection of a replacement index shall be resolved through arbitration.

Pricing Provisions

For the quantities actually delivered each month hereunder, Buyer will pay Seller a commodity price equal to the price reported in the Agreed Index for each month, plus 100% load factor (LF) costs on Columbia Gulf Transmission Company (Columbia Gulf) mainline (FTS-1), less a Supplier Bid Credit of \$0.02/MMBtu.

The Contract Price shall be calculated as follows:

Contract Price = [Agreed Index / (1 - FTS-1 Fuel)] + FTS-1 Commodity + 100% LF:FTS-1 Demand - Supplier Bid Credit of \$0.02/MMBtu.

Pricing Provisions (Continued)

Buyer shall at all times have the right to offset the amount paid to Seller by any debts owed to Buyer by Seller.

Operational Orders

Buyer shall have the right to reduce the receipt of Seller's gas deliveries on days when Buyer has also issued an Operational Flow Order or Operational Matching Order for its on system transportation services.

Regulation

The parties recognize that the PIPP Customer Supply program is subject to the approval of the Public Utilities Commission of Ohio ("PUCO") and the parties agree to use their best efforts to obtain any necessary approvals from the PUCO. If the PUCO does not approve this program, this Transaction Confirmation shall be considered null and void. If the PUCO modifies the program in a manner unacceptable to either party, such party may terminate the Transaction Confirmation upon five (5) business days written notice to the other party.

Buyer: Columbia Gas of Ohio, Inc.

By: Scott D. Phelps

Printed: Scott D. Phelps

Title: Director, Gas Management Services

Date: 2/19/2009

Seller: Shell Energy North America (US), L.P.

By: Ken Snodgrass

Printed: Ken Snodgrass

Title: Senior Vice President

Date: 2/19/09

Approved as to form TMC 2/19/09



April 23, 2008

Shell Energy North America (US), L.P.
Two Houston Center
909 Fannin, Plaza Level 1
Houston, TX 77010
Tel +1 713-767-5400
www.shell.com/us/energy

Attention: Contract Administration or Legal Department

Subject: Merger of Four Coral U.S. Operating Subsidiaries into
Shell Energy North America (US), L.P.

To Our Valued Customer:

We are pleased to announce that, effective June 1, 2008, the following four wholly owned U.S. operating subsidiaries will be merged into their parent, Shell Energy North America (US), L.P. (Shell Energy North America), which is wholly owned by Royal Dutch Shell plc.

- Coral Energy Resources, L.P.
- Coral Power, LLC
- Coral Energy Management, LLC
- Coral Gas Marketing, LLC

We are making this change to simplify our corporate structure and to further demonstrate Shell's commitment to our business.

Your transactions with any of the four merging subsidiaries will remain in full force and effect. Unless you are notified to the contrary, your contracts will automatically transfer to Shell Energy North America. All new contracts, contract amendments or contract renewals after June 1, 2008, will be in the name of Shell Energy North America.

Attached for your records is a copy of the merger documentation. Shell Energy North America's Federal Tax ID number is 76-0480645 and its DUNS number is 83-756-5548. Addresses for notices and invoices, as well as banking information, will remain unchanged.

Included for your reference is a link where you can find this information along with other valuable information about Shell Energy North America and the upcoming merger.

http://www.shell.com/home/content/us-en/shell_for_businesses/energy/about_us/sena_governance.html

There will be no changes to the management, operations or creditworthiness of Shell Energy North America. We value your business, and remain committed to delivering exceptional value and responsive customer care. If you have any questions, please contact Fran Freeman by phone at 713-230-3975, or by email at Fran.Freeman@shell.com.

Sincerely,

Patricia L. Butler
Contracts Manager

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"CORAL ENERGY RESOURCES, L.P.", A DELAWARE LIMITED PARTNERSHIP,

WITH AND INTO "SHELL ENERGY NORTH AMERICA (US), L.P." UNDER THE NAME OF "SHELL ENERGY NORTH AMERICA (US), L.P.", A LIMITED PARTNERSHIP ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE ELEVENTH DAY OF MARCH, A.D. 2008, AT 1:46 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE FIRST DAY OF JUNE, A.D. 2008, AT 8 O'CLOCK A.M.

2543833 8100M

080304016

You may verify this certificate online
at corp.delaware.gov/authver.shtml



A handwritten signature in cursive script that reads "Harriet Smith Windsor".

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6440906

DATE: 03-11-08

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:56 PM 03/11/2008
FILED 01:46 PM 03/11/2008
SRV 080304016 - 2543833 FILE

**CERTIFICATE OF MERGER
OF
CORAL ENERGY RESOURCES, L.P.
INTO
SHELL ENERGY NORTH AMERICA (US), L.P.**

Pursuant to Title 6, Section 17-211 of the Delaware Limited Partnership Act, Shell Energy North America (US), L.P., does hereby execute the following Certificate of Merger:

FIRST: The name of the surviving limited partnership is Shell Energy North America (US), L.P., a Delaware limited partnership, and the name of the limited partnership being merged into this surviving limited partnership is Coral Energy Resources, L.P., a Delaware limited partnership.

SECOND: The Agreement of Merger has been approved, adopted, certified, executed and acknowledged by each of the constituent limited partnerships.

THIRD: The name of the surviving limited partnership is Shell Energy North America (US), L.P.

FOURTH: The merger is to become effective on June 1, 2008 at 8:00 a.m. Eastern Standard Time.


FIFTH: The Agreement of Merger is on file at 910 Louisiana, Houston, Texas, the place of corporate business of the surviving limited partnership.

SIXTH: A copy of the Agreement of Merger will be furnished by the surviving limited partnership on request, without cost, to any partner of the constituent limited partnerships.

IN WITNESS WHEREOF, said surviving limited partnership has caused this certificate to be signed by the Secretary of its General Partner on March 10, 2008.

SHELL ENERGY NORTH AMERICA (US), L.P.
BY THE GENERAL PARTNER
UNAS CORAL GP, LLC

BY:

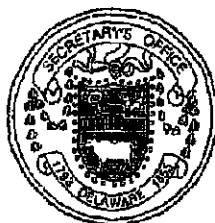

S. J. Paul, Secretary
of General Partner

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CORRECTION OF "SHELL ENERGY NORTH AMERICA (US), L.P.", FILED IN THIS OFFICE ON THE THIRTEENTH DAY OF MARCH, A.D. 2008, AT 6:35 O'CLOCK P.M.



2543833 8100

080316678

You may verify this certificate online
at corp.delaware.gov/authver.shtml

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6449279

DATE: 03-13-08

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:35 PM 03/13/2008
FILED 06:35 PM 03/13/2008
SRV 080316678 - 2543633 FILE

**CERTIFICATE OF CORRECTION
FOR
CERTIFICATE OF MERGER OF
CORAL ENERGY RESOURCES, L.P. INTO
SHELL ENERGY NORTH AMERICA (US), L.P.
FILED PURSUANT TO SECTION 17-213(a)**

Shell Energy North America (US), L.P., a limited partnership organized and existing under and by virtue of the Delaware Revised Uniform Limited Partnership Act does hereby certify that:

1. The name of the limited partnership is Shell Energy North America (US), L.P.

2. A Certificate of Merger of Coral Energy Resources, L.P. into Shell Energy North America (US), L.P. was filed by the Secretary of State of Delaware on March 11, 2008 and said Certificate requires correction as permitted by Section 17-213 of the Delaware Revised Uniform Limited Partnership Act.

3. The inaccuracy or defect of said Certificate is:

Article Fourth states an effective time of day for the mergers to become effective. The time of day needs to be deleted.


4. Article Fourth of the Certificate of Merger is corrected to read in its entirety as follows:

FOURTH: The merger is to become effective on June 1, 2008.

IN WITNESS WHEREOF, the Partnership has caused this Certificate of Correction to be executed on March 12, 2008.

SHELL ENERGY NORTH AMERICA (US), L.P.
BY THE GENERAL PARTNER
TEJAS CORAL GP, LLC

BY: _____


S. J. Paul, Secretary
of General Partner

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: May 15, 2005. The parties to this Base Contract are the following:

Columbia Gas of Ohio, Inc. ("NiSource LDC")
 200 Civic Center Drive, Columbus, Ohio 43215
 Duns Number: 004773586
 Contract Number:
 U.S. Federal Tax ID Number: 31-0673990

Notices:
 200 Civic Center Drive, Columbus, Ohio 43215
 Attn: Manager, Contracts and Scheduling
 Phone: (614) 460-4996 Fax: (614) 460-6442

Confirmations:
 200 Civic Center Drive, Columbus, Ohio 43215
 Attn: Manager, Energy Trading
 Phone: (614) 460-6227 Fax: (614) 460-6442

Invoices and Payments:
 200 Civic Center Drive, Columbus, Ohio 43215
 Attn: Manager, Gas Purchase Services
 Phone: (614) 460-6225 Fax: (614) 460-6442

Wire Transfer or ACH Numbers (if applicable):
 BANK: PNC BANK, Pittsburgh, PA
 ABA: 043000096
 ACCT: 1008985232
 Other Details: Columbia Gas of Ohio, Inc.

and **Coral Energy Resources, L.P.**
 a Delaware Limited Partnership
 909 Fannin St. Plaza Level 1 Houston TX 77010
 Duns Number: 01-501-4421
 Contract Number:
 U.S. Federal Tax ID Number: 76-0505584

909 Fannin, Suite 700, Houston, TX 77010
 Attn: Energy Administration
 Phone: (713) 767-5400 Fax: (713) 767-5644

909 Fannin, Suite 700, Houston, TX 77010
 Attn: Energy Administration
 Phone: (713) 230-7505 Fax: (713) 265-2171

909 Fannin, Suite 700, Houston, TX 77010
 Attn: Gas Accounting
 Phone: (713) 767-5400 Fax: (713) 767-5445

BANK: JP Morgan Chase Bank
 ABA: 021000021
 ACCT: 323863876
 Other Details:

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:

Section 1.2 Transaction Procedure <input checked="" type="checkbox"/> Oral (default) <input type="checkbox"/> Written	Section 7.2 Payment Date <input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) <input type="checkbox"/> _____ Day of Month following Month of delivery
Section 2.6 Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) <input type="checkbox"/> _____ Business Days after receipt	Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input checked="" type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check
Section 2.6 Confirming Party <input type="checkbox"/> Seller (default) <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> NiSource LDC	Section 7.7 Netting <input type="checkbox"/> Netting applies (default) <input checked="" type="checkbox"/> Netting does not apply
Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) <input type="checkbox"/> Spot Price Standard <i>Note: The following Spot Price Publication applies to both of the immediately preceding.</i> Section 2.26 Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) <input type="checkbox"/> _____	Section 10.3.1 Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) <input type="checkbox"/> Early Termination Damages Do Not Apply Section 10.3.2 Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Other Agreement Setoffs Do Not Apply Section 14.5 Choice Of Law New York
Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) <input type="checkbox"/> Seller Pays Before and At Delivery Point	Section 14.10 Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) <input type="checkbox"/> Confidentiality does not apply
<input checked="" type="checkbox"/> Special Provisions Number of sheets attached: 3 <input type="checkbox"/> Addendum(s): None	

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

COLUMBIA GAS OF OHIO, INC.

CORAL ENERGY RESOURCES, L.P.

By Daniel D. Gavito
 Name: Daniel D. Gavito
 Title: Vice President, Energy Supply Services

By Steve Widner
 Name: STEVE WIDNER
 Title: SENIOR 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 2.7.

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 walls 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) <table style="width:100%;"> <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: _____			

Special Provisions ("Special Provisions") attached to and forming a part of that certain Base Contract for Sale and Purchase of Natural Gas dated May 15, 2005 (the "Base Contract") by and between: Columbia Gas of Ohio, Inc. ("NiSource LDC") and Coral Energy Resources, L.P. ("Counterparty").

Capitalized terms used in these Special Provisions shall have the meanings ascribed to them in the Base Contract. Section references in these Special Provisions refer to a Section of the General Terms and Conditions of the Base Contract, unless stated otherwise. In the event of a conflict among the terms of the Base Contract or the General Terms and Conditions and these Special Provisions, the terms of these Special Provisions shall govern in priority.

SECTION 1. PURPOSES AND PROCEDURES

The following language shall be added after Section 1.1 as Section 1.1.1:

"Purchase and sale transactions pursuant to the terms of this Contract may include exchanges in which the performance obligations of each Party include both receiving and delivering gas as specified in the effectuating Transaction Confirmation. For purposes of an Exchange transaction, when a party is receiving gas, it is the Buyer and when a Party is delivering Gas, it is the Seller under the terms of this Contract. For purposes of Sections 2.8, 2.23, 7 and other provisions related to payment obligations under this Contract, the party owing money pursuant to the terms of the Transaction Confirmation is the Buyer and the party that is owed money pursuant to the terms of the Transaction Confirmation is the Seller."

Section 1.4 shall be amended as follows: Delete the 3rd and 4th sentences and replace with the following language:

"When the parties have selected the Oral Transaction procedure in Section 1.2 of the Base Contract, (i) each party consents to the recordings of its representatives' telephone conversations with respect to the Base Contract or any transaction without further notice; (ii) the parties agree and recognize that in some instances purchases and sales may be facilitated through brokers; (iii) the parties agree that all recordings between themselves, third parties and brokers may be introduced into evidence and used to prove a contract between the parties and the authority of the broker to effectuate the transaction.

FURTHER, WHEN THE PARTIES HAVE SELECTED THE ORAL TRANSACTION PROCEDURE IN SECTION 1.2 OF THE BASE CONTRACT, BOTH PARTIES WAIVE OBJECTIONS BASED ON THE STATUTE OF FRAUDS, THE PAROL EVIDENCE RULE, OR SIMILAR EVIDENTIARY RULES, TO THE INTRODUCTION OF THE RECORDED CONVERSATIONS INTO EVIDENCE TO PROVE A CONTRACT OR THE AUTHORITY OF ITS REPRESENTATIVES (ACTUAL OR APPARENT) TO ENTER INTO THE BINDING TRANSACTIONS CONTEMPLATED HEREIN."

SECTION 2. DEFINITIONS

Section 2.11 shall be deleted in its entirety and the following substituted in lieu thereof:

"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 guaranty, or other good and sufficient security of a continuing nature. The issuer of any such security and/or the guarantor must be acceptable to the other party at its sole discretion. The other party agrees to act in a reasonable manner in evaluating such issuer and/or guarantor."

Section 2.21 shall be amended by adding the following parenthetical to the end of the sentence: ("Dth").

The following Section shall be added:

2.30 "Specified Transaction" shall mean (a) any transaction, other than transactions entered into under this Base Contract (including an agreement with respect thereto) now existing or hereafter entered into between the parties to this Base Contract, which shall include, but not be limited to, a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, cap transaction, floor transaction, collar transaction, weather derivative, capacity release, aggregation service, gathering service, transportation service, park and loan or other services or transactions provided pursuant to a regulated tariff, an agreement for the purchase, sale or transfer of any Commodity or any other commodity trading transaction, or any similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions, or (c) any other financial arrangement not specified in (a) or (b) above. For this purpose, the term "Commodity"

means any tangible or intangible commodity of any type or description (including, without limitation, natural gas, natural gas liquids, and byproducts thereof).

SECTION 3. PERFORMANCE OBLIGATION

The following language shall be added to the Cover Standard in line 10 of Section 3.2 after the phrase "and no such replacement or sale is available" in (iii):

"or the non-breaching party elects, at its sole option not to replace Gas or sell Gas."

The following Section shall be added as Section 3.5:

"In addition, for so long as non-performance is continuing, the Performing Party may, upon three (3) Business Day notice, suspend its performance under any or all transactions between the parties for the purchase and sale of Gas."

SECTION 5. QUALITY AND MEASUREMENT

SECTION 5 Add the following sentences at the end of the paragraph: "BUYER ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS BASE CONTRACT AND IS CONTRACTING FOR THE GAS TO BE SUPPLIED BY SELLER BASED SOLELY UPON THE EXPRESS REPRESENTATIONS AND WARRANTIES HEREIN AND, SUBJECT THERETO, ACCEPTS SUCH GAS "AS-IS" AND "WITH ALL FAULTS". SELLER EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO CONFORMITY TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE."

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.9 Notwithstanding Section 7.2, if the Non-Performing Party fails to pay the accelerated payment invoice within five (5) Business Days pursuant to Section 7.3, then, while the non-performance is continuing, the Non-Defaulting Party may declare an Early Termination Date with respect to the applicable transaction in accordance with the provisions of Section 10.3. The failure of the Non-Defaulting Party to exercise any of the remedies in this Section 7.10 shall not constitute a waiver of the non-performance or any other rights or remedies of the Non-Defaulting Party in connection therewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

SECTION 8.4 At the end of the sentence add the phrase: "unless Buyer accepts delivery with knowledge thereof."

SECTION 10. FINANCIAL RESPONSIBILITY:

Section 10.1 shall be deleted in its entirety and the following substituted in lieu thereof:

"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, a guaranty, or other acceptable forms. The issuer of any such security and/or the guarantor must also be acceptable to X at its sole discretion. X agrees to act in a reasonable manner in evaluating such issuer and/or guarantor."

Section 10.2 is amended by the addition of items (ix) and (x) 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) be in default under any Specified Transaction between the parties; (x) 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 Base 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"

SECTION 11. FORCE MAJEURE.

Section 11.2 shall be amended by deleting the word "and" in the sixth line and adding after the word "jurisdiction" in the seventh line the following:

"and (vi) a claim of Force Majeure of the foregoing type by a third party supplying the Gas delivered or to be delivered hereunder at the Delivery Point(s) and occurring in the same geographic region as the Delivery Point(s).

SECTION 14. MISCELLANEOUS:

The following Sections shall be added:

14.12 EACH PARTY 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, CLAIM OR PROCEEDING RELATING TO THIS CONTRACT.

14.13 Seller retains all processing rights and title to all liquids (including drip liquids, injected liquid condensate, and any flash vapors resulting from separation at a separation facility) in the Gas sold hereunder, whether before or after delivery to the Delivery Point(s), subject to its obligation to reimburse Buyer for any reduction in the thermal content of such Gas due to the exercise of such rights. Seller shall have all risk of loss and assumes all liability during such processing and separation.

14.14 THE CONTRACT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF LAW THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

INITIAL/APPROVAL	
NISource LDC	DDH
CERLP	SL