

**FORM OF SERVICE AGREEMENT
FOR OPERATIONAL BALANCING AGREEMENT**

This Agreement is made and entered into as of the ____ day of _____, 200_, by and between _____, a [corporation/limited liability company/limited partnership] with its principal office in _____, _____ (“OBA Party”) and GULFSTREAM NATURAL GAS SYSTEM, L.L.C. (“Gulfstream”), a Delaware limited liability company with its principal office in Tampa, Florida (collectively referred to as the “Parties” or individually referred to as a “Party”).

WITNESSETH

WHEREAS, the facilities operated by the Parties interconnect at the interconnection point(s) specified on Exhibit A attached hereto and incorporated herein by this reference (hereinafter referred to as the “Location”, whether one or more); and

WHEREAS, Party or Parties have entered into one or more agreements with third party Service Requesters (“Service Requester(s)”) for natural gas services to or from the Location (said agreements hereinafter referred to as “Service Requester Agreements”); and

WHEREAS, from time to time, the total quantity of natural gas in dekatherms confirmed and scheduled by the Parties to be delivered to or received from the Location (said quantities hereinafter referred to as “Scheduled Quantities”) may be greater than or less than the dekatherms of natural gas which are actually received or delivered at the Location, resulting in inadvertent over or under-receipts or deliveries of the Service Requesters’ Scheduled Quantities; and

WHEREAS, the Parties desire to implement an operational balancing agreement (“OBA”) in order to facilitate more efficient operations, accounting, and systems management at the Location; and

WHEREAS, Gulfstream is designated as the “Measuring Party” for purposes of this Agreement; and

WHEREAS, the OBA Party is designated as the “Imbalance Party” for purposes of this Agreement; and

WHEREAS, unless specifically stated otherwise, all references to “gas day” herein shall be defined as a 24-hour period commencing at 9:00 A.M. Central Clock Time (“CCT”) or such other 24-hour period as may be specified in Gulfstream’s FERC Gas Tariff from time to time.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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1. Operational Parameters

1.1 Prior to the date and time of flow at the Location, the Parties shall confirm and schedule Service Requester(s) nominations, in accordance with the North American Energy Standards Board (“NAESB”) nomination time cycles or more flexible cycles as may be permitted by Gulfstream’s FERC Gas Tariff (if the Parties mutually agree) or per mutual agreement of the Parties for the Scheduled Quantities which will be delivered or received at the Location. Such confirmation between the Parties shall be made electronically via electronic delivery mechanism (“EDM”), or by such electronic means, such as Gulfstream’s website interface or other on-line system, by telephone, or in writing via facsimile prior to gas flow, or as otherwise mutually agreed to by the Parties.

1.2 The Parties intend that the total dekatherms of natural gas actually delivered and received at the Location will equal the Scheduled Quantities for the Location for each gas day or per hour per gas day, as applicable. Subject to the provisions of Paragraph 1.6 of this Agreement, the OBA Party will allocate the dekatherms which have been delivered and received at the Location among the Service Requester Agreements on Gulfstream’s system pursuant to the Scheduled Quantities at the Location. Any difference between the total actual physical flow of gas and the total of all Scheduled Quantities at the Location (i) for any period of time, is defined for purposes of this Agreement as an “Operational Imbalance”, and (ii) for the gas day, is defined for the purposes of this Agreement as the “Daily Operational Imbalance”. The sum of all unresolved Daily Operational Imbalances at any given time is defined for purposes of this Agreement as the “Cumulative Operational Imbalance”. It is the responsibility of the OBA Party to eliminate Operational Imbalances pursuant to this Agreement.

1.3 The best available operating data for gas flows at the Location shall be used on a daily basis during any current period to determine the estimated Operational Imbalance at the Location, with physical flow adjustments to be made during that current period as mutually agreed to by both Parties to attempt to maintain or achieve a Cumulative Operational Imbalance of zero at the Location.

1.4 Unless the Parties otherwise mutually agree, the total Daily Operational Imbalance on any gas day shall not exceed the lesser of (i) ____ percent (___%) of the Scheduled Quantities or (ii) _____ dekatherms for that day at the Location (the “Daily Operational Tolerance”), and the total Cumulative Operational Imbalance on any gas day shall not exceed _____ dekatherms for the Location (the “Cumulative Operational Tolerance”).

1.5 If it becomes apparent to the OBA Party that the actual gas flow at the Location exceeds or will exceed the Daily Operational Tolerance and/or the Cumulative Operational Tolerance, then the OBA Party shall notify Gulfstream by telephone as soon as reasonably practicable and the OBA Party shall adjust that same gas day (or as mutually agreed) the operation of its system (or facilities, as applicable) pursuant to this

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Article 1 in order to keep the Daily or Cumulative Operational Imbalances, as the case may be, within the applicable Daily Operational Tolerance and/or Cumulative Operational Tolerance set forth above. The parties agree to cooperate with each other in making the adjustments required under this Paragraph 1.5

1.6 The Parties acknowledge that the purpose of this Agreement is to accumulate any Operational Imbalance at the Location pursuant to a mechanism governed by this Agreement, rather than at the Service Requester level. Notwithstanding anything herein to the contrary, with respect to any gas day during the term of this Agreement, all actual quantities that exceed the Daily Operational Tolerance for such gas day, shall be allocated (in addition to such Service Requester's Scheduled Quantities) among all Service Requesters with Scheduled Quantities flowing at the Location on such gas day in accordance with a pre-determined allocation ("PDA") provided by the OBA Party for the Location or, if no PDA is provided, then such allocation will be pro rata based on each Service Requester's Scheduled Quantity at the Location for the gas day.

2. Measurement and Balancing

2.1 The actual measured quantity of gas at the Location each month shall be determined and communicated by the Measuring Party by facsimile, electronic delivery mechanism or in writing to the other Party in accordance with NAESB Standard 2.3.7. The actual measured quantity shall be determined pursuant to the applicable provisions of the Measuring Party's FERC Gas Tariff or applicable measurement procedures of the Measuring Party's system or facilities. The Measuring Party shall provide the other Party with final measurement data and will confirm with the other Party the Operational Imbalance for the month and the Cumulative Operational Imbalance at the Location no later than _____ () calendar days after the end of each calendar month. No adjustments to the actual measured quantities received or delivered as determined by the Measuring Party's measurement equipment or other mutually agreeable method will be made after such _____ () calendar day, unless such adjustments are agreed to in writing by both Parties.

2.2 Operational Imbalances shall be resolved pursuant to the monthly imbalance resolution procedures set forth in Exhibit B herein.

2.3 Confirmed nominations are required for scheduling of gas to resolve Operational Imbalances unless mutually agreed otherwise. Such nominations and scheduling of deliveries to resolve Operational Imbalances shall be made at the Location where the imbalance was created unless mutually agreed otherwise.

2.4 Upon the termination of this Agreement, the Parties agree to reconcile, eliminate and resolve in accordance with the specifications of Section 21.3 of Gulfstream's FERC Gas Tariff and in conjunction with the provisions of Exhibit B of this Agreement any remaining Cumulative Operational Imbalance pursuant to the terms and conditions of this

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Agreement within _____ () days of termination of this Agreement or such other period of time which is mutually agreed to by the Parties.

3. Term and Effectiveness

3.1 Subject to the provisions of this Article 3, this Agreement shall become effective as of the _____ [insert date or condition] and shall continue in effect for a primary term of _____, and shall continue from _____ thereafter unless cancelled at either Party's election upon no less than _____ () hours prior written notice to the other Party with such termination to be effective on the last day of the month in which notice to terminate is provided.

3.2 This Agreement can be suspended by Gulfstream: (i) immediately by upon failure by OBA Party to immediately adjust that same gas day the operations of its system or facilities when informed by Gulfstream of a force majeure event or a critical operating condition that affects the Location; or (ii) upon _____ () hours notice in the event that OBA Party fails to comply with an operational flow order ("OFO") (as that term is typically used in the gas pipeline industry) issued by Gulfstream. Such suspension notice will be given by Gulfstream subsequent to declaring the critical operating condition or OFO via facsimile or by telephone and it will be each Party's responsibility to notify its Service Requester(s) via EDM of such suspension. A critical operating condition will be determined by Gulfstream in its sole judgment. Such suspension shall continue until Gulfstream in its sole judgment determines that the force majeure event, critical operating condition, or OFO-related event no longer exists. Gulfstream will notify OBA Party via facsimile or by telephone of the termination of the suspension.

3.3 In the event the Daily Operational Tolerance is exceeded at the Location on a recurring or frequent basis and/or if the Cumulative Operational Imbalance exceeds _____ dekatherms and the OBA Party fails to make the adjustments provided in Paragraph 1.5, this Agreement can be suspended by Gulfstream upon _____ () hours prior written notice given to OBA Party via facsimile, with such suspension to be effective at the first 9:00 A.M. CCT following the end of the ___-hour notice period and such suspension will remain in effect until such time as the Cumulative Operational Imbalance is less than _____ dekatherms. However, if, prior to the effective time of the suspension, the Cumulative Operational Imbalance is reduced to less than _____ dekatherms, such suspension will not go into effect.

3.4 In the event that this Agreement is suspended or terminated, all gas quantities received or delivered at the Location will be allocated each gas day among all Service Requesters with Scheduled Quantities flowing at the Location on such gas day in accordance with the PDA provided by the OBA Party for the Location or, if no PDA has been provided, then such allocation will be pro rata based on each Service Requester's Scheduled Quantity at the Location for the gas day.

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4. Miscellaneous

4.1 This Agreement and the terms and conditions herein are subject to all present and future valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

4.2 In the event a conflict exists or arises between this Agreement and Gulfstream's FERC Gas Tariff, as amended from time to time, it is agreed and understood that Gulfstream's FERC Gas Tariff, as amended from time to time, shall control.

4.3 This Agreement is for accounting and system management purposes only, and is entered into by the Parties with the understanding that the balancing activities provided for hereunder will not subject any non-jurisdictional entity to regulation by the Federal Energy Regulatory Commission ("FERC") as a "natural gas company" under the provisions of the Natural Gas Act. If, at any time, it should be determined that such balancing activities do result in such regulation, then this Agreement shall immediately terminate, and any remaining Cumulative Operational Imbalance shall be resolved pursuant to Paragraph 2.4 of this Agreement.

4.4 Any entity, which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either Party, shall be subject to the obligations of its predecessor to this Agreement. No other assignment of this Agreement or of any of the rights or obligations hereunder shall be made without the prior written consent of the other Party hereto.

4.5 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF _____, WITHOUT RECOURSE TO THE LAW REGARDING THE CONFLICT OF LAWS.

4.6 No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Agreement shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character, or a waiver of each Party's obligation to eliminate Daily or Cumulative Operational Imbalances by adjusting nominations and/or deliveries and receipts of gas at the Location, as provided herein.

4.7 Any notice or request provided pursuant to this Agreement shall be in writing and shall be considered as having been given if delivered personally, when delivered, or if electronically communicated, mailed, postage prepaid, sent by express mail, or overnight delivery, or if telecopied to the other Party, then when sent to the following:

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For OBA Party: [Name of company]
 [Street address]
 [City, state, zip code]
 Attention: _____
 Telephone: (xxx) xxx-xxxx
 Fax: (xxx) xxx-xxxx

For Gulfstream: Vice President, Marketing
 Gulfstream Natural Gas System, L.L.C.
 2701 North Rocky Point Drive, Suite 1050
 Tampa, Florida 33607
 Phone: (813) 288-1811
 Fax: (813) 289-4438

With regard to the operational matters, either Party shall have the right to designate different personnel or locations to receive notices from the other Party for different periods of the week. Changes to the above addresses shall be effectuated by a Party notifying the other Party in writing of the modifications.

4.8 Any imbalance which may exist upon the effective date of this Agreement will be held separately and settled independently unless otherwise mutually agreed to in writing.

4.9 This Agreement may be amended only by written instrument signed by the Parties hereto.

4.10 This Agreement constitutes the complete agreement of the Parties relating to the matters specified in the Agreement and supersedes all prior representations or agreements, whether oral or written, with respect to such matters.

4.11 When used in this Agreement, and unless otherwise defined herein, capitalized terms shall have the meanings set forth in Gulfstream's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have executed duplicate originals of this Agreement on the date set forth hereinabove.

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

by: Gulfstream Management & Operating Services, L.L.C.,
its Operator

By: _____

Name: _____

Title: _____

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[Name of OBA Party]

By: _____

Name: _____

Title: _____

Date: _____

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EXHIBIT A

To the Operational Balancing Agreement

Between

and

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

Dated

_____, __, 200_

Location

I.P. M&R	GULFSTREAM M&R	D-U-N-S Number	Description	Measuring Party	Imbalance Party
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EXHIBIT B

To the Operational Balancing Agreement

Between

and

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

OPERATIONAL IMBALANCE RESOLUTION

CASH OUT PROVISIONS

A. Each month, a Cashout Price will be determined using the table set forth in _____ for the following reference point(s) (the monthly Cashout Price shall be determined by the arithmetical average of the daily ([Midpoint/High Common/Low Common/ Absolute/Common]) prices for that month), expressed in units of \$/MMBtu:

Citigates - Florida gates [appropriate spot price for Florida market area deliveries].

B. The Cashout Price shall be the price as determined pursuant to Paragraph A of this Exhibit B for the month in which the Operational Imbalance occurred, as modified by the following percentages. Such modifications are based upon the percentage level of Operational Imbalance (determined by dividing the Cumulative Operational Imbalance for the applicable month by the total Scheduled Quantities for such month), as follows:

In the event the Cumulative Operational Imbalance is positive and a payment is due to the OBA Party, then the Cashout Price as determined pursuant to Paragraph A of this Exhibit B shall be adjusted as follows:

% of Imbalance	% of Cashout Price for the Imbalance
0% Up to 5%	___%
5% Up to 10%	___%
10% Up to 15%	___%
15% Up to 20%	___%
20% Up to 25%	___%
25% and higher	___%

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In the event the Cumulative Operational Imbalance is negative and a payment is due to Gulfstream, then the Cashout Price as determined pursuant to Paragraph A of this Exhibit B shall be adjusted as follows:

% of Imbalance	% of Cashout Price for the Imbalance
0% Up to 5%	___%
5% Up to 10%	___%
10% Up to 15%	___%
15% Up to 20%	___%
20% Up to 25%	___%
25% and higher	___%

- C. The Parties will “cash out” the Cumulative Operational Imbalance at the Location each month during the term of this Agreement in accordance with the applicable provisions of this Exhibit B. Imbalances that are resolved in accordance with this Exhibit B shall be subject to the following payment provisions. The Measuring Party shall tender a statement to the Imbalance Party no later than the _____ (__) day of the calendar month, setting forth in reasonable detail its calculation of the amount required to be paid to resolve the Cumulative Operational Imbalance for the preceding month. If the amount is due the Imbalance Party, the Measuring Party shall pay such amount within _____ (__) days following the date that it tenders the statement (if Imbalance Party is a transportation customer of Gulfstream then such payment shall be made as a credit to Imbalance Party’s transportation invoice for the same time period). If the amount is due the Measuring Party, the Imbalance Party shall pay such amount within the _____ (__) -day period following the date the statement is tendered. Additional amounts due for late payments shall be calculated in accordance with Section 10.2 of the General Terms and Conditions of Gulfstream’s FERC Gas Tariff.