

Columbia Gulf Transmission Company
FERC NGA Gas Tariff
Baseline Tariffs
Proposed Effective Date: November 1, 2012
Service Agreement No. 135617 – Tenaska Marketing Ventures
Option Code A

FTS-1 SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 15 day of October, 2012, by and between COLUMBIA GULF TRANSMISSION COMPANY ("Transporter") and TENASKA MARKETING VENTURES ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective FTS-1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2012 and shall continue in full force and effect until March 31, 2013. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services; notices

to Shipper shall be addressed to it at Tenaska Marketing Ventures, 11718 Nicholas Street, Omaha, NE 68154, Attention: Theresa Johnson, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following contracts: N/A.

TENASKA MARKETING VENTURES

COLUMBIA GULF TRANSMISSION COMPANY

By Theresa Johnson

By Sherry French

Title _____

Title _____

Date October 15, 2012

Date October 12, 2012

Appendix A to Service Agreement No. 135617
 Under Rate Schedule FTS-1
 between Columbia Gulf Transmission Company ("Transporter")
 and Tenaska Marketing Ventures ("Shipper")

Transportation Demand

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/Day</u>	<u>Recurrence Interval</u>
November 1, 2012	March 31, 2013	50,000	1/1 – 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
November 1, 2012	March 31, 2013	4209	MidContinent Express	50,000	1/1 – 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
November 1, 2012	March 31, 2013	478	Transco-Evangeline	25,000	1/1 – 12/31
November 1, 2012	March 31, 2013	4078	Sonat-Shadyside	25,000	1/1 – 12/31

Service pursuant to this Appendix A, Revision No. 0 shall be effective from November 1, 2012 through March 31, 2013 and will cancel and supersede the previous Appendix A to this Service Agreement, Revision No. ____, dated _____. The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Transporter and Shipper have mutually agreed to the following maximum or minimum pressure commitments:

___ Yes No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 33 of the General Terms and Conditions of Transporter's FERC Gas Tariff

___ Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

___ Yes No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the Maximum Daily Quantity, as applicable, set forth in Transporter's currently effective Rate Schedule ___ Service Agreement No. _____ Appendix A with Shipper, which for such points set forth are incorporated by reference.

___ Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

CANCELLATION OF PREVIOUS APPENDIX A

Service changes pursuant to this Appendix A, Revision No. 0 shall commence as of November 1, 2012. This Appendix A, Revision No. 0 shall cancel and supersede the previous Appendix A, Revision No. ____ to the Service Agreement dated _____. With the exception of this Appendix A, Revision No. 0, all other terms and conditions of said Service Agreement shall remain in full force and effect.

TENASKA MARKETING VENTURES

COLUMBIA GULF TRANSMISSION COMPANY

By Theresa Johnson

By Sherry French

Title

Title _____

Date October 15, 2012

Date October 12, 2012

October 12, 2012

Mr. Brian Salak
Tenaska Marketing Ventures
11718 Nicholas Street
Omaha, NE 68154

RE: FTS-1 Service Agreement No. **135617**
Negotiated Rate Letter Amendment

Dear Mr. Salak:

This Negotiated Rate Letter Amendment (Amendment) will serve as an amendment to the FTS-1 Service Agreement No. **135617** (Agreement) between Columbia Gulf Transmission Company (Transporter) and Tenaska Marketing Ventures (Shipper). Transporter and Shipper hereby agree that Section 3 of the Agreement is amended to provide the following:

1. Term. This Amendment will be effective from November 1, 2012 to March 31, 2013.
2. Negotiated Reservation Rate at Primary Points. Through the term of this Amendment, Shipper will pay a negotiated reservation rate of \$0.01 per Dth per day for service from and to the Shipper's primary receipt and delivery points.
3. Reservation Rate at Secondary Points. As set out more fully on Exhibit A hereto, through the term of this Amendment, the following rates will apply for service to secondary points:
 - a. For all volumes transported from or to the following secondary receipt and/or delivery points, in addition to the negotiated reservation charge set forth in Paragraph 2, Shipper will pay a Supplemental Demand Charge of \$0.01 per Dth/day: Egan Storage-Acadia (4123), Jefferson Island (4119), Pine Prairie (4205).
 - b. For all volumes transported to the secondary delivery point of Crosstex-Gibson (401), in addition to the negotiated reservation charge set forth in Paragraph 2, Shipper will pay a Supplemental Demand Charge of \$0.02 per Dth/day.
 - c. For all volumes transported from or to the secondary receipt and delivery point of Midwestern Walnut Grove (4197), in addition to the negotiated reservation charge set forth in Paragraph 2, Shipper will pay a Supplemental Demand Charge of \$0.05 per Dth/day.
 - d. For all volumes transported from or to the following secondary receipt and/or delivery points, Shipper will be charged the maximum reservation rate set forth in Transporter's Federal Energy Regulatory Commission (FERC) Gas Tariff as it

- may change from time to time: Entergy LA – Evangeline (4155), Cleco Teche (4137), Cleco Evangeline (4128), Entergy (4169), TVA Wilson (4153), Discovery Gas (4186), Targa Acadia (506), Venice Targa (595) and Sea Robin Erath (481).
- e. Service from or to any other secondary receipt and/or delivery point will be charged the negotiated reservation rate set forth in Paragraph 2.

4. Index-Based Rate. In addition to the reservation rate specified in Paragraphs 2 and 3, above, Shipper, on a monthly basis, will also pay Transporter an index-based rate, calculated on a daily basis as set forth below, as long as the daily calculation results in a positive Index-Based Rate:

$$\text{Index-Based Rate} = 50\% \text{ of MDQ} * [\text{Sonat GDA- Columbia Gulf Mainline GDA} - \text{Commodity Charges} - \text{Fuel Cost} - \text{Demand Rate}] * 75\%$$

plus

$$\text{Index-Based Rate} = 50\% \text{ of MDQ} * [\text{Transco Zone 2 GDA- Columbia Gulf Mainline GDA} - \text{Commodity Charges} - \text{Fuel Cost} - \text{Demand Rate}] * 75\%$$

For the purposes of this formula, the definitions set forth in Paragraph 5, below, will apply.

5. Revenue Sharing Mechanism. Shipper will share revenues for any portion of Shipper's MDQ that is not scheduled from or to a primary receipt and/or delivery point set forth in Shipper's Agreement. When Shipper uses secondary points, Shipper, on a monthly basis, will also pay Transporter a portion of the revenues that Shipper is entitled to as a result of the Agreement, calculated for each day as set forth below (Shared Revenues):

$$\text{Shared Revenues} = [\text{Delivery Price} - \text{Receipt Price} - \text{Commodity Charges} - \text{Fuel Cost} - \text{Demand Rate} - \text{Supplemental Demand Charge}] * 75\%$$

For any amount of the MDQ that Shipper does not utilize, Shipper shall pay Transporter the Index-Based Rate, calculated pursuant to Paragraph 4 above, for the difference between the scheduled quantity and the MDQ of the Agreement.

Shared Revenues shall be in addition to the reservation rates specified in Paragraphs 2, 3, and 4 above. The following definitions will apply:

- a. Delivery Price. Where a GDA is available, the Delivery Price will equal the GDA for that point, multiplied by the volumes allocated to Shipper on that day. Where a GDA is not available, the Delivery Price will equal the actual sale price obtained by Shipper at that point on that day, multiplied by the total volumes allocated to Shipper on that day.
- b. Receipt Price. Where a GDA is available, the Receipt Price will equal the GDA for that point, multiplied by the volumes allocated to Shipper on that day. Where a GDA is not available, the Receipt Price will equal the actual sale price paid by Shipper at that point on that day, multiplied by the total volumes allocated to Shipper on that day.
- c. Commodity Charges. The Commodity Charges will equal the maximum commodity charges applicable to the Agreement and paid by Shipper pursuant to Paragraph 6, below.

- d. Fuel Cost. Fuel Cost will be calculated as: Retainage multiplied by the supply cost at the receipt location. Retainage is calculated using the following formula: $(1 - \text{fuel \%}/100) * \text{receipt quantity}$, rounded to the nearest decimal. For service on the Market Zone (mainline), the Gulf Index will be defined as the Columbia Gulf Mainline GDA. For service on the Market Zone (onshore), the Gulf Index will be defined as the Columbia Gulf, LA GDA.
- e. Demand Rate: The Demand Rate will be the applicable reservation charge for service, as specified in Paragraphs 2 and 3, above.
- f. GDA: The midpoint price published by *Platt's Gas Daily* at a point. On any day that *Platt's Gas Daily* does not publish a price for FGT Zone 2, the index-based rate will be calculated using the *Platt's Gas Daily* midpoint price for Henry Hub, as set forth on Exhibit B.
- g. MDQ: Maximum Daily Quantity shown on Appendix A of the Agreement.

Notwithstanding the foregoing, the Revenue Sharing Mechanism will not be applied on any day on which its application would result in negative Shared Revenues. On such days, Shipper will pay only the charges specified in Paragraphs 2, 3, 4 and 6.

- 6. Other Charges. In addition to the reservation rates, index-based rate and Shared Revenue set forth in Paragraphs 2 through 5, Shipper must pay all applicable commodity charges, commodity surcharges, overrun charges and retainage charges set forth in Transporter's FERC Gas Tariff and as may change from time to time.
- 7. Accounting and Audit Rights. Shipper shall provide to Transporter a report of its activities resulting in Shared Revenues and shall do so by reporting on a daily basis using the form provided at Exhibit C hereto via electronic mail or facsimile. No later than the fifth (5th) business day of each billing cycle, Shipper shall provide Transporter with the Shared Revenues due Transporter for service during the previous calendar month. Transporter will include the Shared Revenues on the invoice to be paid by Shipper for that month. At any time during the term of this Amendment, and upon reasonable notice, Transporter will have the right to audit Shippers' records related to the calculation of the Shared Revenues.
- 8. Required Approvals. This Amendment, together with the Agreement will be filed with the FERC and shall be subject to FERC's acceptance on terms acceptable to Transporter in its sole discretion. If any terms of this Amendment are disallowed by any order, rulemaking, regulation or policy of the FERC, Transporter may terminate this Amendment with no further notice to Shipper. If any terms of the Agreement are in any way modified by order, rulemaking, regulation or policy of the FERC, Transporter and Shipper may mutually agree to modify this Amendment with the goal of ensuring that the original commercial intent of the parties is preserved. If the parties cannot mutually agree to modifications hereto, Transporter reserves the right to terminate this Amendment with no further notice to Shipper. Transporter will have no liability for any costs incurred by Shipper or related to the service rendered or contemplated to be rendered hereunder.

If you accept this Amendment to your Agreement, please execute both originals of this letter and return them to Transporter at the address above, Attention: Courtney Hencke.

Executed and agreed to this ____ day of October 2012.

COLUMBIA GULF TRANSMISSION COMPANY

By: *Stanley C. [Signature]*
Its: SVP

TENASKA MARKETING VENTURES

By: *[Signature]* **By: TMV Holdings, LLC**
Its Managing Partner
Its: Manager, Marketing



Exhibit A
Gas Daily Index Associated with Calculation of Shared Revenues

<u>Receipt Points</u>	<u>Receipt Point Index</u>	<u>Supplemental Charge</u>
Columbia Mainline Pool	Columbia Gulf, Mainline	\$0.00
Columbia Onshore Pool	Columbia Gulf, LA	\$0.00
<u>Delivery Points</u>	<u>Delivery Point Index</u>	<u>Supplemental Charge</u>
Columbia Mainline Pool	Columbia Gulf, Mainline	\$0.00
Columbia Onshore	Columbia Gulf, LA	\$0.00
Florida Lafayette	FGTz2 *	\$0.00
	*If FGTz2 doesn't print, Henry Hub will be used	
Henry Hub	Columbia Gulf, LA + \$0.05	\$0.00
Sonat Shadyside	Southern Natural, LA	\$0.00
Transco Evangeline	Transco, Zn 2	\$0.00
TCO Leach	Columbia Gas, App	\$0.00
Egan Storage	Columbia Gulf, LA	\$0.01
Jefferson Island	Columbia Gulf, LA	\$0.01
Pine Prairie	Columbia Gulf, Mainline	\$0.01
Crosstex Gibson	Henry Hub	\$0.02
Midwestern Walnut Grove	Tennessee, 500 Leg	\$0.05

Exhibit B

Calculation of index-based rate using the *Platt's Gas Daily* midpoint price for Henry Hub

Exhibit C

Form for Reporting of Daily Shared Revenues