

October 31, 2018

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

RE: Florida Gas Transmission Company, LLC  
Docket No. CP17-8-000 Compliance Filing  
Docket No. RP19-\_\_\_\_\_

Dear Ms. Bose:

Florida Gas Transmission Company, LLC (FGT) hereby electronically submits for filing with the Federal Energy Regulatory Commission (Commission) the tariff records listed on Appendix A to its FERC NGA Gas Tariff, Original Volume No. 1-A, proposed to be effective on December 1, 2018 the expected in-service date of FGT's East-West Project Phase 1 facilities.

#### **STATEMENT OF NATURE, REASONS AND BASIS**

The Commission's Order Issuing Certificate issued April 5, 2018 in Docket No. CP17-8-000 (Order) grants FGT authorization under Section 7(c) of the Natural Gas Act to construct and operate FGT's East-West Project, as more fully described in the application and as conditioned in the body and ordering paragraphs of such Order. The Phase 1 facilities are being constructed pursuant to the certificate issued in the Order and will be completed on or about December 1, 2018. In compliance with Ordering Paragraph (G) and ¶ 60 of the Order, FGT is filing Shell Energy North America (US), L.P. (Shell)'s negotiated rate agreement and non-conforming service agreement 30 days in advance of the anticipated in-service date of the East-West Project Phase 1 facilities.

Appendix B attached hereto reflects Shell's executed service agreement compared to the Rate Schedule FTS-WD-2 form of service agreement in FGT's Fifth Revised Volume No. 1 Tariff. The redline comparison shows a non-discriminatory whereas clause addition that provides background information, non-conforming extension rights in Article V as well as non-conforming credit provisions. In its Order, the Commission found that these non-conforming provisions reflect the unique circumstances involved in the proposed expansion of Florida Gas's system and are permissible.

This filing contains a tariff record titled "Exhibits A, B, C" which will contain Exhibit A, Exhibit B and Exhibit C (if applicable). Exhibit C is used for amendments to the service agreement and is not applicable to an original service agreement. Therefore, there is no Exhibit C within the tariff record herein titled Exhibits A, B, C and there is no Exhibit C in Appendix B showing the executed service agreements marked against the form of service agreement in FGT's Fifth Revised Volume No. 1 tariff.

#### **IMPLEMENTATION**

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, FGT requests that the proposed tariff records be accepted effective upon the in-service date of FGT's East-West Project Phase 1 facilities, without further action from FGT. FGT respectfully requests the Commission allow the proposed tariff record in this filing to become effective upon the in-service date of FGT's East-West Project Phase 1 facilities, which is expected to be December 1, 2018.

## CONTENTS OF THE FILING

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. The proposed tariff records in RTF format with metadata attached are being submitted as part of an XML filing package containing the following:

- . A transmittal letter with Appendix A in PDF format
- . A clean copy of the proposed tariff records in PDF format for publishing in eLibrary
- . A marked version of the proposed tariff changes in PDF format
- . Appendix B containing a marked version of the executed service agreement compared to the form of service agreement for Rate Schedule FTS-WD-2 in FGT's Fifth Revised Volume No. 1 Tariff
- . A copy of the complete filing in PDF format for publishing in eLibrary

As the tariff records containing the new service agreement are new tariff records, there is no marked version of the Version 0.0.0 tariff records included in the Marked Tariff attachment.

## COMMUNICATIONS, PLEADINGS AND ORDERS

FGT requests that all Commission orders and correspondence as well as pleadings and correspondence from other parties concerning this filing be served on each of the following:

**Michael T. Langston**<sup>1</sup>  
Vice President  
Chief Regulatory Officer  
Florida Gas Transmission Company, LLC  
1300 Main Street  
Houston, TX 77002  
(713) 989-7610  
(713) 989-1205 (Fax)  
[michael.langston@energytransfer.com](mailto:michael.langston@energytransfer.com)

**Kevin P. Erwin**<sup>1</sup>  
General Counsel  
Florida Gas Transmission Company, LLC  
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Houston, TX 77002  
(713) 989-2745  
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[kevin.erwin@energytransfer.com](mailto:kevin.erwin@energytransfer.com)

**Deborah A. Bradbury**<sup>1 2</sup>  
Sr. Director – Regulatory Tariffs & Reporting  
Florida Gas Transmission Company, LLC  
1300 Main Street  
Houston, TX 77002  
(713) 989-7571  
(713) 989-1205 (Fax)  
[debbie.bradbury@energytransfer.com](mailto:debbie.bradbury@energytransfer.com)

In accordance with Section 154.2(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at FGT's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being served electronically on all parties on the official service list for Docket No. CP17-8-000. FGT has posted this filing on its Internet web site accessible via <http://fgttransfer.energytransfer.com> under "Informational Postings, Regulatory."

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<sup>1</sup> Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. FGT respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow FGT to include four representatives on the official service list.

<sup>2</sup> Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulations.

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Pursuant to Section 385.2005(a) of the Commission's Regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of her knowledge and belief, and possesses full power and authority to sign such filing.

Respectfully submitted,

FLORIDA GAS TRANSMISSION COMPANY, LLC

*/s/ Deborah A Bradbury*

Deborah A. Bradbury  
Sr. Director – Regulatory Tariffs & Reporting

FLORIDA GAS TRANSMISSION COMPANY, LLC  
FERC NGA Gas Tariff  
Original Volume No. 1-A

Proposed to be Effective December 1, 2018

Tariff Record

<u>Version</u>	<u>Description</u>	<u>Title</u>
6.0.0	Part I	Table of Contents
0.0.0	Contract No. 122907	Shell Energy North America (US), L.P.
0.0.0	Contract No. 122907	Exhibits A, B, C
0.0.0	Contract No. 122907	Credit Agreement
0.0.0	Contract No. 122907	Negotiated Rate Agreement

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Contract No. 111144	Florida Power Corporation d/b/a Progress Energy Florida, Inc.
Contract No. 111145 Reserved	Florida Power & Light Company Reserved
Contract No. 3247 FPL Exhibit B	Florida Power & Light Company Florida Power & Light Company

Part III Non-Conforming Agreements with Negotiated Rates

Contract No. 122314	Seminole Electric Cooperative, Inc.
Contract No. 122314	Exhibits A, B, C
Contract No. 122314	Exhibit D
Contract No. 122314	Negotiated Rate Agreement
Contract No. 122315	Seminole Electric Cooperative, Inc.
Contract No. 122315	Exhibits A, B, C
Contract No. 122315	Exhibit D
Contract No. 122315	Negotiated Rate Agreement
Contract No. 122316	Seminole Electric Cooperative, Inc.
Contract No. 122316	Exhibits A, B, C
Contract No. 122316	Exhibit D
Contract No. 122316	Negotiated Rate Agreement
Contract No. 122907	Shell Energy North America (US), L.P.
Contract No. 122907	Exhibits A, B, C
Contract No. 122907	Credit Agreement
Contract No. 122907	Negotiated Rate Agreement

Florida Gas Transmission Company, LLC

FERC NGA Gas Tariff

Original Volume No. 1-A

Effective on December 1, 2018

(Version 0.0.0, Contract No. 122907) Shell Energy North America (US), L.P.

Option Code "A"

**SERVICE AGREEMENT**

Firm Transportation Service - Western Division

Rate Schedule FTS-WD-2

Contract No. 122907

THIS AGREEMENT entered into this 18th day of May, 2018, by and between Florida Gas Transmission Company, LLC, a limited liability company of the State of Delaware (herein called "Transporter"), and Shell Energy North America (US), L.P. (herein called "Shipper"),

**WITNESSETH**

WHEREAS, Transporter has received and accepted a certificate from the FERC to construct, install, own, maintain and operate certain pipeline facilities and rearrange existing pipeline facilities, all in its Western Division, including an approximately 11-mile lateral pipeline from, at or near Transporter's Station 6 to an interconnection with a Motiva Plant (the "Lateral"), all located in Jefferson County, Texas (the "Project").

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

**ARTICLE I**  
Definitions

In addition to the definitions incorporated herein through Transporter's Rate Schedule FTS-WD-2, the following terms when used herein shall have the meanings set forth below:

1.1 The term "Rate Schedule FTS-WD-2" shall mean Transporter's Rate Schedule FTS-WD-2 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 4.2 hereof or in compliance with any final FERC order affecting such rate schedule.

1.2 The term "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

**ARTICLE II**  
Quantity

2.1 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth on a seasonal basis, and by Division if applicable, on Exhibit B attached hereto. The applicable MDTQ shall be the largest daily quantity of gas expressed in MMBtu, that Transporter is obligated to transport and make available for delivery to Shipper under this Service Agreement on any one day.

2.2 During the term of this Agreement, Shipper may tender natural gas for transportation to Transporter on any day, up to the MDTQ plus Transporter's fuel, if applicable. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Points, up to the maximum daily quantity specified for each receipt point as set out on Exhibit A, plus Transporter's fuel, if applicable, and to transport and make available for delivery to Shipper at each Delivery Point specified on Exhibit B, up to the amount scheduled by Transporter less Transporter's fuel, if applicable (as provided in Rate Schedule FTS-WD-2), provided however, that Transporter shall not be required to accept for transportation and make available for delivery more than the MDTQ on any day.

**ARTICLE III**  
Payment and Rights in the Event of Non-Payment

3.1 Upon the commencement of service hereunder, Shipper shall pay Transporter, for all service rendered hereunder, the rates established under Transporter's Rate Schedule FTS-WD-2 as filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

3.2 Termination for Non-Payment. In the event Shipper fails to pay for the service provided under this Agreement, pursuant to the condition set forth in Section 15 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter shall have the right to terminate this Agreement pursuant to the condition set forth in said Section 15.

ARTICLE IV  
Rights to Amend Rates and Terms and Conditions of Service

4.1 This Agreement in all respects shall be and remain subject to the provisions of said Rate Schedule and of the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as the same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

4.2 Transporter shall have the unilateral right to file with the appropriate regulatory authority and seek to make changes in (a) the rates and charges applicable to its Rate Schedule FTS-WD-2, (b) Rate Schedule FTS-WD-2 including the Form of Service Agreement and the existing Service Agreement pursuant to which this service is rendered; provided however, that the firm character of service shall not be subject to change hereunder by means of a Section 4 Filing by Transporter, and/or (c) any provisions of the General Terms and Conditions of Transporter's Tariff applicable to Rate Schedule FTS-WD-2. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b) or (c) above are just and reasonable.

ARTICLE V  
Term of Agreement and Commencement of Service

5.1 This Agreement shall become effective on the later of the In-Service Date of the Project or April 1, 2018 (the "Effective Date") and shall continue in effect for ten (10) years (the "Primary Term"). The In-Service Date shall be the first day of the calendar month following the day on which Transporter is able to provide firm service from the Primary Receipt Point(s) to the Primary Delivery Point(s). In the event the In-Service Date has been achieved prior to April 1, 2018, upon mutual agreement of the Parties, an earlier Effective Date may be established. Shipper shall have the option to extend the term for one (1) five-year (5-year) term (the "Extension Term") at the then existing MDTQ and MDQ, provided that Shipper notifies Transporter of Shipper's desire to exercise this extension right at least twelve (12) months prior to the date on which the Primary Term is scheduled to expire. Should Shipper exercise such extension right, Shipper shall thereafter have a one-time contractual Right of First Refusal pursuant to the provisions of Section 20 of the General Terms and Conditions of the Transporter's FERC Gas Tariff to be applicable to all or any portion of Shipper's then existing MDTQ and/or MDQ.

5.2 In the event the capacity being contracted for was acquired pursuant to Section 18.C.2. of Transporter's Tariff, then this Agreement shall terminate on the date set forth in Section 5.1 above. Otherwise, upon the expiration of the primary term and any extension or roll-over, termination will be governed by the provisions of Section 20 of the General Terms and Conditions of Transporter's Tariff.

5.3 Service hereunder shall commence as set forth in Section 2 of Rate Schedule FTS-WD-2.

ARTICLE VI  
Point(s) of Receipt and Delivery and Maximum Daily Quantities

6.1 The Primary Point(s) of Receipt and maximum daily quantity for each Primary Point of Receipt, for all gas delivered by Shipper into Transporter's pipeline system under this Agreement shall be at the Point(s) of Receipt in Transporter's Western Division as set forth in Exhibit A attached hereto. Such Primary Point(s) of Receipt must be located east of the Primary Point(s) of Delivery under this Service Agreement. Shipper may request changes in its Primary Point(s) of Receipt and Transporter shall make such changes in accordance with the terms of Rate Schedule FTS-WD-2 and the applicable General Terms and Conditions of its Tariff.

6.2 The Primary Point(s) of Delivery and maximum daily quantity for each Primary Point of Delivery for all gas made available for delivery by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Point(s) of Delivery in Transporter's Western Division as set forth in Exhibit B attached hereto. Such Primary Point(s) of Delivery must be located west of the Primary Point(s) of Receipt under this Service Agreement. Shipper may request changes in its Primary Point(s) of Delivery and Transporter shall make such changes in accordance with the terms of Rate Schedule FTS-WD-2 and the applicable General Terms and Conditions of its Tariff.



ARTICLE VII  
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to Transporter's address posted on Transporter's Internet website or to Shipper's address stated below or at any other such address as may hereafter be designated in writing:

Shipper: Shell Energy North America (US), L.P.  
1000 Main Street, Level 12  
Houston, Texas 77002  
Attention: Contract Administration  
Telephone No. (877) 604-2491  
Fax No. (713) 767-5844

ARTICLE VIII  
Construction of Facilities

To the extent that construction of new or requested facilities is necessary to provide service under this Service Agreement, such construction, including payment for the facilities, shall occur in accordance with Section 21 of the General Terms and Conditions of Transporter's Tariff.

ARTICLE IX  
Regulatory Authorizations and Approvals

8.1 Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide Firm Transportation Service to Shipper in accordance with the terms of Rate Schedule FTS-WD-2 and this Service Agreement and the General Terms and Conditions of Transporter's Tariff.

ARTICLE X  
Pressure

10.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Point(s) of Receipt.

10.2 Transporter shall have no obligation to provide compression and/or alter its system operation to effectuate deliveries at the Point(s) of Delivery hereunder.

ARTICLE XI  
Other Provisions

ARTICLE XII  
Miscellaneous

12.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party.

12.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

12.3 This Agreement contains Exhibits A and B which are incorporated fully herein.

12.4 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO ANY CONFLICT OF LAWS DOCTRINE WHICH WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

ARTICLE XIII  
Superseding Prior Service Agreements

This Agreement supersedes and replaces the following Service Agreements between Transporter and Shipper:  
None.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER

FLORIDA GAS TRANSMISSION COMPANY, LLC

By



Luke Fletcher  
(Please type or print name)

Title

EVP

Date

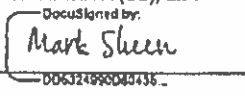
5/29/18

W  
MP  
BH

SHIPPER

SHELL ENERGY NORTH AMERICA (US), L.P.

By

DocuSigned by:  
  
006324990043436

Mark Sheen

(Please type or print name)

Title

Vice President

Date

5/18/2018

Florida Gas Transmission Company, LLC

FERC NGA Gas Tariff

Original Volume No. 1-A

Effective on December 1, 2018

(Version 0.0.0, Contract No. 122907) Exhibits A, B, C

Option Code "A"

EXHIBIT A  
TO  
RATE SCHEDULE FTS-WD-2 SERVICE AGREEMENT  
BETWEEN  
FLORIDA GAS TRANSMISSION COMPANY, LLC  
AND  
SHELL ENERGY NORTH AMERICA (US), L.P.  
DATED  
May 18 2018  
Contract No. 122907

Effective Date of this Exhibit A: The later of the In-Service Date of the Project or April 1, 2018 (the "Effective Date") and this Exhibit to the Agreement shall continue in effect for ten (10) years from such Effective Date.

Point(s) of Receipt

<u>Point Description</u>	<u>Point</u>	<u>Maximum Daily Quantity (MMBtu)</u>
ANR Eunico	100713	75,000
Trunkline Ollis	100729	100,000

Quantities are exclusive of Fuel Reimbursement. Shipper shall provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's FERC Gas Tariff, General Terms and Conditions.

EXHIBIT B  
TO  
RATE SCHEDULE FTS-WD-2 SERVICE AGREEMENT  
BETWEEN  
FLORIDA GAS TRANSMISSION COMPANY, LLC  
AND  
SHELL ENERGY NORTH AMERICA (US), L.P.  
DATED

May 18, 2018

Contract No. 122907

Effective Date of this Exhibit B: The later of the In-Service Date of the Project or April 1, 2018 (the "Effective Date") and this Exhibit to the Agreement shall continue in effect for ten (10) years from such Effective Date.

Point(s) of Delivery

<u>Point Description</u>	<u>Point</u>	<u>Maximum Daily Quantity (MMBtu)</u>	<u>Maximum Delivery Pressure Obligation</u>
Motiva	100723	175,000	550 psig

Maximum Delivery Pressure Obligation. Transporter shall make deliveries on Shipper's behalf up to Shipper's Maximum Daily Quantity at the Primary Delivery Point at a pressure sufficient to enter the downstream plant up to a pressure of 550 psig.

Quantities are exclusive of Fuel Reimbursement.

Florida Gas Transmission Company, LLC

FERC NGA Gas Tariff

Original Volume No. 1-A

Effective on December 1, 2018

(Version 0.0.0, Contract No. 122907) Credit Agreement

Option Code "A"

## CREDIT AGREEMENT

This Credit Agreement, dated as of this 4th day of November, 2015, is by and between Florida Gas Transmission Company, LLC (“Transporter”) and Shell Energy North America (US), L.P. (“Shipper”). Transporter and Shipper may sometimes be referred to herein individually as a “Party”, or together as the “Parties”.

WHEREAS, contemporaneously herewith, Transporter and Shipper have entered into a Precedent Agreement concerning the construction of certain pipeline facilities in Jefferson and Galveston Counties, Texas (the “Project”), and pursuant to which the Parties, subject to certain terms and conditions set forth in the Precedent Agreement, will enter into a Firm Transportation Service Agreement and Negotiated Rate Agreement (collectively, the “FTS-WD-2 Agreement”); and

WHEREAS, pursuant to paragraph 7 of the Precedent Agreement, Shipper is required to comply with the requirements set forth in this Credit Agreement relating to its obligations under the Precedent Agreement and the FTS-WD-2 Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound, Transporter and Shipper agree to the following:

1. Shipper shall, at all times following the tenth (10<sup>th</sup>) day after Transporter’s filing of its FERC 7c application concerning the Project, satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth in this Credit Agreement:

(A) An entity shall be deemed “Creditworthy” hereunder, as of a particular time, if the lower of its long-term senior unsecured debt rating or its issuer rating, at such time, is rated at least BBB- by Standard & Poor’s Ratings Services or its successor (“S&P”) or at least Baa3 by Moody’s Investor Services, Inc. or its successor (“Moody’s”) or an equivalent rating by another nationally recognized credit rating service in the United States (any such rating, as applicable, a “Credit Rating”), provided that a rating at BBB- by S&P or at Baa3 by Moody’s (or an equivalent rating by another eligible service) must be without any Credit Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook.

(B) If Shipper is not “Creditworthy”, then within five (5) business days after Shipper’s receipt of notice from Transporter, Shipper shall thereafter maintain, either:

(i) an absolute, irrevocable, unconditional guaranty substantially in the form set forth in Appendix “A” hereof (“Guaranty”), from a direct or indirect parent of Shipper that is “Creditworthy” and that is otherwise acceptable to Transporter, in Transporter’s commercially reasonable judgment (such third party, “Guarantor”), which Guaranty shall guarantee

the full payment of all of Shipper's obligations under the Precedent Agreement and the FTS-WD-2 Agreement and, subject to Section F hereof, any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in its commercially reasonable discretion, in either case securing the payment obligations of Shipper under the Precedent Agreement and the FTS-WD-2 Agreement ("Credit Support"), equal to the total aggregate dollar value of the lesser of (a) twenty-four (24) months of reservation charges due from Shipper for the Contract MDTQ under the FTS-WD-2 Agreement and (b) all reservation charges due from Shipper for the Contract MDTQ over the number of months remaining under the FTS-WD-2 Agreement. Subject to Section F hereof, the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter until the sixtieth (60<sup>th</sup>) day following the end of the term of the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement. Following the expiration of the Primary Term of the FTS-WD-2 Agreement, the credit requirements set forth in Transporter's FERC Gas Tariff shall apply to extensions, if any, of the FTS-WD-2 Agreement.

(C) At any time while either the Precedent Agreement or the FTS-WD-2 Agreement (through its Primary Term) is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Section (B)(ii) hereof is no longer acceptable to Transporter, in its commercially reasonable discretion, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Section (B)(i) or Section (B)(ii) hereof.

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Section (B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than the shorter of (a) twelve (12) calendar months after issuance thereof and (b) sixty (60) days after the end of the term of the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in a



form otherwise satisfactory to Transporter in its commercially reasonable discretion; provided, however, that any automatic renewal or extension of Shipper's Letter of Credit in accordance with the terms thereof shall be deemed to satisfy Shipper's obligation to furnish extensions or replacements of such Letter of Credit. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either the Precedent Agreement or the FTS-WD-2 Agreement, subject to any grace period set forth therein, if any; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein.

(E) Credit Support in the form of a cash deposit or proceeds from draws under Shipper's Letter of Credit may be applied by Transporter, in its sole discretion, against any losses, costs, expenses or damages as a result of a breach by Shipper of any of its obligations (including a breach arising out of the termination or rejection of either the Precedent Agreement or the FTS-WD-2 Agreement under the U.S. Bankruptcy Code or other applicable insolvency legal requirements) under either the Precedent Agreement or the FTS-WD-2 Agreement. If drawn in part or in whole, Shipper shall within five (5) business days thereafter provide a replacement Shipper's Letter of Credit in accordance with Section 1(B)(ii) of this Credit Agreement. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit.

(F) Notwithstanding anything in Section B hereof, in the event Shipper provides Credit Support pursuant to Section B(i) or Section B(ii) hereof, but thereafter satisfies Section (A), Shipper's Guaranty, Letter of Credit (representing any undrawn portion thereof, to the extent it still remains), or any cash deposit held by Transporter, as applicable, shall be returned to Shipper within ten (10) days after written demand is received by Transporter; provided, however, that the provisions of Section B shall again apply should Shipper fail to be "Creditworthy" at any time thereafter.

(G) Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall terminate automatically and be returned to Shipper on or before the thirtieth (30th) day after the date on which all of Shipper's payment obligations under the Precedent Agreement and the FTS-WD-2 Agreement (through its Primary Term) (including, without limitation, any damages arising from either such agreement) have been fulfilled.

(H) Except to the extent of any amounts paid to the Transporter, the use, application or retention of Credit Support, or any portion thereof, by Transporter shall not prevent Transporter from exercising any other right or remedy provided under the Precedent Agreement, the FTS-WD-2 Agreement, Transporter's FERC Gas Tariff, or which Transporter may have at law or in equity, by statute or regulation, and

shall not operate as a limitation on any recovery to which Transporter may otherwise be entitled. For the avoidance of doubt, Transporter shall not be permitted any additional or duplicative recovery for any damages, payments, or other amounts for which Transporter has received payments or other compensation pursuant to the terms of this Credit Agreement or any Credit Support.

2. Notice. Except as herein otherwise provided, any notice, request, demand, statement, or bill provided for in this Credit Agreement, or any notice which either Party desires to give to the other, must be in writing and will be considered duly delivered only if delivered by hand, by nationally recognized overnight courier service, or by certified mail (postage prepaid, return receipt requested) to the other Party's address set forth below:

Transporter: Florida Gas Transmission Company, LLC  
1300 Main St.  
Houston, Texas 77056-5306  
Attention: Manager – Interstate Credit Risk

With copy to:

Florida Gas Transmission Company, LLC  
1300 Main St.  
Houston, Texas 77056-5306  
Attention: Commercial Operations

Shipper: Shell Energy North America (US), L.P.  
1000 Main Street, Level 12  
Houston, Texas 77002  
Attention: Credit Manager

or at such other address as either Party designates by written notice. Delivery shall be deemed to occur at the time of actual receipt; provided, however, that if receipt occurs after normal business hours or on a weekend or national holiday, then delivery shall be deemed to occur on the next business day.

3. Modifications. Except as provided otherwise in this Credit Agreement, no modification of the terms and provisions of this Credit Agreement shall be effective unless contained in writing and executed by both Transporter and Shipper.

4. CHOICE OF LAW. THIS CREDIT AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. ANY SUIT BROUGHT WITH RESPECT TO OR RELATING TO THIS AGREEMENT SHALL BE BROUGHT IN THE COURTS OF HARRIS COUNTY, TEXAS OR IN THE UNITED STATES DISTRICT COURT, THE SOUTHERN DISTRICT OF HOUSTON, TEXAS. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT.

Confidential

DISTRICT OF HOUSTON, TEXAS. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT.

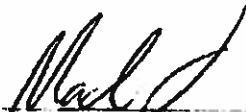
5. Rules and Regulations. This Credit Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, in the event of conflict, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.


6. Counterparts. This Credit Agreement may be executed by facsimile and in multiple counterparts or by other electronic means (including by PDF), each of which when so executed shall be deemed an original, but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Credit Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

Florida Gas Transmission Company, LLC

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

By:   
Title: Mark McCreary  
Date: President & COO

By:   
Title: Vice President  
Date: 10/29/15

BA  
LMP

Florida Gas Transmission Company, LLC

FERC NGA Gas Tariff

Original Volume No. 1-A

Effective on December 1, 2018

(Version 0.0.0, Contract No. 122907) Negotiated Rate Agreement

Option Code "A"



**Florida Gas Transmission Company**

An Energy Transfer/M Kinder Morgan Affiliate

April 16, 2018

Mr. Mark Sheen  
Shell Energy North America (US), L.P.  
1000 Main Street, Level 12  
Houston, Texas 77002

Re: Negotiated Rates for Transportation Service Under Florida Gas Transmission  
Company, LLC Rate Schedule FTS-WD-2, Contract No. **122907**

Dear Mr. Sheen:

This Negotiated Rate Agreement ("Agreement") is made and entered into this 16<sup>th</sup> day of May, 2018 by and between Florida Gas Transmission Company LLC ("Transporter") and Shell Energy North America (US), L.P. ("Shipper"). In accordance with the mutual covenants and agreements contained herein and in the Precedent Agreement, Transporter and Shipper desire to enter into this Agreement with respect to the rates for service under a service agreement under Transporter's Rate Schedule FTS-WD-2 ("Service Agreement").

When used in this Agreement, and unless otherwise defined herein, capitalized terms shall have the meanings set forth in the Service Agreement and/or in Transporter's FERC Gas Tariff (which includes without limitation the rate schedules, General Terms and Conditions (GT&C), and forms of service agreement), as amended from time to time ("Tariff").

1. **Negotiated Rates:** During the term of this Agreement as set forth in Paragraph 6 of this Agreement and subject to all terms, conditions and limitations set forth in this Agreement including but not limited to Paragraph 2 of this Agreement, Transporter agrees to charge Shipper, and Shipper agrees to pay Transporter, the following negotiated rate and any other applicable surcharges (hereinafter referred to as the "Negotiated Rate"):
  - a. **Load Factor Rate.** The Negotiated Rate shall be fixed at a 100% Load Factor Rate equal to \$0.19/Dth, plus all applicable Surcharges, for service from the Eligible Primary Receipt Point(s) to the Eligible Primary Delivery Point(s) and to Transporter's Western Division Alternate Receipt and Alternate Delivery Point(s) under the Service Agreement. Eligible Primary Receipt and Delivery Point(s) shall be those points within Transporter's Zone 1 and/or Zone 2. Otherwise, a fixed 100% Load Factor Rate equal to \$0.34/Dth, plus all applicable Surcharges, shall apply under the Service Agreement to and/or from all other Primary Delivery and/or Receipt Point(s), from time to time.

b. Fuel. Shipper shall pay the Fuel Reimbursement Charge set forth in Transporter's Tariff, applicable to the Service Agreement; provided, however, that the Fuel Reimbursement Charge shall be capped at 2.25% ("Fuel Cap") for transportation within Shipper's Primary Capacity Path. Nothing in this Section shall preclude Transporter from charging to a deferral account for future recovery from Shipper any amount by which the Fuel Reimbursement Charge of Shipper is above the Fuel Cap. In such situations, Transporter will charge Shipper (and Shipper shall pay) a percentage equal to the Fuel Cap until the deferral account is reduced to zero or the end of the Negotiated Rate Term.

2. Applicability of Negotiated Rates: Notwithstanding anything to the contrary in this Agreement, the Negotiated Rate set forth above will apply to deliveries under the Service Agreement at the primary and alternative delivery points specified. In the event that Shipper releases its firm transportation rights under the Service Agreement, Shipper shall continue to be obligated to pay Transporter for the difference, if any, by which the Negotiated Rate (and all other applicable rates contemplated in Paragraph 1 above) exceeds the release rate.
3. Effect of Negotiated Rate: Pursuant to the GT&C of Transporter's Tariff, the Negotiated Rate set forth herein shall collectively constitute a "negotiated rate." Shipper, by execution of this Agreement, agrees that the otherwise generally applicable maximum Recourse Rate(s) in effect pursuant to Transporter's Tariff shall not apply to or be available to Shipper for service under the Service Agreement during the term of this Agreement (except to the extent expressly stated in Paragraph 1 above or at any and all times when the Negotiated Rate is not otherwise applicable to service under the Service agreement pursuant to this Agreement), notwithstanding any adjustments to such generally applicable maximum Recourse Rates(s) which may become effective during the term of this Agreement.
4. No Refund Obligations: If, at any time after the date service commences under the Service Agreement and thereafter during the term of this Agreement, Transporter is collecting its effective maximum Recourse Rate(s) subject to refund under Section 4 of the Natural Gas Act, as amended ("NGA"), Transporter shall have no refund obligation to Shipper even if the final maximum recourse rates are reduced to a level below the Negotiated Rate provided herein. Shipper's right to receive credits relating to Transporter's penalty revenue or other similar revenue, if any, applicable to transportation service on Transporter's system shall be governed by Transporter's Tariff and any applicable FERC orders and/or regulations.
5. Transporter's Tariff: Shipper acknowledges and agrees that all terms and conditions of Transporter's Tariff, including provisions for filing of changes in Transporter's Tariff, are applicable to the Service Agreement. In the event of a conflict between this Agreement and Transporter's Tariff, Transporter's Tariff shall control.
6. Term: This Agreement shall be effective as of the date first above written. Subject to Paragraphs 2 and 7 herein, the Negotiated Rate set forth herein shall apply to service

under the Service Agreement commencing on the date service commences under the Service Agreement and shall, subject to the terms and conditions of this Agreement, continue in effect through the Primary Term, and any Extension Term, as specified in the Service Agreement.

7. Regulatory Approval: Transporter shall make a filing with the FERC for approval to implement the Negotiated Rate set forth herein pursuant to the NGA, the FERC's regulations promulgated under the NGA, and the FERC's Statement of Policy Alternatives to Traditional Cost of Service Ratemaking for Natural Gas Transporters and Regulation of Negotiated Transportation Service of Natural Gas Transporters issued January 31, 1996, in Docket Nos. RM95-5-000 and RM96-7-000. This Agreement and the Negotiated Rate set forth herein shall not apply to service under the Service Agreement unless and until the FERC approves such filing without condition and/or modification.
8. Entire Agreement: This Agreement and the Service Agreement contain the entire agreement of the Parties with regard to the matters set forth herein and shall be binding upon and inure to the benefit of the successors and permitted assigns of each Party.
9. Notices: All notices and communications regarding this Agreement shall be made in accordance with the notice provisions of the Service Agreement.

[Signatures Next Page]

If the foregoing accurately sets forth your understanding of the matters covered herein, please so indicate by having a duly authorized representative sign in the space provided below and returning an original signed copy to the undersigned.

Sincerely,

Florida Gas Transmission Company, LLC

By: [Signature]

Name: Luke Fletcher

Title: EVP

w  
MPBA

ACCEPTED AND AGREED TO:

This 18 day of May, 2018

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

By: [Signature]

Name: Mark Sheen

Title: Vice President

cc: Ms. Krista Ellestad



MARKED VERSION

PART I  
TABLE OF CONTENTS

Part II Non-Conforming Service Agreements

Contract No. 111144	Florida Power Corporation d/b/a Progress Energy Florida, Inc.
Contract No. 111145 Reserved	Florida Power & Light Company Reserved
Contract No. 3247 FPL Exhibit B	Florida Power & Light Company Florida Power & Light Company

Part III Non-Conforming Agreements with Negotiated Rates

Contract No. 122314	Seminole Electric Cooperative, Inc.
Contract No. 122314	Exhibits A, B, C
Contract No. 122314	Exhibit D
Contract No. 122314	Negotiated Rate Agreement

Contract No. 122315	Seminole Electric Cooperative, Inc.
Contract No. 122315	Exhibits A, B, C
Contract No. 122315	Exhibit D
Contract No. 122315	Negotiated Rate Agreement

Contract No. 122316	Seminole Electric Cooperative, Inc.
Contract No. 122316	Exhibits A, B, C
Contract No. 122316	Exhibit D
Contract No. 122316	Negotiated Rate Agreement

<u>Contract No. 122907</u>	<u>Shell Energy North America (US), L.P.</u>
<u>Contract No. 122907</u>	<u>Exhibits A, B, C</u>
<u>Contract No. 122907</u>	<u>Credit Agreement</u>
<u>Contract No. 122907</u>	<u>Negotiated Rate Agreement</u>

Executed Service Agreement  
Compared to Rate Schedule FTS-WD-2 Form of Service Agreement  
In Florida Gas Transmission Company, LLC  
Fifth Revised Volume No. 1 Tariff

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

(Contract No. 122907)

SERVICE AGREEMENT  
Firm Transportation Service - Western Division  
Rate Schedule FTS-WD-2

Contract No. 122907

THIS AGREEMENT entered into this 18<sup>th</sup> day of May, 2018 by and between Florida Gas Transmission Company, LLC, a limited liability company of the State of Delaware (herein called "Transporter"), and Shell Energy North America (US), L.P. (herein called "Shipper"),

WITNESSETH

WHEREAS, Transporter has received and accepted a certificate from the FERC to construct, install, own, maintain and operate certain pipeline facilities and rearrange existing pipeline facilities, all in its Western Division, including an approximately 11-mile lateral pipeline from, at or near Transporter's Station 6 to an interconnection with a Motiva Plant (the "Lateral"), all located in Jefferson County, Texas (the "Project").

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

ARTICLE I  
Definitions

In addition to the definitions incorporated herein through Transporter's Rate Schedule FTS-WD-2, the following terms when used herein shall have the meanings set forth below:

1.1 The term "Rate Schedule FTS-WD-2" shall mean Transporter's Rate Schedule FTS-WD-2 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 4.2 hereof or in compliance with any final FERC order affecting such rate schedule.

1.2 The term "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

## ARTICLE II Quantity

2.1 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth on a seasonal basis, and by Division if applicable, on Exhibit B attached hereto. The applicable MDTQ shall be the largest daily quantity of gas expressed in MMBtu, that Transporter is obligated to transport and make available for delivery to Shipper under this Service Agreement on any one day.

2.2 During the term of this Agreement, Shipper may tender natural gas for transportation to Transporter on any day, up to the MDTQ plus Transporter's fuel, if applicable. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Points, up to the maximum daily quantity specified for each receipt point as set out on Exhibit A, plus Transporter's fuel, if applicable, and to transport and make available for delivery to Shipper at each Delivery Point specified on Exhibit B, up to the amount scheduled by Transporter less Transporter's fuel, if applicable (as provided in Rate Schedule FTS-WD-2), provided however, that Transporter shall not be required to accept for transportation and make available for delivery more than the MDTQ on any day.

## ARTICLE III Payment and Rights in the Event of Non-Payment

3.1 Upon the commencement of service hereunder, Shipper shall pay Transporter, for all service rendered hereunder, the rates established under Transporter's Rate Schedule FTS-WD-2 as filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

3.2 Termination for Non-Payment. In the event Shipper fails to pay for the service provided under this Agreement, pursuant to the condition set forth in Section 15 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter shall have the right to terminate this Agreement pursuant to the condition set forth in said Section 15.

## ARTICLE IV Rights to Amend Rates and Terms and Conditions of Service

4.1 This Agreement in all respects shall be and remain subject to the provisions of said Rate Schedule and of the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as the same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

4.2 Transporter shall have the unilateral right to file with the appropriate regulatory authority and seek to make changes in (a) the rates and charges applicable to its Rate Schedule FTS-WD-2, (b) Rate Schedule FTS-WD-2 including the Form of Service Agreement and the existing Service Agreement pursuant to which this service is rendered; provided however, that the firm character of

service shall not be subject to change hereunder by means of a Section 4 Filing by Transporter, and/or (c) any provisions of the General Terms and Conditions of Transporter's Tariff applicable to Rate Schedule FTS-WD-2. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b) or (c) above are just and reasonable.

#### ARTICLE V

##### Term of Agreement and Commencement of Service

5.1 This Agreement shall become effective on the later of the In-Service Date of the Project or April 1, 2018 (the "Effective Date") and shall continue in effect for ten (10) years (the "Primary Term"). The In-Service Date shall be the first day of the calendar month following the day on which Transporter is able to provide firm service from the Primary Receipt Point(s) to the Primary Delivery Point(s). In the event the In-Service Date has been achieved prior to April 1, 2018, upon mutual agreement of the Parties, an earlier Effective Date may be established. Shipper shall have the option to extend the term for one (1) five-year (5-year) term (the "Extension Term") at the then existing MDTQ and MDQ, provided that Shipper notifies Transporter of Shipper's desire to exercise this extension right at least twelve (12) months prior to the date on which the Primary Term is scheduled to expire. Should Shipper exercise such extension right, Shipper shall thereafter have a one-time contractual Right of First Refusal pursuant to the provisions of Section 20 of the General Terms and Conditions of the Transporter's FERC Gas Tariff to be applicable to all or any portion of Shipper's then existing MDTQ and/or MDQ.

5.2 In the event the capacity being contracted for was acquired pursuant to Section 18.C.2. of Transporter's Tariff, then this Agreement shall terminate on the date set forth in Section 5.1 above. Otherwise, upon the expiration of the primary term and any extension or roll-over, termination will be governed by the provisions of Section 20 of the General Terms and Conditions of Transporter's Tariff.

5.3 Service hereunder shall commence as set forth in Section 2 of Rate Schedule FTS-WD-2.

#### ARTICLE VI

##### Point(s) of Receipt and Delivery and Maximum Daily Quantities

6.1 The Primary Point(s) of Receipt and maximum daily quantity for each Primary Point of Receipt, for all gas delivered by Shipper into Transporter's pipeline system under this Agreement shall be at the Point(s) of Receipt in Transporter's Western Division as set forth in Exhibit A attached hereto. Such Primary Point(s) of Receipt must be located east of the Primary Point(s) of Delivery under this Service Agreement. Shipper may request changes in its Primary Point(s) of Receipt and Transporter shall make such changes in accordance with the terms of Rate Schedule FTS-WD-2 and the applicable General Terms and Conditions of its Tariff.

6.2 The Primary Point(s) of Delivery and maximum daily quantity for each Primary Point of Delivery for all gas made available for delivery by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Point(s) of Delivery in Transporter's Western Division as set forth in Exhibit B attached hereto. Such Primary Point(s) of Delivery must be located west of the Primary Point(s) of Receipt under this Service Agreement. Shipper may request changes in its Primary Point(s) of Delivery and Transporter shall make such changes in accordance with the terms of Rate Schedule FTS-WD-2 and the applicable General Terms and Conditions of its Tariff.

ARTICLE VII

Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to Transporter's address posted on Transporter's Internet website or to Shipper's address stated below or at any other such address as may hereafter be designated in writing:

Shipper: Shell Energy North America (US), L.P.  
1000 Main Street, Level 12  
Houston, Texas 77002  
Attention: Contract Administration  
Telephone No. (877) 504-2491  
Fax No. (713) 767-5644

ARTICLE VIII  
Construction of Facilities

To the extent that construction of new or requested facilities is necessary to provide service under this Service Agreement, such construction, including payment for the facilities, shall occur in accordance with Section 21 of the General Terms and Conditions of Transporter's Tariff.

ARTICLE IX  
Regulatory Authorizations and Approvals

9.1 Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide Firm Transportation Service to Shipper in accordance with the terms of Rate Schedule FTS-WD-2 and this Service Agreement and the General Terms and Conditions of Transporter's Tariff.

ARTICLE X  
Pressure

10.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Point(s) of Receipt.

10.2 Transporter shall have no obligation to provide compression and/or alter its system operation to effectuate deliveries at the Point(s) of Delivery hereunder.

ARTICLE XI  
Other Provisions

ARTICLE XII  
Miscellaneous

12.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party.

12.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

12.3 This Agreement contains Exhibits A and B which are incorporated fully herein.

12.4 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO ANY CONFLICT OF LAWS DOCTRINE WHICH WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

ARTICLE XIII  
Superseding Prior Service Agreements

This Agreement supersedes and replaces the following Service Agreements between Transporter and Shipper:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY, LLC

SHELL ENERGY NORTH AMERICA (US), L.P.

By \_\_\_\_\_

By \_\_\_\_\_

Name: \_\_\_\_\_  
(Please type or print name)

Name: \_\_\_\_\_  
(Please type or print name)

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_



EXHIBIT A  
TO  
RATE SCHEDULE FTS-WD-2 SERVICE AGREEMENT  
BETWEEN  
FLORIDA GAS TRANSMISSION COMPANY, LLC  
AND

\_\_\_\_\_  
DATED  
May 18, 2018  
Contract No. 122907

Effective Date of this Exhibit A: the later of the In-Service Date of the Project or April 1, 2018 (the "Effective Date") and this Exhibit to the Agreement shall continue in effect for ten (10) years from such Effective Date.

Point(s) of Receipt:

<u>Point Description</u>	<u>Point</u>	<u>Maximum Daily Quantity (MMBTU)</u>
<u>ANR Eunice</u>	<u>100733</u>	<u>75,000</u>
<u>Trunkline Gill's</u>	<u>100729</u>	<u>100,000</u>

(Quantities are exclusive of Fuel Reimbursement. Shipper shall provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's FERC Gas Tariff, General Terms and Conditions.)

EXHIBIT B  
TO  
RATE SCHEDULE FTS-WD-2 SERVICE AGREEMENT  
BETWEEN  
FLORIDA GAS TRANSMISSION COMPANY, LLC  
AND

SHELL ENERGY NORTH AMERICA (US), L.P.

DATED

May 18, 2018

Contract No. 122907

Effective Date of this Exhibit B: the later of the In-Service Date of the Project or April 1, 2018 (the "Effective Date") and this Exhibit to the Agreement shall continue in effect for ten (10) years from such Effective Date.

Points of Delivery

<u>Point Description</u>	<u>Point</u>	<u>Maximum Daily Quantity (MMBTU)</u>	<u>Maximum Delivery Pressure Obligation</u>
<u>Motiva</u>	<u>100723</u>	<u>175,000</u>	<u>550 psig</u>

(Quantities are exclusive of Fuel Reimbursement.)

## CREDIT AGREEMENT

This Credit Agreement, dated as of this 4th day of November, 2015, is by and between Florida Gas Transmission Company, LLC (“Transporter”) and Shell Energy North America (US), L.P. (“Shipper”). Transporter and Shipper may sometimes be referred to herein individually as a “Party”, or together as the “Parties”.

WHEREAS, contemporaneously herewith, Transporter and Shipper have entered into a Precedent Agreement concerning the construction of certain pipeline facilities in Jefferson and Galveston Counties, Texas (the “Project”), and pursuant to which the Parties, subject to certain terms and conditions set forth in the Precedent Agreement, will enter into a Firm Transportation Service Agreement and Negotiated Rate Agreement (collectively, the “FTS-WD-2 Agreement”); and

WHEREAS, pursuant to paragraph 7 of the Precedent Agreement, Shipper is required to comply with the requirements set forth in this Credit Agreement relating to its obligations under the Precedent Agreement and the FTS-WD-2 Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound, Transporter and Shipper agree to the following:

1. Shipper shall, at all times following the tenth (10<sup>th</sup>) day after Transporter’s filing of its FERC 7c application concerning the Project, satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth in this Credit Agreement:

(A) An entity shall be deemed “Creditworthy” hereunder, as of a particular time, if the lower of its long-term senior unsecured debt rating or its issuer rating, at such time, is rated at least BBB- by Standard & Poor’s Ratings Services or its successor (“S&P”) or at least Baa3 by Moody’s Investor Services, Inc. or its successor (“Moody’s”) or an equivalent rating by another nationally recognized credit rating service in the United States (any such rating, as applicable, a “Credit Rating”), provided that a rating at BBB- by S&P or at Baa3 by Moody’s (or an equivalent rating by another eligible service) must be without any Credit Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook.

(B) If Shipper is not “Creditworthy”, then within five (5) business days after Shipper’s receipt of notice from Transporter, Shipper shall thereafter maintain, either:

(i) an absolute, irrevocable, unconditional guaranty substantially in the form set forth in Appendix “A” hereof (“Guaranty”), from a direct or indirect parent of Shipper that is “Creditworthy” and that is otherwise acceptable to Transporter, in Transporter’s commercially reasonable judgment (such third party, “Guarantor”), which Guaranty shall guarantee

the full payment of all of Shipper's obligations under the Precedent Agreement and the FTS-WD-2 Agreement and, subject to Section F hereof, any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement; or

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(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in its commercially reasonable discretion, in either case securing the payment obligations of Shipper under the Precedent Agreement and the FTS-WD-2 Agreement ("Credit Support"), equal to the total aggregate dollar value of the lesser of (a) twenty-four (24) months of reservation charges due from Shipper for the Contract MDTQ under the FTS-WD-2 Agreement and (b) all reservation charges due from Shipper for the Contract MDTQ over the number of months remaining under the FTS-WD-2 Agreement. Subject to Section F hereof, the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter until the sixtieth (60<sup>th</sup>) day following the end of the term of the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement. Following the expiration of the Primary Term of the FTS-WD-2 Agreement, the credit requirements set forth in Transporter's FERC Gas Tariff shall apply to extensions, if any, of the FTS-WD-2 Agreement.

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(C) At any time while either the Precedent Agreement or the FTS-WD-2 Agreement (through its Primary Term) is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Section (B)(ii) hereof is no longer acceptable to Transporter, in its commercially reasonable discretion, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Section (B)(i) or Section (B)(ii) hereof.

---

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Section (B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than the shorter of (a) twelve (12) calendar months after issuance thereof and (b) sixty (60) days after the end of the term of the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and the Primary Term of the FTS-WD-2 Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in a

form otherwise satisfactory to Transporter in its commercially reasonable discretion; provided, however, that any automatic renewal or extension of Shipper's Letter of Credit in accordance with the terms thereof shall be deemed to satisfy Shipper's obligation to furnish extensions or replacements of such Letter of Credit. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either the Precedent Agreement or the FTS-WD-2 Agreement, subject to any grace period set forth therein, if any; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein.

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(E) Credit Support in the form of a cash deposit or proceeds from draws under Shipper's Letter of Credit may be applied by Transporter, in its sole discretion, against any losses, costs, expenses or damages as a result of a breach by Shipper of any of its obligations (including a breach arising out of the termination or rejection of either the Precedent Agreement or the FTS-WD-2 Agreement under the U.S. Bankruptcy Code or other applicable insolvency legal requirements) under either the Precedent Agreement or the FTS-WD-2 Agreement. If drawn in part or in whole, Shipper shall within five (5) business days thereafter provide a replacement Shipper's Letter of Credit in accordance with Section 1(B)(ii) of this Credit Agreement. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit.

---

(F) Notwithstanding anything in Section B hereof, in the event Shipper provides Credit Support pursuant to Section B(i) or Section B(ii) hereof, but thereafter satisfies Section (A), Shipper's Guaranty, Letter of Credit (representing any undrawn portion thereof, to the extent it still remains), or any cash deposit held by Transporter, as applicable, shall be returned to Shipper within ten (10) days after written demand is received by Transporter; provided, however, that the provisions of Section B shall again apply should Shipper fail to be "Creditworthy" at any time thereafter.

---

(G) Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall terminate automatically and be returned to Shipper on or before the thirtieth (30th) day after the date on which all of Shipper's payment obligations under the Precedent Agreement and the FTS-WD-2 Agreement (through its Primary Term) (including, without limitation, any damages arising from either such agreement) have been fulfilled.

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(H) Except to the extent of any amounts paid to the Transporter, the use, application or retention of Credit Support, or any portion thereof, by Transporter shall not prevent Transporter from exercising any other right or remedy provided under the Precedent Agreement, the FTS-WD-2 Agreement, Transporter's FERC Gas Tariff, or which Transporter may have at law or in equity, by statute or regulation, and

shall not operate as a limitation on any recovery to which Transporter may otherwise be entitled. For the avoidance of doubt, Transporter shall not be permitted any additional or duplicative recovery for any damages, payments, or other amounts for which Transporter has received payments or other compensation pursuant to the terms of this Credit Agreement or any Credit Support.

2. Notice. Except as herein otherwise provided, any notice, request, demand, statement, or bill provided for in this Credit Agreement, or any notice which either Party desires to give to the other, must be in writing and will be considered duly delivered only if delivered by hand, by nationally recognized overnight courier service, or by certified mail (postage prepaid, return receipt requested) to the other Party's address set forth below:

Transporter: Florida Gas Transmission Company, LLC  
1300 Main St.  
Houston, Texas 77056-5306  
Attention: Manager – Interstate Credit Risk

With copy to:

Florida Gas Transmission Company, LLC  
1300 Main St.  
Houston, Texas 77056-5306  
Attention: Commercial Operations

Shipper: Shell Energy North America (US), L.P.  
1000 Main Street, Level 12  
Houston, Texas 77002  
Attention: Credit Manager

or at such other address as either Party designates by written notice. Delivery shall be deemed to occur at the time of actual receipt; provided, however, that if receipt occurs after normal business hours or on a weekend or national holiday, then delivery shall be deemed to occur on the next business day.

3. Modifications. Except as provided otherwise in this Credit Agreement, no modification of the terms and provisions of this Credit Agreement shall be effective unless contained in writing and executed by both Transporter and Shipper.

4. CHOICE OF LAW. THIS CREDIT AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. ANY SUIT BROUGHT WITH RESPECT TO OR RELATING TO THIS AGREEMENT SHALL BE BROUGHT IN THE COURTS OF HARRIS COUNTY, TEXAS OR IN THE UNITED STATES DISTRICT COURT, THE SOUTHERN DISTRICT OF HOUSTON, TEXAS. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT.

5. Rules and Regulations. This Credit Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, in the event of conflict, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

6. Counterparts. This Credit Agreement may be executed by facsimile and in multiple counterparts or by other electronic means (including by PDF), each of which when so executed shall be deemed an original, but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Credit Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

\_\_\_\_\_  
**Florida Gas Transmission Company, LLC**                      **Shell Energy North America (US), L.P.**

\_\_\_\_\_  
By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_



## Florida Gas Transmission Company

An Energy Transfer/Kinder Morgan Affiliate

April 16, 2018

Mr. Mark Sheen  
Shell Energy North America (US), L.P.  
1000 Main Street, Level 12  
Houston, Texas 77002

Re: Negotiated Rates for Transportation Service Under Florida Gas Transmission Company, LLC Rate Schedule FTS-WD-2, Contract No. \_\_\_\_\_

Dear Mr. Sheen:

This Negotiated Rate Agreement (“Agreement”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 2018 by and between Florida Gas Transmission Company LLC (“Transporter”) and Shell Energy North America (US), L.P. (“Shipper”). In accordance with the mutual covenants and agreements contained herein and in the Precedent Agreement, Transporter and Shipper desire to enter into this Agreement with respect to the rates for service under a service agreement under Transporter’s Rate Schedule FTS-WD-2 (“Service Agreement”).

When used in this Agreement, and unless otherwise defined herein, capitalized terms shall have the meanings set forth in the Service Agreement and/or in Transporter’s FERC Gas Tariff (which includes without limitation the rate schedules, General Terms and Conditions (GT&C), and forms of service agreement), as amended from time to time (“Tariff”).

1. Negotiated Rates: During the term of this Agreement as set forth in Paragraph 6 of this Agreement and subject to all terms, conditions and limitations set forth in this Agreement including but not limited to Paragraph 2 of this Agreement, Transporter agrees to charge Shipper, and Shipper agrees to pay Transporter, the following negotiated rate and any other applicable surcharges (hereinafter referred to as the “Negotiated Rate”):
  - a. Load Factor Rate. The Negotiated Rate shall be fixed at a 100% Load Factor Rate equal to \$0.19/Dth, plus all applicable Surcharges, for service from the Eligible Primary Receipt Point(s) to the Eligible Primary Delivery Point(s) and to Transporter’s Western Division Alternate Receipt and Alternate Delivery Point(s) under the Service Agreement. Eligible Primary Receipt and Delivery Point(s) shall be those points within Transporter’s Zone 1 and/or Zone 2. Otherwise, a fixed 100% Load Factor Rate equal to \$0.34/Dth, plus all applicable Surcharges, shall apply under the Service Agreement to and/or from all other Primary Delivery and/or Receipt Point(s), from time to time.



- b. Fuel. Shipper shall pay the Fuel Reimbursement Charge set forth in Transporter's Tariff, applicable to the Service Agreement; provided, however, that the Fuel Reimbursement Charge shall be capped at 2.25% ("Fuel Cap") for transportation within Shipper's Primary Capacity Path. Nothing in this Section shall preclude Transporter from charging to a deferral account for future recovery from Shipper any amount by which the Fuel Reimbursement Charge of Shipper is above the Fuel Cap. In such situations, Transporter will charge Shipper (and Shipper shall pay) a percentage equal to the Fuel Cap until the deferral account is reduced to zero or the end of the Negotiated Rate Term.
2. Applicability of Negotiated Rates: Notwithstanding anything to the contrary in this Agreement, the Negotiated Rate set forth above will apply to deliveries under the Service Agreement at the primary and alternative delivery points specified. In the event that Shipper releases its firm transportation rights under the Service Agreement, Shipper shall continue to be obligated to pay Transporter for the difference, if any, by which the Negotiated Rate (and all other applicable rates contemplated in Paragraph 1 above) exceeds the release rate.
3. Effect of Negotiated Rate: Pursuant to the GT&C of Transporter's Tariff, the Negotiated Rate set forth herein shall collectively constitute a "negotiated rate." Shipper, by execution of this Agreement, agrees that the otherwise generally applicable maximum Recourse Rate(s) in effect pursuant to Transporter's Tariff shall not apply to or be available to Shipper for service under the Service Agreement during the term of this Agreement (except to the extent expressly stated in Paragraph 1 above or at any and all times when the Negotiated Rate is not otherwise applicable to service under the Service agreement pursuant to this Agreement), notwithstanding any adjustments to such generally applicable maximum Recourse Rates(s) which may become effective during the term of this Agreement.
4. No Refund Obligations: If, at any time after the date service commences under the Service Agreement and thereafter during the term of this Agreement, Transporter is collecting its effective maximum Recourse Rate(s) subject to refund under Section 4 of the Natural Gas Act, as amended ("NGA"), Transporter shall have no refund obligation to Shipper even if the final maximum recourse rates are reduced to a level below the Negotiated Rate provided herein. Shipper's right to receive credits relating to Transporter's penalty revenue or other similar revenue, if any, applicable to transportation service on Transporter's system shall be governed by Transporter's Tariff and any applicable FERC orders and/or regulations.
5. Transporter's Tariff: Shipper acknowledges and agrees that all terms and conditions of Transporter's Tariff, including provisions for filing of changes in Transporter's Tariff, are applicable to the Service Agreement. In the event of a conflict between this Agreement and Transporter's Tariff, Transporter's Tariff shall control.
6. Term: This Agreement shall be effective as of the date first above written. Subject to Paragraphs 2 and 7 herein, the Negotiated Rate set forth herein shall apply to service

under the Service Agreement commencing on the date service commences under the Service Agreement and shall, subject to the terms and conditions of this Agreement, continue in effect through the Primary Term, and any Extension Term, as specified in the Service Agreement.

7. Regulatory Approval: Transporter shall make a filing with the FERC for approval to implement the Negotiated Rate set forth herein pursuant to the NGA, the FERC's regulations promulgated under the NGA, and the FERC's Statement of Policy Alternatives to Traditional Cost of Service Ratemaking for Natural Gas Transporters and Regulation of Negotiated Transportation Service of Natural Gas Transporters issued January 31, 1996, in Docket Nos. RM95-5-000 and RM96-7-000. This Agreement and the Negotiated Rate set forth herein shall not apply to service under the Service Agreement unless and until the FERC approves such filing without condition and/or modification.
8. Entire Agreement: This Agreement and the Service Agreement contain the entire agreement of the Parties with regard to the matters set forth herein and shall be binding upon and inure to the benefit of the successors and permitted assigns of each Party.
9. Notices: All notices and communications regarding this Agreement shall be made in accordance with the notice provisions of the Service Agreement.

[Signatures Next Page]

If the foregoing accurately sets forth your understanding of the matters covered herein, please so indicate by having a duly authorized representative sign in the space provided below and returning an original signed copy to the undersigned.

Sincerely,

\_\_\_\_\_

Florida Gas Transmission Company, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED AND AGREED TO:

This \_\_\_\_\_ day of \_\_\_\_\_, 2018

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

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Ms. Krista Ellestad