

November 27, 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. 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 South Alabama Project facilities.

STATEMENT OF NATURE, REASONS AND BASIS

The purpose of this filing, made in accordance with Sections 154.1(d) and 154.112(b) of the Commission's Regulations, is to file herein an executed copy of the Rate Schedule FTS-WD non-conforming service agreement with PowerSouth Energy Cooperative (PowerSouth).

On July 19, 2018, FGT filed in Docket No. CP18-530-000, a prior notice request pursuant to Sections 157.205, 157.208, 157.210, and 157.211 of the Commission's regulations under the Natural Gas Act and FGT's blanket certificate issued in Docket No. CP82-553-000, for authorization to construct/modify, own, maintain and operate, certain natural gas mainline facilities for its South Alabama Project (Project). This expansion Project provides additional capacity of up to 60,000 million British thermal units per day (MMBtu/d) of available firm transportation capacity for delivery to existing delivery points. PowerSouth has contracted for 45,000 MMBtu/d under FGT's Rate Schedule FTS-WD. The Project facilities being constructed pursuant to the prior notice request and authorization will be completed on or about December 1, 2018.

The service agreement filed herein contains a non-conforming term of service that deviates from the creditworthiness provisions in FGT's General Terms and Conditions. The negotiated creditworthiness provisions are contained in Exhibit D of the service agreement. FGT requests that the Commission find the non-conforming negotiated credit provisions to be a permissible material deviation as the negotiated provisions reflect unique circumstances involved with constructing new infrastructure, do not present a risk of undue discrimination, do not affect the operational conditions of providing service, and do not result in any customer receiving a different quality of service.

The service agreement filed herein also includes negotiated rates as detailed in the Negotiated Rate Agreement associated with the contract. The proposed tariff records provide the requisite information for negotiated rates including the name of the shipper, the negotiated rate, the type of service, the receipt and delivery points as well as the term applicable to the negotiated rate and the volume of gas to be transported under the negotiated rate agreement.

Appendix B attached hereto reflects the PowerSouth executed service agreement compared to the Rate Schedule FTS-WD form of service agreement in FGT's Fifth Revised Volume No. 1 Tariff.

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 agreement marked against the form of service agreement in FGT's Fifth Revised Volume No. 1 Tariff.

IMPLEMENTATION AND WAIVER REQUEST

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, FGT requests that the proposed tariff records submitted herein be accepted effective December 1, 2018, the effective date of the service agreement. FGT respectfully requests the Commission grant waiver of Section 154.207 of the Commission's Regulations and any other waivers of its Regulations that it deems necessary to allow the proposed tariff records in this filing to become effective on 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 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. Langston¹
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

Kevin P. Erwin¹
General Counsel
Florida Gas Transmission Company, LLC
1300 Main Street
Houston, TX 77002
(713) 989-2745
(713) 989-1212 (Fax)
kevin.erwin@energytransfer.com

¹ 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 additional representatives on the official service list.

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
November 27, 2018
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Deborah A. Bradbury^{1 2}

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

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 jurisdictional customers, interested state regulatory agencies and all parties on the official service list for Docket No. CP18-530-000. FGT has posted this filing on its Internet web site accessible via <http://fgttransfer.energytransfer.com> under "Informational Postings, Regulatory."

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

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

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

Proposed to be Effective December 1, 2018

<u>Tariff Record</u> <u>Version</u>	<u>Description</u>	<u>Title</u>
7.0.0	Part I	Table of Contents
0.0.0	Contract No. 123086	PowerSouth Energy Cooperative
0.0.0	Contract No. 123086	Exhibits A, B, C
0.0.0	Contract No. 123086	Exhibit D Credit Agreement
0.0.0	Contract No. 123086	Negotiated Rate Agreement

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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.
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Contract No. 122907	Exhibits A, B, C
Contract No. 122907	Exhibit D
Contract No. 122907	Negotiated Rate Agreement
Contract No. 123086	PowerSouth Energy Cooperative
Contract No. 123086	Exhibits A, B, C
Contract No. 123086	Exhibit D
Contract No. 123086	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. 123086) PowerSouth Energy Cooperative

Option Code "A"

SERVICE AGREEMENT
Firm Transportation Service-Western Division
Rate Schedule FTS-WD
Contract No. 123086

THIS AGREEMENT entered into this 16 day of November 2018, by and between Florida Gas Transmission Company, LLC, a limited liability company of the State of Delaware (herein called "Transporter"), and POWERSOUTH ENERGY COOPERATIVE (herein called "Shipper"),

WITNESSETH

WHEREAS, Transporter has received and accepted a certificate from the FERC to construct, install, own, and maintain certain pipeline facilities necessary to upgrade the horsepower at Compressor Station 12A and upgrade the Alabama Electric Co-op - Flomaton meter station at a location at or near the Florida/Alabama border for its Western Division (the "South Alabama 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, the following terms when used herein shall have the meanings set forth below:

1.1 The term "Rate Schedule FTS-WD" shall mean Transporter's Rate Schedule FTS-WD as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 5.2 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), 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

Reserved.

ARTICLE IV

Payment and Rights in the Event of Non-Payment

4.1 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 as filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

4.2 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 suspend or terminate this Agreement pursuant to the condition set forth in said Section 15.

ARTICLE V

Rights to Amend Rates and Terms and Conditions of Service

5.1 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.

5.2 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, (b) Rate Schedule FTS-WD, 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. 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 VI

Term of Agreement and Commencement of Service

6.1 This Agreement shall become effective on the later of the In-Service Date of the South Alabama Project or December 1, 2018 (the "South Alabama Project Effective Date"). The In-Service Date for the South Alabama Project 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 Points set forth in Exhibit A to the Primary Delivery Points set forth in Exhibit B and shall continue in effect for twenty-five (25) years from the South Alabama Project Effective Date (the "Primary Term"). Shipper shall have a Rollover Provision pursuant to Section 20 of the General Terms and Conditions of Transporter's Tariff at the end of the Primary Term.

6.2 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 6.1 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.

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

ARTICLE VII

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

7.1 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 on Transporter's pipeline system as set forth in Exhibit A attached hereto. In accordance with the provisions of Section 9.A. of Rate Schedule FTS-WD and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Receipt. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-WD and the applicable General Terms and Conditions of its Tariff.

7.2 The Primary Point(s) of Delivery and maximum daily quantity for each point 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 as set forth in Exhibit B and shall be in Transporter's Western Division. In accordance with the provisions of Section 9.A. of Rate Schedule FTS-WD and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Delivery provided that such new requested Primary Delivery Points must be located in Transporter's Western Division. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-WD and the applicable General Terms and Conditions of its Tariff.

ARTICLE VIII

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:

POWERSOUTH ENERGY COOPERATIVE
2027 EAST THREE NOTCH ST
ANDALUSIA AL 36421
Attention: MATT DIAMOND
Telephone No. 334-427-3741
FAX No. 334-427-3272

ARTICLE IX

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 X - Not Applicable

ARTICLE XI

Pressure

11.1 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.

11.2 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 XII

Other Provisions

ARTICLE XIII

Miscellaneous

13.1 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.

13.2 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.

13.3 This Agreement contains Exhibits A, B, C (if applicable) and D which are incorporated fully herein.

13.4 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 XIV

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: [Signature]
Name: Beth Hickey
Title: SVP Interstate
Date: 11/16/18

SHIPPER

POWERSOUTH ENERGY COOPERATIVE

By: [Signature]
Name: GARY L. SMITH
Title: PRESIDENT & CEO A-CB
Date: 11/09/18

MP
[Signature]

Form Approved by Legal Dept.
[Signature]

Date 11/09/18

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. 123086) Exhibits A, B, C

Option Code "A"

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

DATED
November 16, 2018
 Contract No. 23086
 Amendment No. 0

Effective Date of this Exhibit A: South Alabama Project Effective Date to Primary Term as defined in Article VI of this Agreement.

<u>Point(s) of Receipt</u>	<u>Point</u>	<u>DRN</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Zone 3														
TRANSO Citronelle FGT Capacity	62132	157553	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000
Zone 3 Total:			45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000
Total MDTQ:			45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000

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

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

DATED
November 16, 2018
 Contract No. 123086
 Amendment No. 0

Effective Date of this Exhibit B: South Alabama Project Effective Date to Primary Term as defined in Article VI of this Agreement.

Point(s) of Delivery	Point	DRN	Maximum Daily Quantity (MMBtu)*														
			Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec			
Alabama Electric Co-Op**	62215	162712	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000
Total MDTQ:			45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000

*Quantities are exclusive of Fuel Reimbursement.

** Maximum Delivery Pressure Obligation: Transporter agrees to make deliveries on Shipper's behalf up to Shipper's MDTQ at the Primary Delivery Point at a pressure sufficient to enter the downstream facilities at a pressure of not less than 850 psig.

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. 123086) Exhibit D

Option Code "A"

**EXHIBIT D
CREDIT AGREEMENT
TO
RATE SCHEDULE FTS-WD SERVICE AGREEMENT
BETWEEN
FLORIDA GAS TRANSMISSION COMPANY, LLC
AND
POWERSOUTH ENERGY COOPERATIVE**

DATED

November 16, 2018

**Contract No. *123086*
Amendment No. 0**

Attachment 3
Creditworthiness

CREDIT AGREEMENT

Creditworthiness

TO
FLORIDA GAS TRANSMISSION COMPANY LLC
RATE SCHEDULE FTS-WD
TRANSPORTATION AGREEMENT NO. 123086
DATED 11/16/2018

CREDIT AGREEMENT

This Credit Agreement, dated as of this 31ST day of MAY 2018, is by and between Florida Gas Transmission Company, LLC ("Transporter") and PowerSouth Energy Cooperative ("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 uprate of Compressor Station 12A and the upgrade to existing meter stations and regulation stations and thereby expanding capacity, (the "South Alabama Project") and pursuant to which the Parties, subject to certain terms and conditions set forth in the Precedent Agreement, will enter into an FTS-WD Agreement (, the "FTS 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 and the level of expanded capacity subscribed under the Precedent Agreement and the FTS-WD 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, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Attachment 3:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt instruments, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor ("S&P") and at least Baa3 by Moody's Investor Services, Inc. or its successor ("Moody's") (any such rating, as applicable, a "Debt Rating"), provided, however, that if Shipper is rated by either S&P or Moody's alone, that Debt

Rating alone shall be determinative. In the event the Debt Rating is BBB- and/or Baa3, respectively, the long-term outlook shall be either Stable or Positive. In the event Shipper has no Debt Ratings, the S&P long-term Issuer Credit Rating or Moody's long-term Corporate Family Rating will be substituted, and as such, these ratings are also included in the defined term, "Debt Rating". In the event that the Debt Rating issued by S&P and Moody's are at levels that are not equivalent, the lower rating shall apply to determine Creditworthiness.

(ii) In the event Shipper cannot demonstrate Creditworthiness pursuant to Section (A)(i) above, Transporter shall initially conduct a creditworthiness review on a non-discriminatory basis, based on consistent financial evaluation of Shipper's audited financial statements to determine the acceptability of such entity's overall financial condition. Shipper shall provide audited financial statements for the most current two (2) fiscal years prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America or, for non-U.S. based Shippers, prepared in accordance with equivalent standards. In the event that audited financial statements are not available, then Shipper shall provide its certified unaudited financial statements for such year. In all cases, the financial statements shall be prepared in accordance with GAAP, or, for non-U.S. based Shippers, such financial statements shall be prepared in accordance with equivalent standards. In the event that certified unaudited financial statements for a particular fiscal year are provided in lieu of audited financial statements, then the Chief Executive Officer or the Chief Financial Officer shall certify that (1) such officer has reviewed the unaudited financial statements, (2) based on such officer's knowledge, the unaudited financial statements do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which the statements were made, not misleading, (3) based on such officer's knowledge, the unaudited financial statements, and other financial information contained therein, present in all material respects the financial condition and results of operations of Shipper, or Shipper's credit support provider as of and for the periods presented in such unaudited financial statements.

(iii) Subsequently, on an annual basis during the term of this Precedent Agreement and the FTS-WD Agreement, Shipper shall, within one hundred twenty (120) days following the end of each fiscal year, provide to Transporter Shipper's or Shipper's credit support provider's audited financial statements with notes necessary to evaluate the financial condition of Shipper or its credit support provider.

(iv) Regarding the provision of any audited financial statements herein, Shipper shall be deemed to have complied with such and consequently have no obligation to provide audited financial statements provided Shipper's, or Shipper's credit support provider's audited financial statements are available via a publicly accessible forum, such as EDGAR or MSRB EMMA.

(B) If Shipper is deemed not or no longer "Creditworthy" pursuant to either (A)(i) or (ii) above, then Shipper shall thereafter maintain, either:

(i) an absolute, irrevocable, unconditional guaranty in a form satisfactory to Transporter, from a third party that is deemed "Creditworthy" pursuant to Section (A)(i) or (ii) above and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and faithful performance and payment

of all of Shipper's obligations in an amount sufficient to cover three months service under this Precedent Agreement and the FTS-WD 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 Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS-WD Agreement for the entire term of this Precedent Agreement and the FTS-WD Agreement, as may be extended from time to time, and in either case equal to cover three months service due from Shipper for the Contract MDQ under the FTS-WD Agreement during the term of this Precedent Agreement and the FTS-WD Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS-WD Agreement, in the event the S&P BBB- and/or Moody's Baa3 Debt Ratings assigned to Shipper or Shipper's credit support provider becomes qualified or impacted by a negative outlook, then the amount of credit support shall increase to the lesser of 18 months of reservation charges due from Shipper for the Contract MDQ for the number of months remaining in the term under the FTS-WD Agreement, as may be extended from time to time. In the event that any of the Debt Ratings assigned to Shipper or Shipper's credit support provider declines below S&P BBB- (negative outlook) or Moody's Baa3 (negative outlook) from the respective Debt Ratings which apply to Shipper or Shipper's credit support provider: (i) as of the execution date of the Precedent Agreement and the FTS-WD Agreement, or (ii) if Shipper or Shipper's credit support provider did not have a Debt Rating as of the execution date of the Precedent Agreement or the FTS-WD Agreement but subsequently receives a Debt Rating, as of the date that the Debt Rating was assigned, or (iii) as a result of evaluation of Shipper's or Shipper's credit support provider's financial statements, Transporter, in its sole judgment, determines that the Shipper's or Shipper's credit support provider's financial condition has deteriorated materially, including, but not limited to, a material deterioration in stated Shareholder's Equity; or Shipper or Shipper's credit support provider experiences a material adverse change in its financial condition, including, but not limited to, any of the following: (a) qualified auditor's opinion relating to the financial statements which indicates uncertainty as to Shipper's or Shipper's credit support provider's ability to exist as an ongoing concern; (b) pending or adjudged litigation or regulatory proceedings in state or Federal courts which could cause a condition of insolvency; or (c) significant lawsuits or outstanding judgments which would seriously reflect upon Shipper's or Shipper's credit support provider's ability to remain solvent, then the amount of credit support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ for the number of months remaining in the term under the FTS-WD Agreement, as may be extended from time to time. Notwithstanding the foregoing, in the event that (i) Shipper's Debt Ratings improve so that they no longer qualified or impacted by a negative outlook or (ii) in the event Shipper's financial condition as determined by evaluation of audited financial statements improves to an acceptable level in Transporter's sole judgment, then the amount of credit support will revert back to three (3) months of reservations charges.

(C) At any time while either this Precedent Agreement or the FTS-WD Agreement, as may be extended from time to time, is effective, if Transporter determines that, as of such time, (i) any

Confidential

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 Attachment 3(B)(ii) hereof is no longer acceptable to Transporter, 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 Attachment 3(B)(i) or Attachment 3(B)(ii).

(D) For any irrevocable standby letter of credit that is provided to Transporter pursuant to Attachment 3(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 (i) twelve (12) calendar months after issuance thereof and (ii) thirty (30) days after the end of the term of the Precedent Agreement and the Primary Term of the FTS-WD 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 FTS-WD Agreement, as may be extended from time to time. 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 form otherwise reasonably satisfactory to Transporter; 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 this Precedent Agreement or the FTS-WD Agreement; 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. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until the earlier of (i) Transporter receives a replacement Shipper's Letter of Credit, in which case the amount drawn shall be returned to Shipper or (ii) Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS-WD Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. 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. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS-WD Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS-WD Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

Confidential

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: PowerSouth Energy Cooperative
2027 East Three Notch Street
Andalusia, AL 36421
Attention: Chief Financial Officer

With copy to:

PowerSouth Energy Cooperative
2027 East Three Notch Street
Andalusia, AL 36421
Attention: Fuels & Energy Resources Department

or at such other address as either Party designates by written notice. Delivery shall be deemed to occur at the time of actual receipt; or, if receipt is refused or rejected, upon attempted delivery, 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

Confidential

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. Capacity Release or Assignment. This Credit Agreement and the obligations of the Parties hereunder shall apply to any subsequent permissible acquiring shipper(s) under the FTS-WD Agreement or assignee(s) of the Precedent Agreement; provided, however, if Transporter determines, at its sole discretion, that an acquiring shipper or assignee is not "Creditworthy," Transporter shall have the right to demand Credit Support to secure the acquiring shipper's full payment obligations under the replacement FTS-WD Agreement. In the event that Shipper (or its successors) desires to assign or release its interest in the Precedent agreement or the executed FTS-WD Agreement, as applicable, the assignee or acquiring shipper (under capacity release), shall be required to enter into a new Credit Agreement in its own name.

6. 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.

7. 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

PowerSouth Energy Cooperative

By: [Signature]

By: [Signature]

Title: VP Natural Gas

Title: President & CEO

Date: MAY 31 2018

Date: MAY 14, 2018

[Signature]
[Signature]

Form Approved By Legal Dept.
ACB/CSS
Date 05/14/18

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. 123086) Negotiated Rate Agreement

Option Code "A"



Florida Gas Transmission Company

An Energy Transfer/Kinder Morgan Affiliate

October 22, 2018

PowerSouth Energy Cooperative
2027 East Three Notch Street
Andalusia, AL 36421
Attention: Fuels & Energy Resources Department

Re: Negotiated Rates for Transportation Service Under Florida Gas Transmission Company, LLC Rate Schedule FTS-WD, Contract No. 123086

Dear Fuels & Energy Resources Department:

This Negotiated Rate Agreement (“Agreement”) is made and entered into this 16 day of November, 2018 by and between Florida Gas Transmission Company, LLC (“Transporter”) and PowerSouth Energy Cooperative (“Shipper”). Transporter and Shipper are parties to that certain Precedent Agreement dated May 31, 2018 (“Precedent Agreement”). 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 (“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, the rate Transporter will charge Shipper under the Service Agreement, and the rate Shipper will pay Transporter under the Service Agreement, is equal to the following negotiated rate and any other applicable current and future surcharges, whether reservation or usage (hereinafter referred to as the “Negotiated Rate”):
 - (a) Fixed Negotiated Reservation Rate: equal to \$0.125/Dth calculated on a 100% Load Factor Basis (inclusive of Reservation and Usage Fees), plus all applicable current and future Surcharges, whether reservation or usage.

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 Delivery Points specified in the Service Agreement as well as to deliveries at Alternate Receipt and Delivery Points located in Transporter's Western Division. 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." The Parties, by execution of this Agreement, agree 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. Except as it relates to rates, 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.
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

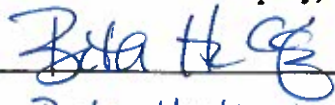
and Regulation of Negotiated Transportation Service of Natural Gas Transporters issued January 31, 1996, in Docket Nos. RM95-5-000 and RM96-7-000. This Agreement and the Negotiated Rate set forth herein shall not apply to service under the Service Agreement unless and until the FERC approves such filing without condition and/or modification. Should FERC disallow, modify or condition approval of any material term(s) of the Negotiated Rate, then the Parties (including senior management if necessary) agree to meet promptly after the order disallowing, modifying or conditioning approval of such term(s) and negotiate in good faith to reach mutual agreement on a substitute lawful arrangement, such that the Parties are placed in the same economic position as if such Negotiated Rate had not been disallowed, modified or conditioned.

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.

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

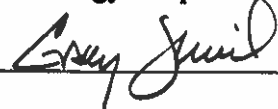
By: 
Name: Peter Hickey
Title: SVP Interstate

MB
ID

ACCEPTED AND AGREED TO:


This 09th day of NOVEMBER, 2018

PowerSouth Energy Cooperative

By: 
Name: Gary L. Smith
Title: President & CEO

ACB

Form Approved By Legal Dept.


Date 3 11/09/18

MARKED VERSION

PART I
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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
Contract No. 122907	Shell Energy North America (US), L.P.
Contract No. 122907	Exhibits A, B, C
Contract No. 122907	Exhibit D
Contract No. 122907	Negotiated Rate Agreement
<u>Contract No. 123086</u>	<u>PowerSouth Energy Cooperative</u>
<u>Contract No. 123086</u>	<u>Exhibits A, B, C</u>
<u>Contract No. 123086</u>	<u>Exhibit D</u>
<u>Contract No. 123086</u>	<u>Negotiated Rate Agreement</u>

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

PowerSouth Energy Cooperative

(Contract No. 123086)

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

Contract No. 123086

THIS AGREEMENT entered into this 16 day of November, 2018, by and between Florida Gas Transmission Company, LLC, a limited liability company of the State of Delaware (herein called "Transporter"), and POWERSOUTH ENERGY COOPERATIVE (herein called "Shipper"),

WITNESSETH

WHEREAS, Transporter has received and accepted a certificate from the FERC to construct, install, own, and maintain certain pipeline facilities necessary to upgrade the horsepower at Compressor Station 12A and upgrade the Alabama Electric Co-op – Flomaton meter station at a location at or near the Florida/Alabama border for its Western Division (the "South Alabama 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, the following terms when used herein shall have the meanings set forth below:

1.1 The term "Rate Schedule FTS-WD" shall mean Transporter's Rate Schedule FTS-WD as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 5.2 hereof or in compliance with any final FERC order affecting such rateschedule.

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), 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
Reserved

ARTICLE IV
Payment and Rights in the Event of Non-Payment

4.1 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 as filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

4.2 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 suspend or terminate this Agreement pursuant to the condition set forth in said Section 15.

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

5.1 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.

5.2 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, (b) Rate Schedule FTS-WD 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. 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 VI
Term of Agreement and Commencement of Service

6.1 This Agreement shall become effective on the later of the In-Service Date of the South Alabama Project or December 1, 2018 (the "South Alabama Project Effective Date"). The In-Service Date for the South Alabama Project 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 Points set forth in Exhibit A to the Primary Delivery Points set forth in Exhibit B and shall continue in effect for twenty-five (25)

~~years from the South Alabama Project Effective Date (the "Primary Term"). Shipper shall have a Rollover Provision pursuant to Section 20 of the General Terms and Conditions of Transporter's Tariff at the end of the Primary Term. _____ and shall continue in effect _____ [include end date of primary term and any applicable rollover or Right of First Refusal details].~~

6.2 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 6.1 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.

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

ARTICLE VII

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

7.1 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 on Transporter's pipeline system as set forth in Exhibit A attached hereto. In accordance with the provisions of Section 8.A. of Rate Schedule FTS-WD and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Receipt. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-WD and the applicable General Terms and Conditions of its Tariff.

7.2 The Primary Point(s) of Delivery and maximum daily quantity for each point 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 as set forth in Exhibit B and shall be in Transporter's Western Division. In accordance with the provisions of Section 9.A. of Rate Schedule FTS-WD and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Delivery provided that such new requested Primary Delivery Points must be located in Transporter's Western Division. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-WD and the applicable General Terms and Conditions of its Tariff.

ARTICLE VIII

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: POWERSOUTH ENERGY COOPERATIVE
2027 EAST THREE NOTCH ST
ANDALUSIA AL 36421

Attention: MATT DIAMOND
Telephone No. 334-427-3741
Fax No. 334-427-3272

ARTICLE IX
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 X – Not Applicable

ARTICLE XI
Pressure

11.1 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.

11.2 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 XII
Other Provisions

ARTICLE XIII
Miscellaneous

13.1 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.

13.2 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.

13.3 This Agreement contains Exhibits A, ~~and B~~, C (if applicable) and D which are incorporated fully herein.

13.4 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 XIV
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 _____

(Please type or print name)

Title _____

Date _____

SHIPPER

POWERSOUTH ENERGY COOPERATIVE

By _____

(Please type or print name)

Title _____

Date _____

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

DATED
November 16, 2018
Contract No. 123086
Amendment No. 0

Effective Date of this Exhibit A: South Alabama Project Effective Date to Primary Term as defined in Article VI of this Agreement.

<u>Point(s) of Receipt</u>	<u>Maximum Daily Quantity (MMBtu)*</u>													
<u>Point Description</u>	<u>Point</u>	<u>DRN</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
<u>Zone 3</u>														
<u>TRANSCO Citronelle FGT Capacity</u>	<u>62132</u>	<u>157553</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>
<u>Zone 3 Total:</u>			<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>
<u>Total MDTQ:</u>			<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>

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

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

DATED
November 16, 2018
Contract No. 123086
Amendment No. 0

Effective Date of this Exhibit B: South Alabama Project Effective Date to Primary Term as defined in Article VI of this Agreement.

<u>Point(s) of Delivery</u>	<u>Maximum Daily Quantity (MMBtu)*</u>													
<u>Point Description</u>	<u>Point</u>	<u>DRN</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
<u>Alabama Electric Co-Op**</u>	<u>62215</u>	<u>162712</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>
<u>Total MDTQ:</u>			<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>	<u>45000</u>

*Quantities are exclusive of Fuel Reimbursement.

** Maximum Delivery Pressure Obligation: Transporter agrees to make deliveries on Shipper's behalf up to Shipper's MDTQ at the Primary Delivery Point at a pressure sufficient to enter the downstream facilities at a pressure of not less than 850 psig.

EXHIBIT D

CREDIT AGREEMENT

TO

RATE SCHEDULE FTS-WD SERVICE AGREEMENT

BETWEEN

FLORIDA GAS TRANSMISSION COMPANY LLC

AND

POWERSOUTH ENERGY COOPERATIVE

DATED

November 16, 2018

Contract No. 123086

Amendment No. 0

Attachment 3
Creditworthiness

CREDIT AGREEMENT

Creditworthiness

TO
FLORIDA GAS TRANSMISSION COMPANY LLC
RATE SCHEDULE FTS-WD
TRANSPORTATION AGREEMENT NO. 123086
DATED 11/16/2018

CREDIT AGREEMENT

This Credit Agreement, dated as of this 31st day of May, 2018, is by and between Florida Gas Transmission Company, LLC (“Transporter”) and PowerSouth Energy Cooperative (“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 uprate of Compressor Station 12A and the upgrade to existing meter stations and regulation stations and thereby expanding capacity, (the “South Alabama Project”) and pursuant to which the Parties, subject to certain terms and conditions set forth in the Precedent Agreement, will enter into an FTS-WD Agreement (, the “FTS 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 and the level of expanded capacity subscribed under the Precedent Agreement and the FTS-WD 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, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Attachment 3:

(A) An entity shall be deemed “Creditworthy” hereunder, as of a particular time, if:

(i) its long-term unsecured debt instruments, at such time, are rated at least BBB- by Standard & Poor’s Ratings Services or its successor (“S&P”) and at least Baa3 by Moody’s Investor Services, Inc. or its successor (“Moody’s”) (any such rating, as applicable, a “Debt Rating”), provided, however, that if Shipper is rated by either S&P or Moody’s alone, that Debt Rating alone shall be determinative. In the event the Debt Rating is BBB- and/or Baa3, respectively, the long-term outlook shall be either Stable or Positive. In the event Shipper has no

Debt Ratings, the S&P long-term Issuer Credit Rating or Moody's long-term Corporate Family Rating will be substituted, and as such, these ratings are also included in the defined term, "Debt Rating". In the event that the Debt Rating issued by S&P and Moody's are at levels that are not equivalent, the lower rating shall apply to determine Creditworthiness.

(ii) In the event Shipper cannot demonstrate Creditworthiness pursuant to Section (A)(i) above, Transporter shall initially conduct a creditworthiness review on a non-discriminatory basis, based on consistent financial evaluation of Shipper's audited financial statements to determine the acceptability of such entity's overall financial condition. Shipper shall provide audited financial statements for the most current two (2) fiscal years prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America or, for non-U.S. based Shippers, prepared in accordance with equivalent standards. In the event that audited financial statements are not available, then Shipper shall provide its certified unaudited financial statements for such year. In all cases, the financial statements shall be prepared in accordance with GAAP, or, for non-U.S. based Shippers, such financial statements shall be prepared in accordance with equivalent standards. In the event that certified unaudited financial statements for a particular fiscal year are provided in lieu of audited financial statements, then the Chief Executive Officer or the Chief Financial Officer shall certify that (1) such officer has reviewed the unaudited financial statements, (2) based on such officer's knowledge, the unaudited financial statements do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which the statements were made, not misleading, (3) based on such officer's knowledge, the unaudited financial statements, and other financial information contained therein, present in all material respects the financial condition and results of operations of Shipper, or Shipper's credit support provider as of and for the periods presented in such unaudited financial statements.

(iii) Subsequently, on an annual basis during the term of this Precedent Agreement and the FTS-WD Agreement, Shipper shall, within one hundred twenty (120) days following the end of each fiscal year, provide to Transporter Shipper's or Shipper's credit support provider's audited financial statements with notes necessary to evaluate the financial condition of Shipper or its credit support provider.

(iv) Regarding the provision of any audited financial statements herein, Shipper shall be deemed to have complied with such and consequently have no obligation to provide audited financial statements provided Shipper's, or Shipper's credit support provider's audited financial statements are available via a publicly accessible forum, such as EDGAR or MSRB EMMA.

(B) If Shipper is deemed not or no longer "Creditworthy" pursuant to either (A)(i) or (ii) above, then Shipper shall thereafter maintain, either:

(i) an absolute, irrevocable, unconditional guaranty in a form satisfactory to Transporter, from a third party that is deemed "Creditworthy" pursuant to Section (A)(i) or (ii) above and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper's obligations in an amount sufficient to cover three months service under this Precedent Agreement and the FTS-WD 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 Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS-WD Agreement for the entire term of this Precedent Agreement and the FTS-WD Agreement, as may be extended from time to time, and in either case equal to cover three months service due from Shipper for the Contract MDQ under the FTS-WD Agreement during the term of this Precedent Agreement and the FTS-WD Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS-WD Agreement, in the event the S&P BBB- and/or Moody's Baa3 Debt Ratings assigned to Shipper or Shipper's credit support provider becomes qualified or impacted by a negative outlook, then the amount of credit support shall increase to the lesser of 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term under the FTS-WD Agreement, as may be extended from time to time. In the event that any of the Debt Ratings assigned to Shipper or Shipper's credit support provider declines below S&P BBB- (negative outlook) or Moody's Baa3 (negative outlook) from the respective Debt Ratings which apply to Shipper or Shipper's credit support provider: (i) as of the execution date of the Precedent Agreement and the FTS-WD Agreement, or (ii) if Shipper or Shipper's credit support provider did not have a Debt Rating as of the execution date of the Precedent Agreement or the FTS-WD Agreement but subsequently receives a Debt Rating, as of the date that the Debt Rating was assigned, or (iii) as a result of evaluation of Shipper's or Shipper's credit support provider's financial statements, Transporter, in its sole judgment, determines that the Shipper's or Shipper's credit support provider's financial condition has deteriorated materially, including, but not limited to, a material deterioration in stated Shareholder's Equity; or Shipper or Shipper's credit support provider experiences a material adverse change in its financial condition, including, but not limited to, any of the following: (a) qualified auditor's opinion relating to the financial statements which indicates uncertainty as to Shipper's or Shipper's credit support provider's ability to exist as an ongoing concern; (b) pending or adjudged litigation or regulatory proceedings in state or Federal courts which could cause a condition of insolvency; or (c) significant lawsuits or outstanding judgments which would seriously reflect upon Shipper's or Shipper's credit support provider's ability to remain solvent, then the amount of credit support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ for the number of months remaining in the term under the FTS-WD Agreement, as may be extended from time to time. Notwithstanding the foregoing, in the event that (i) Shipper's Debt Ratings improve so that they no longer qualified or impacted by a negative outlook or (ii) in the event Shipper's financial condition as determined by evaluation of audited financial statements improves to an acceptable level in Transporter's sole judgment, then the amount of credit support will revert back to three (3) months of reservations charges.

(C) At any time while either this Precedent Agreement or the FTS-WD Agreement, as may be extended from time to time, 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 Attachment 3(B)(ii) hereof is no longer

acceptable to Transporter, 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 Attachment 3(B)(i) or Attachment 3(B)(ii).

(D) For any irrevocable standby letter of credit that is provided to Transporter pursuant to Attachment 3(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 (i) twelve (12) calendar months after issuance thereof and (ii) thirty (30) days after the end of the term of the Precedent Agreement and the Primary Term of the FTS-WD 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 FTS-WD Agreement, as may be extended from time to time. 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 form otherwise reasonably satisfactory to Transporter; 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 this Precedent Agreement or the FTS-WD Agreement; 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. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until the earlier of (i) Transporter receives a replacement Shipper's Letter of Credit, in which case the amount drawn shall be returned to Shipper or (ii) Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS-WD Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. 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. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS-WD Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS-WD Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

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: PowerSouth Energy Cooperative
2027 East Three Notch Street
Andalusia, AL 36421
Attention: Chief Financial Officer

With copy to:

PowerSouth Energy Cooperative
2027 East Three Notch Street
Andalusia, AL 36421
Attention: Fuels & Energy Resources Department

or at such other address as either Party designates by written notice. Delivery shall be deemed to occur at the time of actual receipt; or, if receipt is refused or rejected, upon attempted delivery, 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. Capacity Release or Assignment. This Credit Agreement and the obligations of the Parties hereunder shall apply to any subsequent permissible acquiring shipper(s) under the FTS-WD Agreement or assignee(s) of the Precedent Agreement; provided, however, if Transporter determines, at its sole discretion, that an acquiring shipper or assignee is not "Creditworthy," Transporter shall have the right to demand Credit Support to secure the acquiring shipper's full payment obligations under the replacement FTS-WD Agreement. In the event that Shipper (or its successors) desires to assign or release its interest in the Precedent agreement or the executed FTS-WD Agreement, as applicable, the assignee or acquiring shipper (under capacity release), shall be required to enter into a new Credit Agreement in its own name.

6. 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.

7. 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

PowerSouth Energy Cooperative

By: _____ By: _____

Title: _____ Title: President & CEO

Date: _____ Date: _____



October 22, 2018

PowerSouth Energy Cooperative
2027 East Three Notch Street
Andalusia, AL 36421
Attention: Fuels & Energy Resources Department

Re: Negotiated Rates for Transportation Service Under Florida Gas Transmission Company, LLC Rate Schedule FTS-WD, Contract No. 123086

Dear Fuels & Energy Resources Department:

This Negotiated Rate Agreement (“Agreement”) is made and entered into this 16 day of November, 2018 by and between Florida Gas Transmission Company, LLC (“Transporter”) and PowerSouth Energy Cooperative (“Shipper”). Transporter and Shipper are parties to that certain Precedent Agreement dated May 31, 2018 (“Precedent Agreement”). 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 (“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, the rate Transporter will charge Shipper under the Service Agreement, and the rate Shipper will pay Transporter under the Service Agreement, is equal to the following negotiated rate and any other applicable current and future surcharges, whether reservation or usage (hereinafter referred to as the “Negotiated Rate”):
 - (a) Fixed Negotiated Reservation Rate: equal to \$0.125/Dth calculated on a 100% Load Factor Basis (inclusive of Reservation and Usage Fees), plus all applicable current and future Surcharges, whether reservation or usage.

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 Delivery Points specified in the Service Agreement as well as to deliveries at Alternate Receipt and Delivery Points located in Transporter's Western Division. 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." The Parties, by execution of this Agreement, agree 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. Except as it relates to rates, 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.
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. Should FERC disallow, modify or condition approval of any material term(s) of the Negotiated Rate, then the Parties (including senior management if necessary) agree to meet promptly after the order disallowing, modifying or conditioning approval of such term(s) and negotiate in good faith to reach mutual agreement on a substitute lawful arrangement, such that the Parties are placed in the same economic position as if such Negotiated Rate had not been disallowed, modified or conditioned.

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.

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 _____, _____

PowerSouth Energy Cooperative

By: _____

Name: Gary L. Smith

Title: President & CEO