

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY  
D/B/A CENTERPOINT ENERGY INDIANA SOUTH  
POOLING AGREEMENT**

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_, between Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South, hereinafter “Company,” and \_\_\_\_\_, hereinafter “Pool Operator.”

In consideration of the mutual covenants contained in this Agreement, the Parties agree:

**ARTICLE I**

**Service to be Rendered**

In accordance with the provisions of Company's Tariff for Gas Service (“Tariff”), including Sheet No. 19, Rate 180, Pooling Service, a copy of which is attached and incorporated as part of this Agreement, Company is willing and able, pursuant to the terms of this Agreement, to accept gas delivered into its city gate receipt points by Pool Operator and to redeliver such gas supplies to Pool Operator's customers (“Pool Customers”) that have elected Transportation Service from Company (“Pooling Service”).

The parties agree as follows:

1. The Pool Operator may form one or more pools under this Agreement subject to the terms and conditions set forth herein.
2. Company will transport and deliver gas supplies to the Pool Operator's Pool Customers relating to the Transportation Service Agreement entered into between Company and each of the Pool Operator's Pool Customers as may be amended throughout the term of this agreement.
3. The Pool Operator will act on its Pool Customers' behalf for the purposes of fulfilling the customers' nomination and balancing obligations under the Transportation Service Agreements. Except as provided herein, all charges contained in the Transportation Service Agreements shall remain in full force and effect and remain payable to Company by the Pool Operator's Pool Customers in the event the Pool Operator fails to pay.
4. Any Pool Customer's gas supply imbalance on the Company's gas system on the last day of the last month in which a Pool Customer was served by a previous pool operator, shall be the responsibility of the previous pool operator and shall not be added to Pool Operator's Pool.
5. The Pool Operator shall be obligated to adhere to the Nomination Provisions pursuant to the Company's Tariff, Sheet No. 34, Appendix E, Nomination and Balancing Provisions (“Appendix E”), which may change from time to time upon Commission Order.
6. The Pool Operator is obligated to comply with the Operational Flow Order (“OFO”) provisions as set forth in Appendix E. If the Pool Operator fails to comply with an OFO, Company may terminate this Agreement or prohibit the Pool Operator from adding additional customers to its pools for the remaining term of this Agreement.

## ARTICLE 2

### Term

The term of Pool Operator's continued compliance with the requirements outlined herein for participation in Pooling Service, shall continue in effect for a primary term of twelve (12) months. Thereafter, this Agreement shall continue from year to year, unless terminated by either party upon at least ninety (90) days advance written notice prior to a contract expiration date, or unless terminated pursuant to the provisions of this Agreement.

Pool Operator shall be required to incorporate sufficient flexibility into its supply contracts with its Pool Customers, so that the operation of the above provision will not contravene Pool Customers' rights under those contracts.

In the event of a Default, as defined in Article 5 of this Agreement, this Agreement may be terminated in accordance with the provisions of Article 6 of this Agreement. In the event of a termination pursuant to an event of Default, all outstanding obligations of Pool Operator and amounts due under this Agreement shall become due and payable.

In the event this Agreement, in its entirety, is terminated in accordance with the procedures contained herein, Pool Operator's Pool Customers shall be returned to non-pooling Transportation Service or to Company's Sales Service, unless arrangements have been made to transfer such Pool Customer(s) into an alternate pool operator's pool.

The Pool Operator is required to notify the Company and the Pool Customer in writing of any customers leaving the Pool Operator's Pool. Pool Customers joining the Pool Operator's Pool must submit an Acknowledgment of Appointment of an Agent notifying the Company of their chosen Company-approved pool operator. The notification and Acknowledgment of Appointment of an Agent must be received by the Company no less than ten (10) business days prior to the start of a new month.

## ARTICLE 3

### Requirements for Pool Operator Participation

To participate in Pooling Service, Pool Operator is subject to all applicable charges and shall comply with all applicable provisions of Company's Pooling Service Rate Schedule, including the items set out in the Requirements for Pool Operator Participation Section of that Rate Schedule. Such tariff provisions are incorporated herein by reference. Pool Operator acknowledges that in its capacity as a Pool Operator, it has a continuing responsibility to conduct its business in a legal and ethical manner, and is responsible for complying with all applicable statutes, ordinances, rules, and regulations. Further, Pool Operator agrees to comply with the following Pool Operator Code of Conduct:

1. Pool Operator shall communicate to its Pool Customers in clear, understandable terms, the Pool Customers' rights and responsibilities, including a statement describing the procedures for handling complaints and disputes.
2. Pool Operator shall refrain from engaging in communications, acts, or practices that are fraudulent, deceptive, misleading, unfair, or unconscionable.

3. Pool Operator shall deliver gas to the Company on behalf of the Pool Customers in accordance with the requirements of the Company's Pooling Service Rate Schedule and this Agreement.
4. Pool Operator shall establish and maintain a creditworthy financial position to enable Pool Operator to indemnify the Company for costs incurred as a result of any failure by Pool Operator to deliver gas or pay invoices in accordance with the requirements of the Company's Pooling Service Rate Schedule and this Agreement.
5. Pool Operator shall make good faith efforts to resolve disputes between Pool Operator and its Pool Customers and to cooperate with resolution of any joint issues with Company.

In order for the Company to complete its financial evaluation, Pool Operator agrees to provide the Company the following information: Most recent year-end audited financial statements (Annual Report, 10K, or 10Q) for itself or its parent company. In the event that any of such information is unavailable from a Pool Operator, the Company may permit the Pool Operator to provide other verifiable sources of financial information. The Company may require additional information if the preceding is not sufficient to determine Pool Operator's creditworthiness.

A Pool Operator may satisfy its initial creditworthiness requirement, and receive an unsecured credit limit from the Company, by demonstrating that it has and maintains investment grade long-term bond ratings from the following rating agencies:

Agency	Senior Securities Rating (Bonds)
Standard & Poors	BBB-or higher
Moody's Investors' Services	Baa3-or higher

The Company shall make reasonable alternative credit arrangements with a Pool Operator that is unable to meet the aforementioned criteria and with those Pool Operators whose credit requirements exceed their allowed unsecured credit limit. The Company shall determine the amount of additional financial instruments, if any, needed to support a Pool Operator's participation in Pooling Service based on, but not limited to, the financial and other information provided by Pool Operator's anticipated level of customer participation.

In order to assure that the value of such financial security instruments remains proportional to Pool Operator's potential liability under this Agreement, the required dollar amounts of such instruments may be adjusted at the sole discretion of Company, including, but not limited to the point at which the volume of interstate pipeline capacity assigned by Company to Pool Operator changes; or as Pool Customers are added to, or deleted from, Pool Operator's pool(s). Failure of Pool Operator to adjust the dollar amount of its financial instrument(s) may result in the Company limiting the enrollment of additional Pool Customers in Pool Operator's pool(s) and/or termination of service hereunder for violation of Pool Operator's Code of Conduct. However, if any increase in a Pool Operator's required financial security instrument is material and is the result of a change in the Company's methodology for assessing a Pool Operator's creditworthiness under this Program (and not as a result of an adverse change in a Pool Operator's financial condition), and Pool Operator believes such change in the assessment methodology is unreasonable, Pool Operator may elect to implement a review period of up to 60 days from date of notification. During such review period, Pool Operator shall continue to comply with all aspects of this Agreement and forego any additions to its pool(s). At the end of the review period, or earlier if initiated by the Pool Operator, the Pool Operator shall either increase its financial security as required by the Company or adjust its current and future participation to a level consistent with the Company's revised requirements.

Pool Operator agrees to inform Company of any significant change in Pool Operator's current financial condition. The required dollar amounts of such instruments may also be adjusted at the sole discretion of Company based upon Pool Operator's demonstrated ability or inability to pay promptly.

Pool Operator agrees that, in the event of a Default as defined in this Agreement, Company shall have the right to use the proceeds from Pool Operator's financial instrument(s) to satisfy Pool Operator's obligations under this Agreement. The proceeds from such instruments shall be used to satisfy any outstanding claims that Company may have against Pool Operator, including but not limited to, interstate pipeline capacity charges, imbalance charges, cash-out charges, pipeline penalty charges, reservation charges, and any other amounts owed to Company, for which Company is or will be responsible, related to Pool Operator's participation in Pooling Service. Such proceeds may also be used to secure additional gas supplies, including payment of the costs of the gas supplies themselves, the costs of transportation, storage, gathering, taxes, and other related costs incurred in bringing those gas supplies into Company's system.

Company reserves the right to use Pool Operator's assets associated with Pooling Service, including, without limitation, the Over-Delivery Imbalance Quantity, to offset or recoup any costs owed to and/or incurred by Company.

In the event Pool Operator elects, or is forced, to terminate its participation in Pooling Service in accordance with the provisions of this Agreement, or in the event of a Default resulting in termination of this Agreement, it shall continue its obligation to maintain its financial security instrument until Company confirms that Pool Operator has satisfied all of the outstanding claims of Company.

## **ARTICLE 4**

### **Payment to Company**

Company shall bill the Pool Operator monthly for all charges or penalties specified in the Company's Pooling Service Rate Schedule. Company or an authorized agent must receive payment of the total amount due by the date shown, or an additional amount equal to one percent (1%) of the total unpaid balance shall also become due and payable. For each subsequent month, or portion thereof, of non-payment, an additional charge of one percent of the total unpaid balance shall be assessed.

## **ARTICLE 5**

### **Default**

Default is defined as one or more of the following conditions not cured within the specified number of days after receipt of written notice.

- The failure, potential failure, or anticipated failure of Pool Operator to deliver volumes of gas to Company in accordance with the Company's Pooling Service Rate Schedule and Appendix E.
- The failure of Pool Operator to pay to Company amounts due under this Agreement as described in Company's Pooling Service Rate Schedule.
- The failure of Pool Operator to maintain the Requirements for Pool Operator Participation, including the provision of financial security instruments, as described in Article 3 of this Agreement and/or pursuant to

- Company's Pooling Service Rate Schedule in effect at the time such determination is made.
- Pool Operator's voluntary filing of a bankruptcy petition, or the filing of an involuntary bankruptcy petition by Pool Operator's creditors.
- The failure of Pool Operator to adhere to the Pool Operator Code of Conduct contained in this Agreement.
- To the extent not specifically identified above, the failure of either Company or Pool Operator to perform, to a material extent, any of the obligations imposed upon either party under this Agreement. market value of the assigned pipeline capacity and the full demand charges applicable to such capacity until the earliest normal expiration date of the Agreement.

## ARTICLE 6

### Remedies

In the event of a Default, an alleged Default, or a reasonably anticipated Default, written or faxed notice of such Default shall be served to the Pool Operator by the Company, describing the Default and declaring the Company's intention to give notice of the termination of this Agreement unless the Default is cured to the satisfaction of the Company within a reasonable time period. If, within said period of time, the Pool Operator in Default does so remedy or remove the cause or causes of Default to the satisfaction of the Company, then such notice shall be deemed to have been withdrawn and this Agreement shall continue in full force and effect. If the Pool Operator does not so remedy or remove the cause or causes of Default within said period of time, then this Agreement may, at the Company's discretion, terminate immediately as of the expiration of said period. Pool Customers designated within the Pool Operator's pool will be notified that the Pool Operator is in Default and will be given five business days to either find another pool operator, return to non-pooling Transportation Service, or return to Company's Sales Service effective the beginning of the following month. Any termination or cancellation of this Agreement, pursuant to this Article 6 shall be without waiver of any remedy, whether at law or in equity, to which the party not in Default otherwise may be entitled for breach of this Agreement.

In the event that Pool Operator files a petition for relief under the federal bankruptcy laws, or Pool Operator's creditors file an involuntary bankruptcy petition, during the term of this Agreement, and this Agreement has not been terminated for non-delivery of gas supplies, then Pool Operator shall cause a notice to be filed with the federal bankruptcy court having jurisdiction, and within ten (10) days of the bankruptcy court's issuance of an order for relief shall take all actions necessary to declare its intentions with regard to assuming or rejecting this Agreement. Failure to file and take the required action within said ten (10)-day period would constitute notice that Pool Operator intends to reject this Agreement.

If this Agreement is terminated due to non-delivery of supplies by Pool Operator, or if Company is notified of Pool Operator's intention to reject this Agreement in accordance with federal bankruptcy laws, then Company shall notify Pool Operator's Pool Customers of such termination and shall return all of Pool Operator's Pool Customers to non-pooling Transportation Service or Company's Sales Service. Company shall also immediately determine whether or not any interstate pipeline capacity previously assigned to Pool Operator must be recalled, based upon a determination of its necessity for service to such Pool Customers. Pool Operator shall remain responsible for the difference between the market value of the assigned pipeline capacity and the full demand charges applicable to such capacity until the earliest normal expiration date of the Agreement.

## **ARTICLE 7**

### **Force Majeure**

Neither of the parties hereto shall be liable in damages to the other, except for the actual delivered costs, plus shrinkage, of replacement supplies and flow through of penalty charges, for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, storms, floods, washouts, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, gas curtailment imposed by interstate or intrastate pipelines, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension. A delay in implementation of the Pooling Service resulting from unresolved information technology problems will not give rise to damage claims by Pool Operator.

Such causes or contingencies affecting the performance hereunder by either party hereto, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Pool Operator from its obligations to make payments of amounts due hereunder.

## **ARTICLE 8**

### **Limitations**

This Agreement is entered into solely for the benefit of Company and Pool Operator and is not intended and should not be deemed to vest any rights, privileges, or interests of any kind or nature to any third party, including, but not limited to, the Pool Customers that Pool Operator supplies under this Agreement.

Subject to the provisions of the Company's General Terms and Conditions, the Pool Operator agrees to indemnify, exonerate, and hold harmless the Company for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of the Company arising out of and in the course of their employment with the Company, for injuries to person or property occasioned by such services provided to Pool Operator. The Pool Operator agrees to defend, at its own expense, any suit based upon such claims.

Subject to the provisions of the Company's General Terms and Conditions, the Company will indemnify, exonerate, and hold harmless the Pool Operator for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of the Pool Operator arising out of and in the course of their employment with the Pool Operator, for injuries to person or property occasioned by such services provided to Pool Operator caused by the Company's negligence. The Company will defend, at its own expense, any suit based upon such claims, except that the Company will not be liable or responsible for, and will not hold the Pool Operator harmless for any loss, damage, or expense growing out of or in any manner connected with the acts of any employee of the Pool Operator who may go upon or do anything to or with the property of the Company.

**ARTICLE 9**

**Succession and Assignment**

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. However, no assignment of this Agreement, in whole or in part, will be made without the prior written approval of the non-assignee party. The written consent to assignment shall not be unreasonably withheld.

**ARTICLE 10**

**Notices and Correspondence**

All Legal and contractual notices to Company shall be addressed as follows and sent via fax, U.S. mail or certified mail to:

CenterPoint Energy Indiana South  
211 NW Riverside Drive  
Evansville, IN 47708  
Attention: General Counsel  
Fax: 812-491-4169

With a copy to:

CenterPoint Energy Indiana South  
c/o CenterPoint Energy Resources Corp  
1111 Louisiana Street  
Houston, TX 77002  
Attention: Jerry Noland  
Fax: 713-207-0854  
Email: [CERCContracts@centerpointenergy.com](mailto:CERCContracts@centerpointenergy.com)

All operational notices to Company shall be addressed as follows and sent via fax, U.S. mail or certified mail to:

CenterPoint Energy Indiana South  
c/o CenterPoint Energy Resources Corp  
1111 Louisiana Street  
Houston, TX 77002  
Attention: Kim Joseph  
Fax: 713-207-0854  
Email: [GTOperations@centerpointenergy.com](mailto:GTOperations@centerpointenergy.com)

Legal and contractual notices and correspondence to Pool Operator shall be addressed as follows and sent via fax, U.S. mail or certified mail:

Attention/Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Fax notices to Pool Operator shall be directed to: \_\_\_\_\_

Daily operational notices and correspondence to Pool Operator shall be addressed to the party identified by the Pool Operator when enrolling in the Company Extranet and may be adjusted as set out in the Extranet Administrative Guidelines. Either party may change its aforementioned information for legal and contractual notices, effective upon receipt, by written notice to the other party.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the day and year first above written.

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY  
D/B/A CENTERPOINT ENERGY INDIANA SOUTH**

BY: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

POOL OPERATOR \_\_\_\_\_

BY: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title