



## Florida Gas Transmission Company

A Southern Union/El Paso Affiliate

5444 Westheimer Road  
Houston, TX 77056-5306

P.O. Box 4967  
Houston, TX 77210-4967  
713.989.7000

January 14, 2008

To: Florida Gas Transmission Company, LLC Customers

RE: Phase VIII Expansion Project – Open Season

Florida Gas Transmission Company, LLC (“FGT”) will conduct an Open Season from January 14, 2008 – February 8, 2008 for a proposed Phase VIII expansion project. Enclosed in this package is information and materials to enable interested parties to submit responses in the Open Season process.

FGT anticipates that the expansion capacity will be created primarily via an increase of mainline compression and pipeline looping. The utilization of the existing FGT pipeline system provides a very effective way to bring new gas supplies to Florida which minimizes the impact on land use and the environment.

The target in-service date for the Phase VIII Expansion Project is spring 2011.

If you require additional information at this time, please contact Jack Boatman at 713-989-2114 or one of our Marketing Representatives listed below:

|             |              |
|-------------|--------------|
| Jim Dowden  | 407-838-7080 |
| Dan Swanson | 407-838-7014 |
| Mike Taran  | 407-838-7007 |

The Open Season will close on February 8, 2008. We appreciate your interest and look forward to your response.

R.E. Hayes  
Sr. V.P. and Chief Commercial Officer  
Florida Gas Transmission Company, LLC

**PHASE VIII EXPANSION PROJECT  
NOTICE OF OPEN SEASON  
Date: January 14, 2008**

Florida Gas Transmission Company, LLC (“FGT”), a Southern Union/El Paso Affiliate, is planning a mainline expansion project to provide incremental firm transportation service capacity to Florida. In connection with such expansion project, FGT is conducting an Open Season to receive requests for incremental firm transportation service to be provided under FGT’s proposed FTS-3 Rate Schedule. In addition, FGT will consider offers from existing shippers wishing to permanently turn back unneeded capacity. The target in-service date for the Phase VIII expansion facilities is spring 2011.

**Requests For Service and Primary Terms and Conditions**

Requests for incremental firm transportation service will be analyzed on a non-discriminatory basis. The following are the primary terms and conditions under which the firm transportation service will be offered:

- **Type of Service:** Market Area Firm Transportation Service – Rate Schedule FTS-3
- **Term of Service:** Primary term of twenty five (25) years
- **Delivery Points:** Specific delivery point locations, daily volumes, and delivery pressure requirements must be included in your written request for a precedent agreement
- **Estimated In-Service Date:** Spring 2011
- **Rates:** The rates charged will be determined from requests for firm capacity and final project scope and costs. FGT will work with interested parties to provide indicative rates during the open season.

- **Other Provisions:** Requesting parties must be able to meet the creditworthiness standards specified in FGT's Tariff.

FGT may reject requests: (1) where the Shipper fails to meet FGT's creditworthiness standards, as set forth in FGT's FERC Gas Tariff; (2) that do not satisfy all the terms of this posting; or, (3) that in FGT's opinion are not economical for FGT to pursue.

### **Turn Back Capacity**

In connection with the proposed expansion, FGT will also consider offers from existing shippers to permanently turn back firm capacity that would reduce the need for construction of incremental facilities in connection with the proposed expansion. Offers to turn back firm capacity will be analyzed on a non-discriminatory basis, based on the requests for service received during the Open Season, the timing of the project, operational requirements, whether the release would reduce the need to expand those portions of the system under consideration for expansion, whether the turn back would be applicable to all seasons, the remaining term of the agreement, and the economic impact of the turn back capacity on the proposed expansion. Because turn back of capacity may impact the economics of the project as a whole, all requests for turn back will be further analyzed based upon whether the turn back will have an adverse economic impact on the project economics.

### **Scope of Project**

The requests for service and offers of turn back will be used to determine the ultimate scope of the expansion project, the configuration of the expansion facilities, the cost of such expansion facilities, and the incremental capacity available to shippers resulting from the expansion.

### **Execution of Precedent Agreement**

Upon a determination by FGT, in its sole opinion, that sufficient interest exists from creditworthy parties to proceed with pre-construction activities, that your request fits within the parameters of the project and that your request supports the necessary facilities, FGT will tender to the requesting party a precedent agreement reflecting the service terms and conditions. The requesting party must execute and return such precedent agreement to FGT within thirty (30) days of receipt of such precedent agreement. In the event that such executed precedent agreement is not received by FGT within thirty (30) days of receipt by the requesting party, or if the precedent agreement has been materially changed in FGT's sole opinion, then such party's request for capacity shall be deemed null and void.

### **Deadline for Participation**

The Open Season for receiving requests for incremental firm transportation service and offers to turn back firm capacity begins January 14, 2008 and terminates February 8, 2008. Shippers interested in obtaining incremental firm transportation service or turning back firm capacity must timely complete and submit to FGT the Transportation Request Form or Turn Back Request Form attached hereto.

### **Additional Information or Questions**

For additional information regarding the Open Season or to initiate discussions toward participating in the expansion project, please contact Jack Boatman at 713-989-2114 or one of our Marketing Representatives listed below:

|             |              |
|-------------|--------------|
| Jim Dowden  | 407-838-7080 |
| Dan Swanson | 407-838-7014 |
| Mike Taran  | 407-838-7007 |

**FLORIDA GAS TRANSMISSION COMPANY  
FIRM TRANSPORTATION SERVICE REQUEST FORM  
RATE SCHEDULE FTS-3**

Send to: Florida Gas Transmission Company, LLC  
5444 Westheimer Road  
P. O. Box 4967  
Houston, Texas 77210-4967  
Attention: Jack Boatman  
Facsimile: (713) 989-1160  
E-mail: jack.boatman@sug.com

Shipper's legal name: \_\_\_\_\_

Shipper's principal place of business: \_\_\_\_\_  
\_\_\_\_\_

Shipper's contact person: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Title: \_\_\_\_\_ Facsimile #: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Shipper's business address for notices and billings:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Shipper's status (e.g. producer, end-user, local distribution company, interstate, intrastate or Hinshaw pipeline, or marketer [please specify]):

\_\_\_\_\_

Requested Maximum Daily Transportation Quantity ("MDTQ"):  
\_\_\_\_\_ MMBtu per day

Requested date of commencement of service: \_\_\_\_\_

Term of service: Primary term of twenty-five (25) years

Requested Primary Receipt Point(s) by legal description or FGT's DRN number and maximum daily quantity ("MDQ") requested at each Primary Receipt Point:

| <u>DRN #</u>     | <u>Receipt Point Name</u> | <u>MDQ (MMBtu/day)</u> |
|------------------|---------------------------|------------------------|
| _____            | _____                     | _____                  |
| _____            | _____                     | _____                  |
| _____            | _____                     | _____                  |
| <b>Total MDQ</b> |                           | _____                  |

Requested Primary Delivery Point(s) by legal description or FGT's DRN number, minimum delivery pressure (if applicable), and maximum daily quantity ("MDQ") requested at each Primary Delivery Point:

| <u>DRN #</u>     | <u>Delivery Point Name</u> | <u>Minimum Delivery Pressure (psig)</u> | <u>MDQ (MMBtu/day)</u> |
|------------------|----------------------------|---|------------------------|
| _____            | _____                      | _____                                   | _____                  |
| _____            | _____                      | _____                                   | _____                  |
| _____            | _____                      | _____                                   | _____                  |
| <b>Total MDQ</b> |                            |   | _____                  |

**This Firm Transportation Service Request is Hereby Submitted:**

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

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

Company: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

**FLORIDA GAS TRANSMISSION COMPANY  
TURN BACK REQUEST FORM**

Send to: Florida Gas Transmission Company, LLC  
5444 Westheimer Road  
P. O. Box 4967  
Houston, Texas 77210-4967  
Attention: Jack Boatman  
Facsimile: (713) 989-1160  
E-mail: jack.boatman@sug.com

Shipper's legal name: \_\_\_\_\_

Shipper's principal place of business: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Shipper's Contact Person: \_\_\_\_\_ Telephone#: \_\_\_\_\_

Title: \_\_\_\_\_ Facsimile#: \_\_\_\_\_

E-Mail: \_\_\_\_\_

**Turn Back Firm Capacity**

FGT Contract Number: \_\_\_\_\_

Contract MDTQ (MMBtu per day): \_\_\_\_\_

Requested date of termination of service: \_\_\_\_\_

Contract termination date: \_\_\_\_\_

Contractual Primary Receipt Point(s) and maximum daily quantity (“MDQ”) at each Primary Receipt Point:

| <u>DRN #</u>     | <u>Receipt Point Name</u> | <u>October</u> | <u>MDQ (MMBtu/Day)</u> |              |                  |
|------------------|---------------------------|----------------|------------------------|--------------|------------------|
|                  |                           |                | <u>Nov. – March</u>    | <u>April</u> | <u>May-Sept.</u> |
| _____            | _____                     | _____          | _____                  | _____        | _____            |
| _____            | _____                     | _____          | _____                  | _____        | _____            |
| <b>Total MDQ</b> |                           | _____          | _____                  | _____        | _____            |

Contractual Primary Delivery Point(s) and maximum daily quantity (“MDQ”) at each Primary Delivery Point:

| <u>DRN #</u>     | <u>Delivery Point Name</u> | <u>October</u> | <u>MDQ (MMBtu/Day)</u> |              |                  |
|------------------|----------------------------|----------------|------------------------|--------------|------------------|
|                  |                            |                | <u>Nov. – March</u>    | <u>April</u> | <u>May-Sept.</u> |
| _____            | _____                      | _____          | _____                  | _____        | _____            |
| _____            | _____                      | _____          | _____                  | _____        | _____            |
| <b>Total MDQ</b> |                            | _____          | _____                  | _____        | _____            |

**This Request to Turn Back Firm Capacity is Hereby Submitted:**

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

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

Company: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_