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FORM OF SERVICE AGREEMENT - Continued

7. Capacity Release (SC-16 Pool). Where a Pool is comprised of Customers taking CTB Service:

(a) Simultaneous to the execution of this Agreement, the Company and Seller shall enter into a prearranged pipeline capacity release transaction for a term equal to the term of this Agreement. The Company shall determine the quantity of capacity to be released and the interstate pipeline on which such capacity is to be released. Any change to the composition of the Customers in the Pool shall result in a concomitant change to the capacity allocated to such Pool. Seller shall pay the pipeline directly for such released capacity at such pipeline's maximum rate. All such capacity releases shall be subject, but not be limited, to the following terms and conditions:

(I) Pipeline Contract: _____.

(ii) Quantity of daily capacity to be released: _____ dekatherms.

(b) All capacity releases hereunder shall be subject to recall by the Company under such terms and conditions as the Company, in its absolute discretion may determine are appropriate, including, but not be limited to, recalls:

(I) made necessary to preserve the integrity of the Company's facilities and service;

(ii) required to provide back-up gas supply to Customers in a Pool, pursuant to such Customers' Standby Gas Service arrangement with the Company;

(iii) at the Company's option, whenever Seller fails to deliver gas to the Company in an amount at least equal to Seller's Average Daily Delivery Quantity;

(iv) when a Customer leaves a Pool for any reason prior to the expiration of such Customer's CTB Service Agreement; and

(vi) for any other reason identified by the Company.

Issued by: Steven L. Zelkowitz, Sr. Vice President and General Counsel, Brooklyn, NY