

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
School/Government 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 “School/Government Supplier.”

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. 20, Rate 185, School/Government 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 School/Government Supplier and to redeliver such gas supplies to School/Government Supplier's School/Government Pool Customers that have elected School/Government Transportation Service from Company (“School/Government Transportation Service”) pursuant to Rate 125 and who have further elected to become a member of a Pool pursuant to the provisions of Rate 185, School/Government Pooling Service, with a School/Government Supplier responsible for managing the Pool's gas supply.

The parties agree as follows:

1. The School/Government Supplier 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 School/Government Supplier's School/Government Pool Customers relating to the Transportation Service Agreement entered into between Company and each of the School/Government Supplier's School/Government Pool Customers as may be amended throughout the term of this agreement.
3. The School/Government Supplier will act on its School/Government Pool Customers' behalf for the purposes of fulfilling the Customers' nomination and balancing obligations under the School/Government Transportation Service Agreements. Except as provided herein, all charges contained in the School/Government Transportation Service Agreements shall remain in full force and effect and remain payable to Company by the School/Government Supplier's School/Government Pool Customers in the event the School/Government Supplier fails to pay.
4. Any School/Government Supplier's gas supply imbalance on the Company's gas system on the last day of the last month in which School/Government Pool Customer was served by a previous school/government supplier, shall be the responsibility of the previous school/government supplier and shall not be added to School/Government Supplier's Pool.

5. The School/Government Supplier shall be obligated to adhere to the Nomination Provisions pursuant to the Company's Tariff, Sheet No. 39, Appendix J, School/Government Nomination and Balancing Provisions, which may change from time to time upon Commission Order.
6. The School/Government Supplier is obligated to comply with the Operational Flow Order (“OFO”) provisions as set forth in the Nomination and Balancing Provisions. If the School/Government Supplier fails to comply with an OFO, Company may terminate this Agreement or prohibit the School/Government Supplier from adding additional customers to its pools for the remaining term of this Agreement.

ARTICLE 2

Definitions

The terms set forth below shall have the meaning ascribed to them below. Other terms are defined elsewhere in the Agreement and shall have the meanings ascribed to them.

- 2.1 “School/Government Pool Customer” shall mean any Education Institution or Government Entity receiving Gas Service provided by Company that has contracted with a supplier to participate in Company's School/Government Pooling Service.
- 2.2 “Directed Delivery Quantity” or “DDQ” shall mean the daily quantity of gas in Dth that School/Government Supplier must deliver to Company's city gates, as specified by Company, to meet the expected demand of School/Government Supplier's Pool, adjusted for prior imbalances associated with the volumes reconciliations, operating constraints, system knowledge/experience, and Company's Unaccounted for Gas Percentage as set forth in Appendix F of Company's tariff.
- 2.3 “Education Institution” shall mean an institution administering or providing education programs from kindergarten through post-secondary level.
- 2.4 “Financial Assurance Obligations” shall mean financial support provided to secure the obligations of School/Government Supplier to this Agreement such as a Letter of Credit or other good and sufficient security of a continuing nature as reasonably determined satisfactory by Company in its sole discretion, and any obligations(s) in respect of the foregoing, all of which obligations and security shall be provided at the sole expense of the School/Government Supplier whose credit is being supported in a form, substance, and amount that is reasonably acceptable to Company, and consistent with credit and collateral requirements set forth herein.
- 2.5 “Gas Service” shall mean the availability of natural gas or a mixture of natural gas and other compatible gases at Company's point of deliver to Customer, irrespective whether any such gas is actually consumed.
- 2.6 “Government Entity” shall mean any non-Residential Customer who is an agency or entity of Federal, State, County, or Local Government.

- 2.7 “Letter of Credit” shall mean one or more irrevocable, non-transferrable standby letters of credit issued by a Qualified Institution, in a form acceptable to the Company in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the School/Government Supplier.
- 2.8 “Non-Disclosure Agreement” shall mean the mutually acceptable non-disclosure agreement governing the informational exchange between Company and School/Government Supplier executed between the Parties.
- 2.9 “Over-Delivery Imbalance Quantity” shall mean the amount of gas in excess of the School/Government Supplier's DDQ in addition to Supplier's Annual Reconciliation volumes as set out in Appendix J of Company's tariff.
- 2.10 “Pool” shall mean a group of Transportation Customers who have been aggregated by a School/Government Supplier for gas supply management purposes.
- 2.11 “Qualified Institution” shall mean a U.S. office of a major commercial bank (which is not an affiliate of either Party) organized under the laws of the United States (or any state or a political subdivision thereof) or a Schedule I Canadian Bank with a U.S. branch office and, in either case, having assets of at least \$10 Billion and a long-term debt rating or deposit rating of at least (i) A2 from Moody's and (ii) A from S&P. In the event there is only one rating from either Moody's or S&P, the long-term debt rating or deposit rating must be at least (i) A2 from Moody's or (ii) A from S&P.
- 2.12 “School/Government Supplier” shall mean a gas supplier that provides gas supply management for a Pool of customers for which an Educational Institution or Government Entity is responsible for payment of rates and charges to Company.
- 2.13 “Transportation Customer” shall mean a customer receiving Transportation Service from Company.
- 2.14 “Transportation Service” shall mean Gas Service involving the delivery by Company to a customer of School/Government Supplier-Delivered gas.
- 2.15 “Tariff” shall mean Company's Tariff for Gas Service which may be changed from time-to-time upon Commission order.

ARTICLE 3

Term

This Agreement shall continue in effect for an initial term of twelve (12) months. Thereafter, this Agreement shall continue from year to year, unless terminated by either Party, with the terminating Party providing at least ninety (90) days advance written notice of termination, or unless terminated pursuant to the provisions of this Agreement.

In the event of a Default, as defined in Article 6 of this Agreement, this Agreement may be terminated by the non-defaulting Party, in accordance with the provisions of Article 7 of this Agreement. In the event of a termination pursuant to an Event of Default, all outstanding obligations of School/Government Supplier and amounts due under this Agreement shall become immediately due and payable.

In the event of any termination of this Agreement, other than for default, the Parties agree that School Government Supplier's School/Government Pool Customers shall be returned to Company's Sales Service, unless

arrangements have been made to transfer such Pool Customers into a different school/government supplier's Pool.

The School/Government Supplier must notify the Company and the School/Government Pool Customer in writing, of any Customers leaving the School/Government Supplier's Pool no fewer than ten (10) business days prior to the start of a new month. Customers joining the School/Government Supplier's Pool must submit Company's Acknowledgment of Appointment of an Agent notifying the Company of Customer's Company-approved School/Government Supplier. The Acknowledgment of Appointment of Agent must be received by the Company no less than ten (10) business days prior to the start of a new month.

ARTICLE 4

Requirements for School/Government Supplier Participation

To participate in School/Government Pooling Service, School/Government Supplier agrees to be subject to all applicable charges and agrees to comply with all applicable provisions of Company's School/Government Pooling Service Rate Schedule which may change from time to time upon Commission Order, including the items set out in the Requirements for School/Government Supplier Participation Section of that Rate Schedule. School/Government Supplier acknowledges that in its capacity as a School/Government Supplier, it has a continuing responsibility to conduct its business in a legal and ethical manner, and that it remains responsible for complying with all applicable statutes, ordinances, rules and regulations and tariffs. Furthermore, School/Government Supplier agrees to comply with the School/Government Supplier Code of Conduct as set out in the Company's Tariff.

As a pre-condition to participation in the Company's School/Government Pooling Service, School/Government Supplier must meet the Company's creditworthiness requirements as established by Company in accordance with its Tariff. At Company's request, School/Government Supplier agrees to provide Company with such financial information as Company deems reasonably necessary to assess Supplier's creditworthiness, in Company's discretion. At School/Government Supplier's request, Supplier's creditworthiness information may be provided pursuant to a Non-Disclosure Agreement executed by the Supplier and the Company.

If Company has reasonable grounds for insecurity regarding the performance of any obligation under this Agreement (whether or not then due) by School/Government Supplier (including, without limitation, the occurrence of a material change in the creditworthiness of School/Government Supplier), Company may demand adequate assurance of performance in the form of Financial Assurance Obligations.

In order to ensure that the value of such Financial Assurance Obligations remains proportional to School/Government Supplier's potential liability under this Agreement, the required dollar amounts of such Financial Assurance Obligations 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 School/Government Supplier changes; or as School/Government Pool Customers are added to, or deleted from, School/Government Supplier's Pool(s). Failure of School/Government Supplier to adjust the dollar amount of the Financial Assurance Obligations as directed by the Company may result in the Company limiting the enrollment of additional School/Government Pool Customers in School/Government Supplier's Pool(s) and/or the Company's termination of service hereunder for violation of School/Government Supplier's Code of Conduct.

School/Government Supplier agrees to inform Company of any significant change in School/Government Supplier's current financial condition. The Financial Assurance Obligations may also be adjusted at the sole discretion

of Company based upon School/Government Supplier's demonstrated ability or inability to pay promptly.

School/Government Supplier agrees that, in the event of Default as that term is defined in Article 6 of this Agreement, Company shall have the right to use the proceeds from School/Government Supplier's Financial Assurance Obligations to satisfy School/Government Supplier's obligations under this Agreement. The proceeds from such Financial Assurance Obligations shall be used to satisfy any outstanding claims that Company may have against School/Government Supplier, 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 School/Government Supplier's participation in School/Government Pooling Service. Such proceeds may also be used to secure additional gas supplies, including payment of the costs of the gas supplies, the costs of transportation, storage, gathering, taxes, and other related costs incurred in bringing those gas supplies into Company's system.

In the event of a Default, the Company also reserves the right to draw on any Letter of Credit and to apply offset or otherwise net such Financial Assurance Obligation against any outstanding obligations of the defaulting Party. Company also reserves the right to use School/Government Supplier's assets associated with School/Government 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 School/Government Supplier elects, or is forced, to terminate its participation in School/Government Pooling Service in accordance with the provisions of this Agreement, or in the event of a Default resulting in termination of this Agreement, School/Government Supplier shall continue to maintain the Financial Assurance Obligations until Company confirms that School/Government Supplier has satisfied all of Company's outstanding claims.

ARTICLE 5

Payment and Audit

Company shall bill the School/Government Supplier monthly for all charges or penalties specified in the Company's School/Government Pooling Service Rate Schedule. School/Government Supplier's payment of invoice shall be subject to the terms and conditions specified in the Company's School/Government Pooling Service Rate Schedule.

If the School/Government Supplier objects to any portion of an invoice, the School/Government Supplier shall notify Company in writing within ten (10) business days from date of invoice. The School/Government Supplier agrees to pay that portion of the invoice not in dispute in accordance with the payment terms of Company's School/Government Pooling Service Rate Schedule.

The Parties shall have the right, each at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party only to the extent reasonably necessary to verify the accuracy of any invoice, monthly statement, charge, payment, or computation made under the Agreement. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement. All invoices, monthly statements, and billings shall be conclusively presumed final and accurate and all associated claims for under- or over-payments shall be deemed waived unless such invoices, monthly statements, or billings are objected to in writing with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this section shall be paid in full by the Party owing payment within thirty (30) days of a final

resolution of a claimed adjustment or as otherwise provided in the Tariff.

ARTICLE 6

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. Events of Default shall include, but not be limited to, the following Events by a Party:

- An assignment or any general arrangement for the benefit of creditors;
- Failure, potential failure or anticipated failure of School/Government Supplier to deliver volumes of gas to Company in accordance with the Company's School/Government Pooling Service Rate Schedule and Appendix J;
- Failure of School/Government Supplier to pay to Company amounts due under this Agreement as described in Company's School/Government Pooling Service Rate Schedule;
- Failure of School/Government Supplier to perform Requirements for School/Government Supplier Participation, including among those Requirements the requirement of Financial Assurance, as described in Article 4 of this Agreement and/or pursuant to Company's School/Government Pooling Service Rate Schedule in effect at the time such determination is made;
- School/Government Supplier's commencement, authorization, or acquiescence to a proceeding or case under any bankruptcy or similar law for the protection of creditors or having such petition filed or proceeding commenced against it;
- Bankruptcy or insolvency of School/Government Supplier (however evidenced);
- Appointment of a receiver, provisional liquidator, conservator, custodian, trustee, or other similar official with respect to School/Government Supplier or substantially all of its assets;
- Failure of School/Government Supplier to comply with the School/Government Supplier Code of Conduct contained in Company's Tariff;
- Failure by either party to perform, to a material extent, any of the obligations imposed under this Agreement.

ARTICLE 7

Remedies and Termination

In the event of a Default, an alleged Default, or a reasonably anticipated Default, written, emailed, or faxed notice of such Default shall be served to the School/Government Supplier 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 School/Government Supplier 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 School/Government Supplier 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. School/Government Pool Customers designated within the School/Government Supplier's Pool will be notified that the School/Government Supplier is in Default and will return to Company's Sales Service as soon as possible unless provisions have been made by such customers to immediately enroll with a different school/government supplier. Any termination or cancellation of this Agreement, pursuant to this Article 7 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 School/Government Supplier files a petition for relief under the federal bankruptcy laws, or School/Government Supplier'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 School/Government Supplier shall cause a notice to be filed with the federal bankruptcy court having jurisdiction, and within five (5) 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 five (5) day period would constitute notice that School/Government Supplier intends to reject this Agreement.

If this Agreement is terminated due to non-delivery of supplies by School/Government Supplier, or if Company is notified of School/Government Supplier's intention to reject this Agreement in accordance with federal bankruptcy laws, then Company shall notify School/Government Supplier's School/Government Pool Customers of such termination and shall return all of School/Government Supplier's School/Government Pool Customers to Company's Sales Service as soon as possible. Company shall also immediately determine whether or not any interstate pipeline capacity previously assigned to School/Government Supplier must be recalled, based upon a determination of its necessity for service to such customers. School/Government Supplier 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 8

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 School/Government Supplier.

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 School/Government Supplier from its obligations to make payments of amounts due hereunder.

ARTICLE 9

Limitations

This Agreement is entered into solely for the benefit of Company and School/Government Supplier 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 School/Government Pool Customers that School/Government Supplier supplies under this Agreement.

Subject to the provisions of the Company's General Terms and Conditions Applicable to Gas Service, pursuant to Company's Tariff Sheet No. 61, the School/Government Supplier 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 School/Government Supplier. The School/Government Supplier 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 Applicable to Gas Service, the Company will indemnify, exonerate, and hold harmless the School/Government Supplier 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 School/Government Supplier arising out of and in the course of their employment with the School/Government Supplier, for injuries to person or property occasioned by such services provided to School/Government Supplier 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 School/Government Supplier harmless for, any loss, damage, or expense growing out of or in any manner connected with the acts of any employee of the School/Government Supplier who may go upon or do anything to or with the property of the Company.

ARTICLE 10

Representations and Warranties

On the effective date of the Agreement, each Party represents and warrants to the other Party that:

- 10.1 It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- 10.2 It has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- 10.3 The execution, delivery, and performance of this Agreement are within its powers, have been duly authorized by all necessary action, and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order, or the like applicable to it;

- 10.4 This Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
- 10.5 It is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it that would result in it being or becoming bankrupt;
- 10.6 There is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement; and
- 10.7 No Event of Default or potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement

ARTICLE 11

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-assigning Party. The written consent to assignment shall not be unreasonably withheld.

ARTICLE 12

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

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

Legal and contractual notices and correspondence to School/Government Supplier 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 School/Government Supplier shall be directed to: _____

Daily operational notices and correspondence to School/Government Supplier shall be addressed to the party identified by the School/Government Supplier when enrolling in the Company's Marketer Extranet. 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

SCHOOL/GOVERNMENT SUPPLIER: _____

BY: _____
Signature

Printed Name and Title