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FERC GAS TARIFF

SECOND REVISED VOLUME NO. 1-A
(Superseding First Revised Volume No. 1-A)

of

EL PASO NATURAL GAS COMPANY

Filed With

Federal Energy Regulatory Commission

Communications Concerning this Tariff Should be Sent to:

Catherine E. Palazzari, Vice President
El Paso Natural Gas Company
Post Office Box 1087
Colorado Springs, CO 80944
2 North Nevada
Colorado Springs, CO 80903
Telephone: (719) 473-2300
Facsimile: (719) 667-7534

Effective Date: 01/01/2009 Status: Suspended
FERC Docket: RP08-426-000

Thirty-Sixth Revised Sheet No. 1 Thirty-Sixth Revised Sheet No. 1
Superseding: Thirty-Fifth Revised Sheet No. 1

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Arizona Public Service Company FT-1 Agreement #FT24U000
Arizona Public Service Company FT-1 Agreement #FT24V000
Arizona Public Service Company FT-1 Agreement #FT24W000
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- City of Deming #982H
- City of Denver City, Texas #97ZF
- City of Dumas, Texas #97ZQ
- City of Lordsburg #982N
- City of McLean, Texas #97ZM
- City of Morton, Texas #97ZT
- City of Plains, Texas #97ZE
- City of Safford, Arizona #9824
- City of Socorro, New Mexico #9828
- City of Whiteface, Texas #97ZD
- City of Willcox, Arizona #97YU
- ConocoPhillips Company FT-1 Agreement #97YG
- ConocoPhillips Company FT-1 Agreement #FT276000
- Duncan Rural Services Corporation #982J
- EMW Gas Association #982K
- Freeport-McMoRan Corporation FT-1 Agreement #FT2CD000
- Freeport-McMoRan Corporation FT-1 Agreement #FT2CE000
- Freeport-McMoRan Corporation FT-1 Agreement #FT2CF000
- Graham County Utilities, Inc. #97ZP
- Las Cruces, New Mexico City of, FT-1 Agreement #FT2AG000
- Las Cruces, New Mexico City of, FT-1 Agreement #FT2AH000
- Las Cruces, New Mexico City of, FT-1 Agreement #FT2AJ000
- Mesa, Arizona City of, FT-1 Agreement #FT2AE000
- Mesa, Arizona City of, FT-1 Agreement #FT2AF000
- MGI Supply, Ltd. Master Replacement Agreement dated November 28, 1997
- MGI Supply, Ltd. FT-1 Agreement #9MDQ
- MGI Supply, Ltd. IT-1 Agreement #9HJH
- MGI Supply, Ltd. IT-1 Agreement #9L5N
- Natural Gas Processing Co. #982E
- Navajo Tribal Utility Authority FT-1 Agreement #FT2AL000
- Navajo Tribal Utility Authority FT-1 Agreement #FT2AM000
- Navajo Tribal Utility Authority FT-1 Agreement #FT2AN000
- New Mexico Gas Company, Inc. FT-1 Agreement #FT27L000
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- New Mexico Gas Company, Inc. FT-1 Agreement #FT27Q000
- Odessa-Ector Power Partners, L.P. FT-1 Agreement #9L6Y
- Rio Grande Natural Gas Association #9823

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- Salt River Project Agricultural Improvement and Power District OPASA dated January 1, 2010
- Salt River Project Agricultural Improvement and Power District FT-1 Agreement #FT24R000
- Salt River Project Agricultural Improvement and Power District FT-1 Agreement #FT2W9000
- Salt River Project Agricultural Improvement and Power District FTH-12 Agreement #H2225000
- Salt River Project Agricultural Improvement and Power District FTH-8 Agreement #H8224000
- Salt River Project Agricultural Improvement and Power District Master PAL Agreement
- Shell Energy North America (US), L.P. FT-1 Agreement (Line 1903) #9TBL
- Sterling Natural Gas, Inc. #982T
- Southwest Gas Corporation FT-1 Agreement #FT28L000
- Southwest Gas Corporation FT-1 Agreement #FT28M000
- Southwest Gas Corporation FT-1 Agreement #FT28N000
- Texas Gas Service Company FT-1 Agreement #FT24Z000
- Texas Gas Service Company FT-1 Agreement #FT253000
- Texas Gas Service Company FT-1 Agreement #FT254000
- Town of Mountainair #983K
- UNS Gas, Inc. CML Agreement dated December 16, 2005
- UNS Gas, Inc. FT-1 Agreement #FT24N000
- UNS Gas, Inc. FT-1 Agreement #FT25A000
- UNS Gas, Inc. FT-1 Agreement #FT259000
- U.S. Dept. of the Interior, Bureau of Land Management, a Department of the United States Government #9P3W
- Village of Corona, New Mexico #9829
- Zia Natural Gas Company #97ZG

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Third Revised Volume No. 2

Special rate schedules consisting of individual contracts between El Paso and various interstate pipeline system customers covering special gas transportation or exchange of natural gas. A detailed index of rate schedules is included in El Paso's FERC Gas Tariff, Third Revised Volume No. 2.

Rate Schedules		Sheet No.
X-42	Gas Exchange Agreement between El Paso Natural Gas Company and Atlantic Richfield Company.	1076
T-18	Gas Transportation Agreement between El Paso Natural Gas Company and Pacific Interstate Transmission Company.	1502
T-23	Gas Transportation Agreement between El Paso Natural Gas Company and Minco Oil and Gas Co.	1644
T-30	Gas Transportation Agreement between El Paso Natural Gas Company and Tenneco Oil Company.	1894
T-31	Gas Transportation Agreement between El Paso Natural Gas Company and Tenneco Oil Company.	1933
T-32	Gas Transportation Agreement between El Paso Natural Gas Company and Conoco Inc.	2052
T-33	Gas Transportation Agreement between El Paso Natural Gas Company and Conoco Inc.	2091

Reserved Sheets

Original Sheet Nos. 4 through 9 have been reserved.

PRELIMINARY STATEMENT

El Paso Natural Gas Company, hereinafter referred to as "El Paso" or "Transporter" is a "natural gas company" as defined by the Natural Gas Act (52 Stat. 821, 15 U.S.C. 717-717w) and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission, hereinafter referred to as "FERC" or "Commission." As used herein, "El Paso" shall not include any of El Paso's affiliates.

El Paso is in the business of providing jurisdictional transportation services to or for others as an open-access transporter under authority of Part 284 of the Commission's Regulations pursuant to written contracts containing or incorporating by reference terms and conditions which are acceptable to El Paso. El Paso also provides jurisdictional transportation services on behalf of various shippers pursuant to pre-existing individual contracts which were entered into prior to the effective date of this Volume No. 1-A FERC Gas Tariff. Said pre-existing individual contracts, insofar as they provide for transportation services other than those open-access services which El Paso has agreed to provide under authority of Part 284 of the Commission's Regulations, have and will continue, after the effective date of this Volume No. 1-A FERC Gas Tariff, to be included as special rate schedules in El Paso's Volume No. 2 FERC Gas Tariff.

This FERC Gas Tariff is filed in compliance with Part 154, Subchapter E, Chapter I, Title 18, of the Code of Federal Regulations.

Effective Date: 04/01/2006 Status: Effective
FERC Docket: RP05-422-000

First Revised Sheet No. 11 First Revised Sheet No. 11 : Superseded
Superseding: Original Sheet No. 11

This Tariff Sheet illustrating El Paso's Transportation System is to be submitted only in a "hard copy" format. The electronic media version is submitted for informational purposes only and serves to mark the location of the map in the electronic version of the Tariff.

POINTS OF CONTACT

Payments:

Payments are subject to the terms and conditions of this Tariff including but not limited to Section 12 of the GT&C.

El Paso Natural Gas Company
(See the address and account number identified on the invoice.)

Nominations:

Nominations are subject to the terms and conditions of this Tariff, including but not limited to Section 6 of the GT&C.

El Paso Natural Gas Company
P.O. Box 1087
Colorado Springs, Colorado 80944
Attention: Nominations and Scheduling Department
Telephone No. (800) 238-3764

Customer Service:

Customer Service Department (877) 520-3797

Sheet Nos. 13 - 19 Sheet Nos. 13 - 19

Reserved Sheets

Original Sheet Nos. 13 through 19 have been reserved.

Effective Date: 04/01/2010 Status: Effective
FERC Docket: RP10-454-001

Sheet Nos. 20 - 27A Sheet Nos. 20 - 27A

The following sheets have been reserved for future use:

Thirty-Sixth Revised Sheet No. 20
Twelfth Revised Sheet No. 21
Sub Twenty-Fifth Revised Sheet No. 22
Thirty-Fourth Revised Sheet No. 23
Sub Thirty-Seventh Revised Sheet No. 24
Eleventh Revised Sheet No. 25
Third Revised Sheet No. 25A
Fourth Revised Sheet No. 25B
Fourth Revised Sheet No. 25C
Second Revised Sheet No. 25D
Third Revised Sheet No. 25E
Third Revised Sheet No. 25F
Third Revised Sheet No. 25G
Third Revised Sheet No. 25H
Thirty-Fifth Revised Sheet No. 26
Sub Thirty-First Revised Sheet No. 27
Sixth Revised Sheet No. 27A

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE IHSW (INTERRUPTIBLE HOURLY SWING SERVICE)

	MAXIMUM 1/	MINIMUM 1/
Production Area	$0.0916	$0.0015
Texas	$0.2421	$0.0238
New Mexico	$0.2756	$0.0193
Arizona	$0.3612	$0.0239
Nevada	$0.3454	$0.0237
California	$0.3797	$0.0254

(applicable only at El Paso's Blythe, California Delivery Point, IBlythe, DRN 305261)

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

RATE SCHEDULE ISS (INTERRUPTIBLE STORAGE SERVICE)

	MAXIMUM 1/	MINIMUM 1/
Storage Inventory Rate (applied monthly to the average daily balance of gas in storage for Shipper's account during the month)	$0.0448	$0.0000
Quantity Injection Rate	$0.0320	$0.0320
Quantity Withdrawal Rate	$0.0306	$0.0306

Fuel See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA Surcharge is shown in Footnote 1.

Reserved for future use.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Thirty-Third Revised Sheet No. 23 Thirty-Third Revised Sheet No. 23 : Effective
Superseding: Thirty-Second Revised Sheet No. 23

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE FT-1 (FIRM TRANSPORTATION SERVICE) 5/

	MONTHLY 6/ Reservation
Production Area	$ 2.6736
Texas	$ 6.0681
New Mexico	$ 7.0688
Arizona	$ 9.2071
Nevada	$ 8.7904
California	$ 9.6786

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.0879	$0.0013	$0.0000	$0.0013
Texas	$0.1995	$0.0215	$0.0000	$0.0215
New Mexico	$0.2324	$0.0176	$0.0000	$0.0176
Arizona	$0.3027	$0.0216	$0.0000	$0.0216
Nevada	$0.2890	$0.0214	$0.0000	$0.0214
California	$0.3182	$0.0230	$0.0000	$0.0230

Samalayuca Lateral Line Facilities Charge 2/

MONTHLY 6/	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
Reservation	Reservation	Usage	Reservation	Usage
$ 1.1771	$0.0387	$0.0000	$0.0000	$0.0000

Willcox Lateral Facilities Charge 3/

MONTHLY 6/	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
Reservation	Reservation	Usage	Reservation	Usage
$ 4.9944	$0.1642	$0.0000	$0.0000	$0.0000

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Reserved for future use.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Tenth Revised Sheet No. 25 Tenth Revised Sheet No. 25 : Effective
Superseding: Ninth Revised Sheet No. 25

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE FT-H (HOURLY FIRM TRANSPORTATION SERVICE
THREE HOUR ENHANCED SERVICE OPTION) 5/

	MONTHLY 6/ Reservation
Production Area	$ 2.7132
Texas	$ 6.4118
New Mexico	$ 7.5068
Arizona	$ 9.8398
Nevada	$ 9.3896

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.0892	$0.0014	$0.0000	$0.0014
Texas	$0.2108	$0.0229	$0.0000	$0.0229
New Mexico	$0.2468	$0.0186	$0.0000	$0.0186
Arizona	$0.3235	$0.0230	$0.0000	$0.0230
Nevada	$0.3087	$0.0228	$0.0000	$0.0228

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Second Revised Sheet No. 25A Second Revised Sheet No. 25A : Effective
Superseding: First Revised Sheet No. 25A

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE FT-H (HOURLY FIRM TRANSPORTATION SERVICE
TWELVE HOUR ENHANCED SERVICE OPTION) 5/

	MONTHLY 6/ Reservation
Production Area	$ 2.7405
Texas	$ 6.6400
New Mexico	$ 7.7958
Arizona	$10.2595
Nevada	$ 9.7881

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.0901	$0.0015	$0.0000	$0.0015
Texas	$0.2183	$0.0238	$0.0000	$0.0238
New Mexico	$0.2563	$0.0193	$0.0000	$0.0193
Arizona	$0.3373	$0.0239	$0.0000	$0.0239
Nevada	$0.3218	$0.0237	$0.0000	$0.0237

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Third Revised Sheet No. 25B Third Revised Sheet No. 25B : Effective
Superseding: Second Revised Sheet No. 25B

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE FT-H (HOURLY FIRM TRANSPORTATION SERVICE
SIXTEEN HOUR ENHANCED SERVICE OPTION) 5/

	MONTHLY 6/ Reservation
Production Area	$ 2.7740
Texas	$ 6.9259
New Mexico	$ 8.1578
Arizona	$10.7827
Nevada	$10.2869
California	$11.3241

(applicable only at El Paso's Blythe, California Delivery Point, IBlythe, DRN 305261)

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.0912	$0.0016	$0.0000	$0.0016
Texas	$0.2277	$0.0249	$0.0000	$0.0249
New Mexico	$0.2682	$0.0202	$0.0000	$0.0202
Arizona	$0.3545	$0.0251	$0.0000	$0.0251
Nevada	$0.3382	$0.0248	$0.0000	$0.0248
California	$0.3723	$0.0267	$0.0000	$0.0267

(applicable only at El Paso's Blythe, California Delivery Point, IBlythe, DRN 305261)

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Third Revised Sheet No. 25C Third Revised Sheet No. 25C : Effective
Superseding: Second Revised Sheet No. 25C

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE FT-H (HOURLY FIRM TRANSPORTATION SERVICE
EIGHT HOUR ENHANCED SERVICE OPTION) 5/

	MONTHLY 6/ Reservation
Production Area	$ 3.0812
Texas	$ 9.4900
New Mexico	$11.4275
Arizona	$15.5095
Nevada	$14.7703
California	$16.2729

(applicable only at El Paso's Blythe, California Delivery Point, IBlythe, DRN 305261)

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.1013	$0.0024	$0.0000	$0.0024
Texas	$0.3120	$0.0352	$0.0000	$0.0352
New Mexico	$0.3757	$0.0281	$0.0000	$0.0281
Arizona	$0.5099	$0.0354	$0.0000	$0.0354
Nevada	$0.4856	$0.0350	$0.0000	$0.0350
California	$0.5350	$0.0380	$0.0000	$0.0380

(applicable only at El Paso's Blythe, California Delivery Point, IBlythe, DRN 305261)

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

First Revised Sheet No. 25D First Revised Sheet No. 25D : Effective
Superseding: Substitute Original Sheet No. 25D

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE FDBS (FIRM DAILY BALANCING SERVICE) 5/

	MONTHLY 6/ Reservation
System-wide	$10.8010

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
System-wide	$0.3551	$0.0000	$0.0000	$0.0000

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Second Revised Sheet No. 25E Second Revised Sheet No. 25E : Effective
Superseding: First Revised Sheet No. 25E

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE NNTD (DAILY NO-NOTICE TRANSPORTATION SERVICE) 5/

	MONTHLY 6/ Reservation
Production Area	$ 3.7534
Texas	$ 7.1479
New Mexico	$ 8.1486
Arizona	$10.2869
Nevada	$ 9.8702
California	$10.7584

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.1234	$0.0013	$0.0000	$0.0013
Texas	$0.2350	$0.0215	$0.0000	$0.0215
New Mexico	$0.2679	$0.0176	$0.0000	$0.0176
Arizona	$0.3382	$0.0216	$0.0000	$0.0216
Nevada	$0.3245	$0.0214	$0.0000	$0.0214
California	$0.3537	$0.0230	$0.0000	$0.0230

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Second Revised Sheet No. 25F Second Revised Sheet No. 25F : Effective
Superseding: First Revised Sheet No. 25F

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE NNTH (HOURLY NO-NOTICE TRANSPORTATION SERVICE
THREE HOUR ENHANCED SERVICE OPTION) 5/

	MONTHLY 6/ Reservation
Production Area	$ 3.7930
Texas	$ 7.4916
New Mexico	$ 8.5866
Arizona	$10.9196
Nevada	$10.4694

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.1247	$0.0014	$0.0000	$0.0014
Texas	$0.2463	$0.0229	$0.0000	$0.0229
New Mexico	$0.2823	$0.0186	$0.0000	$0.0186
Arizona	$0.3590	$0.0230	$0.0000	$0.0230
Nevada	$0.3442	$0.0228	$0.0000	$0.0228

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Second Revised Sheet No. 25G Second Revised Sheet No. 25G : Effective
Superseding: First Revised Sheet No. 25G

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE NNTH (HOURLY NO-NOTICE TRANSPORTATION SERVICE
TWELVE HOUR ENHANCED SERVICE OPTION) 5/

	MONTHLY 6/ Reservation
Production Area	$ 3.8203
Texas	$ 7.7198
New Mexico	$ 8.8756
Arizona	$11.3393
Nevada	$10.8679

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.1256	$0.0015	$0.0000	$0.0015
Texas	$0.2538	$0.0238	$0.0000	$0.0238
New Mexico	$0.2918	$0.0193	$0.0000	$0.0193
Arizona	$0.3728	$0.0239	$0.0000	$0.0239
Nevada	$0.3573	$0.0237	$0.0000	$0.0237

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
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Second Revised Sheet No. 25H Second Revised Sheet No. 25H : Effective
Superseding: First Revised Sheet No. 25H

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE NNTH (HOURLY NO-NOTICE TRANSPORTATION SERVICE
SIXTEEN HOUR ENHANCED SERVICE OPTION) 5/

	MONTHLY 6/ Reservation
Production Area	$ 3.8538
Texas	$ 8.0057
New Mexico	$ 9.2406
Arizona	$11.8625
Nevada	$11.3667

	DAILY MAXIMUM 1/		DAILY MINIMUM 1/	
	Reservation	Usage	Reservation	Usage
Production Area	$0.1267	$0.0016	$0.0000	$0.0016
Texas	$0.2632	$0.0249	$0.0000	$0.0249
New Mexico	$0.3038	$0.0202	$0.0000	$0.0202
Arizona	$0.3900	$0.0251	$0.0000	$0.0251
Nevada	$0.3737	$0.0248	$0.0000	$0.0248

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 29.01.
ACA and PIP Surcharges are shown in Footnote 1.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Thirty-Fourth Revised Sheet No. 26 Thirty-Fourth Revised Sheet No. 26 : Effective
Superseding: Thirty-Third Revised Sheet No. 26

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

RATE SCHEDULE FT-2 (FIRM TRANSPORTATION SERVICE)

DAILY CHARGES

TIER 1 SERVICE*

	MAXIMUM 1/	MINIMUM 1/
Texas	$0.3540	$0.0215
New Mexico	$0.4049	$0.0176
Arizona	$0.5261	$0.0216

TIER 2 SERVICE

	MAXIMUM 1/	MINIMUM 1/
Texas	$0.4205	$0.0215
New Mexico	$0.4823	$0.0176
Arizona	$0.6271	$0.0216

Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

Provisions for Tier 1 and Tier 2 Service are included in Rate Schedule FT-2.

* These Tier 1 Service rates will be assessed only if the Article 11.2(a) rates listed in GT&C Section 37 are not applicable.

See Footnotes on Sheet No. 29.01.
ACA Surcharge is shown in Footnote 1.

Reserved for future use.

Effective Date: 10/01/2007 Status: Effective
FERC Docket: RP05-422-022

Fifth Revised Sheet No. 27A Fifth Revised Sheet No. 27A : Effective
Superseding: Fourth Revised Sheet No. 27A

STATEMENT OF RATES
(Rates per dth)

RATE SCHEDULE PAL - INTERRUPTIBLE PARKING AND LENDING SERVICE

	Maximum Daily Rate	Minimum Daily Rate
Usage Charge:		
Parking Rate:	$0.3139	$0.00000
Lending Rate:	$0.3139	$0.00000

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

PRODUCTION AREA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$8.1808	$8.4333	$8.6015	$8.8118	$10.7048	$10.4383	$10.6908	$10.8590	$11.0693
Daily Reservation 1/									
Maximum	$0.2690	$0.2773	$0.2828	$0.2897	$0.3519	$0.3432	$0.3515	$0.3570	$0.3639
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0038	$0.0041	$0.0042	$0.0044	$0.0062	$0.0038	$0.0041	$0.0042	$0.0044
Minimum	$0.0038	$0.0041	$0.0042	$0.0044	$0.0062	$0.0038	$0.0041	$0.0042	$0.0044
LONG-TERM RATES									
Monthly Reservation 5/	$3.2723	$3.3733	$3.4406	$3.5247	$4.2819	$4.1753	$4.2763	$4.3436	$4.4277
Daily Reservation 1/									
Maximum	$0.1076	$0.1109	$0.1131	$0.1159	$0.1408	$0.1373	$0.1406	$0.1428	$0.1456
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0038	$0.0041	$0.0042	$0.0044	$0.0062	$0.0038	$0.0041	$0.0042	$0.0044
Minimum	$0.0038	$0.0041	$0.0042	$0.0044	$0.0062	$0.0038	$0.0041	$0.0042	$0.0044

Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

PRODUCTION AREA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$7.7173	$7.9775	$8.1520	$8.3713	$10.4003	$9.7632	$10.0234	$10.1979	$10.4172
Daily Reservation 1/									
Maximum	$0.2537	$0.2623	$0.2680	$0.2752	$0.3419	$0.3210	$0.3295	$0.3353	$0.3425
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0052	$0.0053	$0.0054	$0.0054	$0.0061	$0.0052	$0.0053	$0.0054	$0.0054
Minimum	$0.0052	$0.0053	$0.0054	$0.0054	$0.0061	$0.0052	$0.0053	$0.0054	$0.0054
LONG-TERM RATES									
Monthly Reservation 5/	$3.0869	$3.1910	$3.2608	$3.3485	$4.1601	$3.9053	$4.0094	$4.0792	$4.1669
Daily Reservation 1/									
Maximum	$0.1015	$0.1049	$0.1072	$0.1101	$0.1368	$0.1284	$0.1318	$0.1341	$0.1370
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0052	$0.0053	$0.0054	$0.0054	$0.0061	$0.0052	$0.0053	$0.0054	$0.0054
Minimum	$0.0052	$0.0053	$0.0054	$0.0054	$0.0061	$0.0052	$0.0053	$0.0054	$0.0054

Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

Seventh Revised Sheet No. 28A Seventh Revised Sheet No. 28A
Superseding: Sixth Revised Sheet No. 28A

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

TEXAS RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$20.8848	$22.4075	$23.4228	$24.6918	$36.1123	$23.1423	$24.6650	$25.6803	$26.9493
Daily Reservation 1/									
Maximum	$0.6866	$0.7367	$0.7701	$0.8118	$1.1873	$0.7608	$0.8109	$0.8443	$0.8860
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0225	$0.0246	$0.0260	$0.0278	$0.0436	$0.0225	$0.0246	$0.0260	$0.0278
Minimum	$0.0225	$0.0246	$0.0260	$0.0278	$0.0436	$0.0225	$0.0246	$0.0260	$0.0278
LONG-TERM RATES									
Monthly Reservation 5/	$8.3539	$8.9630	$9.3691	$9.8767	$14.4449	$9.2569	$9.8660	$10.2721	$10.7797
Daily Reservation 1/									
Maximum	$0.2746	$0.2947	$0.3080	$0.3247	$0.4749	$0.3043	$0.3244	$0.3377	$0.3544
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0225	$0.0246	$0.0260	$0.0278	$0.0436	$0.0225	$0.0246	$0.0260	$0.0278
Minimum	$0.0225	$0.0246	$0.0260	$0.0278	$0.0436	$0.0225	$0.0246	$0.0260	$0.0278
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

TEXAS RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$17.0025	$18.0673	$18.9345	$19.5785	$27.6008	$19.0484	$20.1132	$20.9804	$21.6244
Daily Reservation 1/									
Maximum	$0.5590	$0.5940	$0.6225	$0.6437	$0.9074	$0.6262	$0.6613	$0.6898	$0.7109
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0132	$0.0138	$0.0143	$0.0147	$0.0195	$0.0132	$0.0138	$0.0143	$0.0147
Minimum	$0.0132	$0.0138	$0.0143	$0.0147	$0.0195	$0.0132	$0.0138	$0.0143	$0.0147
LONG-TERM RATES									
Monthly Reservation 5/	$6.8010	$7.2269	$7.5738	$7.8314	$11.0403	$7.6194	$8.0453	$8.3922	$8.6498
Daily Reservation 1/									
Maximum	$0.2236	$0.2376	$0.2490	$0.2575	$0.3630	$0.2505	$0.2645	$0.2759	$0.2844
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0132	$0.0138	$0.0143	$0.0147	$0.0195	$0.0132	$0.0138	$0.0143	$0.0147
Minimum	$0.0132	$0.0138	$0.0143	$0.0147	$0.0195	$0.0132	$0.0138	$0.0143	$0.0147
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

NEW MEXICO RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$22.8448	$24.5638	$25.7095	$27.1420	$40.0328	$25.1023	$26.8213	$27.9670	$29.3995
Daily Reservation 1/									
Maximum	$0.7511	$0.8076	$0.8452	$0.8923	$1.3161	$0.8253	$0.8818	$0.9195	$0.9666
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0180	$0.0197	$0.0208	$0.0222	$0.0346	$0.0180	$0.0197	$0.0208	$0.0222
Minimum	$0.0180	$0.0197	$0.0208	$0.0222	$0.0346	$0.0180	$0.0197	$0.0208	$0.0222
LONG-TERM RATES									
Monthly Reservation 5/	$9.1379	$9.8255	$10.2838	$10.8568	$16.0131	$10.0409	$10.7285	$11.1868	$11.7598
Daily Reservation 1/									
Maximum	$0.3004	$0.3230	$0.3381	$0.3569	$0.5265	$0.3301	$0.3527	$0.3678	$0.3866
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0180	$0.0197	$0.0208	$0.0222	$0.0346	$0.0180	$0.0197	$0.0208	$0.0222
Minimum	$0.0180	$0.0197	$0.0208	$0.0222	$0.0346	$0.0180	$0.0197	$0.0208	$0.0222
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

NEW MEXICO RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$20.0613	$21.5810	$22.3408	$23.1008	$32.9780	$22.1072	$23.6269	$24.3867	$25.1467
Daily Reservation 1/									
Maximum	$0.6595	$0.7095	$0.7345	$0.7595	$1.0842	$0.7268	$0.7768	$0.8018	$0.8267
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0150	$0.0159	$0.0164	$0.0168	$0.0227	$0.0150	$0.0159	$0.0164	$0.0168
Minimum	$0.0150	$0.0159	$0.0164	$0.0168	$0.0227	$0.0150	$0.0159	$0.0164	$0.0168
LONG-TERM RATES									
Monthly Reservation 5/	$8.0245	$8.6324	$8.9363	$9.2403	$13.1912	$8.8429	$9.4508	$9.7547	$10.0587
Daily Reservation 1/									
Maximum	$0.2638	$0.2838	$0.2938	$0.3038	$0.4337	$0.2907	$0.3107	$0.3207	$0.3307
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0150	$0.0159	$0.0164	$0.0168	$0.0227	$0.0150	$0.0159	$0.0164	$0.0168
Minimum	$0.0150	$0.0159	$0.0164	$0.0168	$0.0227	$0.0150	$0.0159	$0.0164	$0.0168
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

ARIZONA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$30.2870	$32.7500	$34.3920	$36.4445	$54.9168	$32.5445	$35.0075	$36.6495	$38.7020
Daily Reservation 1/									
Maximum	$0.9957	$1.0767	$1.1307	$1.1982	$1.8055	$1.0700	$1.1509	$1.2049	$1.2724
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0261	$0.0286	$0.0302	$0.0323	$0.0508	$0.0261	$0.0286	$0.0302	$0.0323
Minimum	$0.0261	$0.0286	$0.0302	$0.0323	$0.0508	$0.0261	$0.0286	$0.0302	$0.0323
LONG-TERM RATES									
Monthly Reservation 5/	$12.1148	$13.1000	$13.7568	$14.5778	$21.9667	$13.0178	$14.0030	$14.6598	$15.4808
Daily Reservation 1/									
Maximum	$0.3983	$0.4307	$0.4523	$0.4793	$0.7222	$0.4280	$0.4604	$0.4820	$0.5090
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0261	$0.0286	$0.0302	$0.0323	$0.0508	$0.0261	$0.0286	$0.0302	$0.0323
Minimum	$0.0261	$0.0286	$0.0302	$0.0323	$0.0508	$0.0261	$0.0286	$0.0302	$0.0323
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

ARIZONA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$26.5640	$28.2270	$29.3865	$30.6408	$43.1218	$28.6099	$30.2729	$31.4324	$32.6867
Daily Reservation 1/									
Maximum	$0.8733	$0.9280	$0.9661	$1.0074	$1.4177	$0.9406	$0.9953	$1.0334	$1.0746
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0204	$0.0215	$0.0223	$0.0231	$0.0313	$0.0204	$0.0215	$0.0223	$0.0231
Minimum	$0.0204	$0.0215	$0.0223	$0.0231	$0.0313	$0.0204	$0.0215	$0.0223	$0.0231
LONG-TERM RATES									
Monthly Reservation 5/	$10.6256	$11.2908	$11.7546	$12.2563	$17.2487	$11.4440	$12.1092	$12.5730	$13.0747
Daily Reservation 1/									
Maximum	$0.3493	$0.3712	$0.3865	$0.4029	$0.5671	$0.3762	$0.3981	$0.4134	$0.4299
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0204	$0.0215	$0.0223	$0.0231	$0.0313	$0.0204	$0.0215	$0.0223	$0.0231
Minimum	$0.0204	$0.0215	$0.0223	$0.0231	$0.0313	$0.0204	$0.0215	$0.0223	$0.0231

Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

Fourth Revised Sheet No. 28D Fourth Revised Sheet No. 28D
Superseding: Third Revised Sheet No. 28D

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

NEVADA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$30.6228	$33.1193	$34.7835	$36.8640	$55.5883	$32.8803	$35.3768	$37.0410	$39.1215
Daily Reservation 1/									
Maximum	$1.0068	$1.0889	$1.1436	$1.2120	$1.8276	$1.0810	$1.1631	$1.2178	$1.2862
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0268	$0.0293	$0.0310	$0.0331	$0.0522	$0.0268	$0.0293	$0.0310	$0.0331
Minimum	$0.0268	$0.0293	$0.0310	$0.0331	$0.0522	$0.0268	$0.0293	$0.0310	$0.0331
LONG-TERM RATES									
Monthly Reservation 5/	$12.2491	$13.2477	$13.9134	$14.7456	$22.2353	$13.1521	$14.1507	$14.8164	$15.6486
Daily Reservation 1/									
Maximum	$0.4027	$0.4355	$0.4574	$0.4848	$0.7310	$0.4324	$0.4652	$0.4871	$0.5145
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0268	$0.0293	$0.0310	$0.0331	$0.0522	$0.0268	$0.0293	$0.0310	$0.0331
Minimum	$0.0268	$0.0293	$0.0310	$0.0331	$0.0522	$0.0268	$0.0293	$0.0310	$0.0331

Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

NEVADA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$26.8298	$28.5095	$29.6805	$30.9473	$43.5533	$28.8757	$30.5554	$31.7264	$32.9932
Daily Reservation 1/									
Maximum	$0.8821	$0.9373	$0.9758	$1.0174	$1.4319	$0.9493	$1.0046	$1.0431	$1.0847
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0206	$0.0217	$0.0225	$0.0233	$0.0316	$0.0206	$0.0217	$0.0225	$0.0233
Minimum	$0.0206	$0.0217	$0.0225	$0.0233	$0.0316	$0.0206	$0.0217	$0.0225	$0.0233
LONG-TERM RATES									
Monthly Reservation 5/	$10.7319	$11.4038	$11.8722	$12.3789	$17.4213	$11.5503	$12.2222	$12.6906	$13.1973
Daily Reservation 1/									
Maximum	$0.3528	$0.3749	$0.3903	$0.4070	$0.5728	$0.3797	$0.4018	$0.4172	$0.4339
Minimum	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Daily Usage 1/									
Maximum	$0.0206	$0.0217	$0.0225	$0.0233	$0.0316	$0.0206	$0.0217	$0.0225	$0.0233
Minimum	$0.0206	$0.0217	$0.0225	$0.0233	$0.0316	$0.0206	$0.0217	$0.0225	$0.0233
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

CALIFORNIA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16*	FTH-8*	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$30.9583	N/A	N/A	$37.2838	$56.2595	$33.2158	N/A	N/A	N/A
Daily Reservation 1/									
Maximum	$1.0178	N/A	N/A	$1.2258	$1.8496	$1.0920	N/A	N/A	N/A
Minimum	$0.0000	N/A	N/A	$0.0000	$0.0000	$0.0000	N/A	N/A	N/A
Daily Usage 1/									
Maximum	$0.0275	N/A	N/A	$0.0340	$0.0536	$0.0275	N/A	N/A	N/A
Minimum	$0.0275	N/A	N/A	$0.0340	$0.0536	$0.0275	N/A	N/A	N/A
LONG-TERM RATES									
Monthly Reservation 5/	$12.3833	N/A	N/A	$14.9135	$22.5038	$13.2863	N/A	N/A	N/A
Daily Reservation 1/									
Maximum	$0.4071	N/A	N/A	$0.4903	$0.7399	$0.4368	N/A	N/A	N/A
Minimum	$0.0000	N/A	N/A	$0.0000	$0.0000	$0.0000	N/A	N/A	N/A
Daily Usage 1/									
Maximum	$0.0275	N/A	N/A	$0.0340	$0.0536	$0.0275	N/A	N/A	N/A
Minimum	$0.0275	N/A	N/A	$0.0340	$0.0536	$0.0275	N/A	N/A	N/A
Daily Authorized Overrun 7/ 9/	FT-1	N/A	N/A	FTH-16	FTH-8	NNTD	N/A	N/A	N/A

* Applicable only at Transporter's Blythe, California Delivery Point, IBlythe, DRN 305261.

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

CALIFORNIA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16*	FTH-8*	NNTD	NNTH-3	NNTH-12	NNTH-16
SHORT-TERM RATES									
Monthly Reservation 5/	$27.2450	N/A	N/A	$31.4263	$44.2275	$29.2909	N/A	N/A	N/A
Daily Reservation 1/									
Maximum	$0.8957	N/A	N/A	$1.0332	$1.4541	$0.9630	N/A	N/A	N/A
Minimum	$0.0000	N/A	N/A	$0.0000	$0.0000	$0.0000	N/A	N/A	N/A
Daily Usage 1/									
Maximum	$0.0209	N/A	N/A	$0.0236	$0.0320	$0.0209	N/A	N/A	N/A
Minimum	$0.0209	N/A	N/A	$0.0236	$0.0320	$0.0209	N/A	N/A	N/A
LONG-TERM RATES									
Monthly Reservation 5/	$10.8980	N/A	N/A	$12.5705	$17.6910	$11.7164	N/A	N/A	N/A
Daily Reservation 1/									
Maximum	$0.3583	N/A	N/A	$0.4133	$0.5816	$0.3852	N/A	N/A	N/A
Minimum	$0.0000	N/A	N/A	$0.0000	$0.0000	$0.0000	N/A	N/A	N/A
Daily Usage 1/									
Maximum	$0.0209	N/A	N/A	$0.0236	$0.0320	$0.0209	N/A	N/A	N/A
Minimum	$0.0209	N/A	N/A	$0.0236	$0.0320	$0.0209	N/A	N/A	N/A
Daily Authorized Overrun 7/ 9/	FT-1	N/A	N/A	FTH-16	FTH-8	NNTD	N/A	N/A	N/A

* Applicable only at Transporter's Blythe, California Delivery Point, IBlythe, DRN 305261.

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

Effective Date: 01/01/2009 Status: Suspended
FERC Docket: RP08-426-001

Substitute Fourth Revised Sheet No. 28F Substitute Fourth Revised Sheet No. 28F
Superseding: Third Revised Sheet No. 28F

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

LATERAL LINE FACILITIES CHARGES 4/

	Monthly Daily Authorized Reservation 5/ Overrun 7/ 9/	Daily Maximum Reservation	Daily Minimum Reservation	Daily Maximum Usage	Daily Minimum Usage
FT-1 Willcox 2/					
Short-Term Rates	$5.0206 FT-1	$0.1651	$0.0000	$0.0000	$0.0000
Long-Term Rates	$5.0206 FT-1	$0.1651	$0.0000	$0.0000	$0.0000
IT-1 1/					
Willcox	N/A	N/A	N/A	$1.0218	$0.0000
IHSW 1/					
Willcox	N/A	N/A	N/A	$1.1996	$0.0000

SYSTEM-WIDE BALANCING & STORAGE RATES 4/

	Monthly Reservation 5/	Daily Maximum Reservation 1/	Daily Minimum Reservation 1/	Daily Maximum Usage 1/	Daily Minimum Usage 1/
FDBS	$9.0297	$0.2969	$0.0000	$0.0000	$0.0000

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

	Storage Inventory Maximum	Storage Inventory Minimum	Quantity Injection Maximum	Quantity Injection Minimum	Quantity Withdrawal Maximum	Quantity Withdrawal Minimum
ISS 1/	$0.0479	$0.0000	$0.0509	$0.0509	$0.0500	$0.0500

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

LATERAL LINE FACILITIES CHARGES 4/

	Monthly Daily Authorized Reservation 5/ Overrun 7/ 9/	Daily Maximum Reservation	Daily Minimum Reservation	Daily Maximum Usage	Daily Minimum Usage
FT-1 Willcox 2/	$4.8397	$0.1591	$0.0000	$0.0000	$0.0000
	FT-1				
IT-1 1/ Willcox	N/A	N/A	N/A	$0.8937	$0.0000
IHSW 1/ Willcox	N/A	N/A	N/A	$0.4260	$0.0000

SYSTEM-WIDE BALANCING & STORAGE RATES 4/

	Monthly Reservation 5/	Daily Maximum Reservation 1/	Daily Minimum Reservation 1/	Daily Usage 1/	Maximum Usage 1/	Minimum Usage 1/
FDBS	$8.1837	$0.2691	$0.0000	$0.0000	$0.0000	

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

	Storage Inventory Maximum	Storage Inventory Minimum	Quantity Injection Maximum	Quantity Injection Minimum	Quantity Withdrawal Maximum	Quantity Withdrawal Minimum
ISS 1/	$0.0484	$0.0000	$0.0565	$0.0565	$0.0555	$0.0555

Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

ZONAL RATES - Daily Usage

	IT-1 1/	IHSW*	PAL Parking	PAL Lending
Production Area				
Maximum	$0.2728	$0.2866	$0.8692	$0.8692
Minimum	$0.0038	$0.0044	$0.0000	$0.0000
Texas				
Maximum	$0.7091	$0.8186	$0.8692	$0.8692
Minimum	$0.0225	$0.0278	$0.0000	$0.0000
New Mexico				
Maximum	$0.7691	$0.8916	$0.8692	$0.8692
Minimum	$0.0180	$0.0222	$0.0000	$0.0000
Arizona				
Maximum	$1.0218	$1.1996	$0.8692	$0.8692
Minimum	$0.0261	$0.0323	$0.0000	$0.0000
Nevada				
Maximum	$1.0336	$1.2139	$0.8692	$0.8692
Minimum	$0.0268	$0.0331	$0.0000	$0.0000
California				
Maximum	$1.0453	$1.2282	$0.8692	$0.8692
Minimum	$0.0275	$0.0340	$0.0000	$0.0000
Daily Authorized Overrun 7/	N/A	N/A	Max PAL Usage	Max PAL Usage

* Applicable only at Transporter's Blythe, California Delivery Point, IBlythe, DRN 305261.

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

(Rates per dth)

ZONAL RATES - Daily Usage

	IT-1 1/	IHSW*	PAL Parking	PAL Lending
Production Area				
Maximum	$0.2589	$0.1155	$0.7879	$0.7879
Minimum	$0.0052	$0.0054	$0.0000	$0.0000
Texas				
Maximum	$0.5722	$0.2722	$0.7879	$0.7879
Minimum	$0.0132	$0.0147	$0.0000	$0.0000
New Mexico				
Maximum	$0.6745	$0.3206	$0.7879	$0.7879
Minimum	$0.0150	$0.0168	$0.0000	$0.0000
Arizona				
Maximum	$0.8937	$0.4260	$0.7879	$0.7879
Minimum	$0.0204	$0.0231	$0.0000	$0.0000
Nevada				
Maximum	$0.9027	$0.4303	$0.7879	$0.7879
Minimum	$0.0206	$0.0233	$0.0000	$0.0000
California				
Maximum	$0.9166	$0.4369	$0.7879	$0.7879
Minimum	$0.0209	$0.0236	$0.0000	$0.0000
Daily Authorized Overrun 7/	N/A	N/A	Max PAL Usage	Max PAL Usage

* Applicable only at Transporter's Blythe, California Delivery Point, IBlythe, DRN 305261.

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

CHARGES/PENALTIES 6/ 10/

NON-CRITICAL CONDITION: 11/
Hourly Scheduling Penalty (GT&C Section 43): 2 x IT or 2 x firm rate equivalent, as applicable

Daily Unauthorized Overrun Penalty (Rate Schedules, as applicable)
When unauthorized overrun quantities are equal to or less than the Safe Harbor Tolerance Quantities: Authorized Overrun rate
When unauthorized overrun quantities are allocated to non-telemetered points: Authorized Overrun rate (Rate Schedules, as applicable)
When unauthorized overrun quantities are greater than the Safe Harbor Tolerance Quantities: 2 x firm rate equivalent

MDO/MHO Violation Penalty (Rate Schedule OPAS): 2 x firm rate equivalent

CRITICAL CONDITION:
Hourly Penalties
Hourly Scheduling Penalty (GT&C Section 43): 2 x Critical Condition Rate
MHO Violation Penalty (Rate Schedule OPAS): 2 x Critical Condition Rate

Daily Charges/Penalties - The Critical Condition Rate shall be determined based upon the charge/penalty quantity within each Tier Level relative to the daily delivery variance above the applicable Safe Harbor.

	Delivery Variance Quantity	Lower of Delivery Variance Percentage	Charge/Penalty Rate
Tier Level I	3,500 dth or Less	0% - 15%	1.5 x Critical Condition Rate
Tier Level II	3,501 dth - 5,000 dth	>15% - 50%	2 x Critical Condition Rate
Tier Level III	5,001 dth or Greater	>50%	2.5 x Critical Condition Rate

The Critical Condition Daily Charge/Penalty Rate is applicable to:
SOC/COC Daily Imbalance Charge (GT&C Section 33)
Daily Unauthorized Overrun Penalty (Rate Schedules, as applicable)
When unauthorized overrun quantities are greater than the Safe Harbor Tolerance Quantities
MDO Violation Penalty (Rate Schedule OPAS)

See Footnotes on Sheet Nos. 29.01 and 29B.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

CHARGES/PENALTIES 6/ 10/

NON-CRITICAL CONDITION: 11/
Hourly Scheduling Penalty (GT&C Section 14.1): 100% LF FT-1 Long-Term Rate equivalent (e.g., 100% LF IT rate)

Daily Unauthorized Overrun Penalty (Rate Schedules, as applicable)
When unauthorized overrun quantities are equal to or less than the Safe Harbor Tolerance Quantities: Authorized Overrun rate
When unauthorized overrun quantities are allocated to non-telemetered points: Authorized Overrun rate (Rate Schedules, as applicable)
When unauthorized overrun quantities are greater than the Safe Harbor Tolerance Quantities: 2 x 100% LF FT-1 Long-Term Rate equivalent

MDO/MHO Violation Penalty (Rate Schedule OPAS): 2 x 100% LF FT-1 Long-Term Rate equivalent

CRITICAL CONDITION:
Hourly Penalties
Hourly Scheduling Penalty (GT&C Section 14.1): 2 x Critical Condition Rate
MHO Violation Penalty (Rate Schedule OPAS): 2 x Critical Condition Rate

Daily Charges/Penalties - The Critical Condition Rate shall be determined based upon the charge/penalty quantity within each Tier Level relative to
the daily delivery variance above the applicable Safe Harbor.

	Lower of Delivery Variance Quantity	or Delivery Variance Percentage	Charge/Penalty Rate
Tier Level I	3,500 dth or Less	0% - 15%	1.5 x Critical Condition Rate
Tier Level II	3,501 dth - 5,000 dth	>15% - 50%	2 x Critical Condition Rate
Tier Level III	5,001 dth or Greater	>50%	2.5 x Critical Condition Rate

The Critical Condition Daily Charge/Penalty Rate is applicable to:
SOC/COC Daily Imbalance Charge (GT&C Section 11.1)
Daily Unauthorized Overrun Penalty (Rate Schedules, as applicable)
When unauthorized overrun quantities are greater than the Safe Harbor Tolerance Quantities
MDO Violation Penalty (Rate Schedule OPAS)

See the Statement of Rates Footnotes.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

FIRM SMALL SHIPPER SERVICES 4/
Contract Quantity Equal to or Less than 10,000 dth/d

	Texas	New Mexico	Arizona
FT-2 1/			
Tier 1 Daily Usage 8/			
Maximum	$0.4606	$0.4972	$0.6615
Minimum	$0.0225	$0.0180	$0.0261
Tier 2 Daily Usage			
Maximum	$0.5620	$0.6203	$0.8196
Minimum	$0.0225	$0.0180	$0.0261

FTH-V	Monthly Daily Authorized Reservation 5/	Daily Maximum Reservation 1/	Daily Minimum Reservation 1/	Daily Maximum Usage 1/	Daily Minimum Usage 1/ Overrun 7/ 9/
Short-Term Rates	$8.4333	$0.2773	$0.0000	$0.0041	$0.0041 FTHV
Long-Term Rates	$3.3733	$0.1109	$0.0000	$0.0041	$0.0041 FTHV

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet Nos. 29.01 and 29B.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
(Rates per dth)

FIRM SMALL SHIPPER SERVICES 4/
Contract Quantity Equal to or Less than 10,000 dth/d

	Texas	New Mexico	Arizona
FT-2 1/			
Tier 1 Daily Usage 8/			
Maximum	$0.3859	$0.4547	$0.6026
Minimum	$0.0132	$0.0150	$0.0204
Tier 2 Daily Usage			
Maximum	$0.4630	$0.5456	$0.7231
Minimum	$0.0132	$0.0150	$0.0204

FTH-V	Monthly Daily Authorized Reservation 5/	Daily Maximum Reservation 1/	Daily Minimum Reservation 1/	Daily Maximum Usage 1/	Daily Minimum Usage 1/
Short-Term Rates	$7.9775	$0.2623	$0.0000	$0.0053	$0.0053
Long-Term Rates	$3.0919	$0.1017	$0.0000	$0.0053	$0.0053

Overrun 7/ 9/ FTHV

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

FUEL CHARGES 1/

Fuel and L&U	Collection Period	Volumetric True-up	Total Retention
Mainline Fuel:	2.62%	-0.06%	2.56%
Production Area Fuel:			
Anadarko Basin:	0.46%	0.16%	0.62%
Permian Basin:	1.08%	0.09%	1.17%
San Juan Basin:	0.60%	-0.14%	0.46%
Permian to Anadarko Fuel:	0.27%	-0.26%	0.01%
Rate Schedule ISS Fuel:	1.28%	-0.01%	1.27%
L&U:	0.20%	0.08%	0.28%

1/ The Fuel charges are applicable to the quantity received. The Fuel charge may be discounted by Transporter; provided, however, that the discounted fuel shall not be less than actual fuel incurred. See Section 13 of the GT&C for further information.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

FOOTNOTES

8/ The Tier 1 Service rates will be assessed only if the Article 11.2(a) rates listed in Section 37 of the GT&C are not applicable. Provisions for Tier 1 and Tier 2 Service are included in Rate Schedule FT-2.

9/ Daily authorized overrun rates shall be no more than the maximum daily Short-Term or Long-Term load factor rate, as applicable, and no less than the minimum daily usage rate, pursuant to the service for which the overrun applies.

10/ Charges/penalties in non-Critical and Critical Conditions may apply to the following rate schedules:

Charges/Penalties	Rate Schedule(s)
Hourly Scheduling Penalty	IT-1, FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH
Daily Unauthorized Overrun	FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH
MDO/MHO Violation Penalty	OPAS
SOC/COC Daily Imbalance	IT-1, FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH

11/ The "firm rate equivalent" shall be deemed to be the Long-Term Rate or Short-Term Rate based on Shipper's contract under which service is provided.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

FOOTNOTES

8/ The Tier 1 Service rates will be assessed only if the Article 11.2(a) rates listed in Section 37 of the GT&C are not applicable. Provisions for Tier 1 and Tier 2 Service are included in Rate Schedule FT-2.

9/ Daily authorized overrun rates shall be no more than the maximum daily Short-Term or Long-Term load factor rate, as applicable, and no less than the minimum daily usage rate, pursuant to the service for which the overrun applies.

10/ Charges/penalties in non-Critical and Critical Conditions may apply to the following rate schedules:

Charges/Penalties	Rate Schedule(s)
Hourly Scheduling Penalty	IT-1, FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH
Daily Unauthorized Overrun	FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH
MDO/MHO Violation Penalty	OPAS
SOC/COC Daily Imbalance	IT-1, FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH

11/ For purposes of assessing a penalty in a non-Critical Condition, "100% LF IT rate" shall mean the 100% load factor Rate Schedule FT-1 Long-Term Rate equivalent. The rates are as follows:

Production Area	$0.1094
Texas	$0.2896
New Mexico	$0.3116
Arizona	$0.4148
Nevada	$0.4181
California	$0.4257

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

FOOTNOTES

1/ Surcharge(s) shall be added as applicable.

	Maximum	Minimum
ACA	$0.0019	$0.0019

2/ The Willcox Lateral Line Facilities reservation and usage charges are applicable only to those TSAs which provide for the assessment of these charges.

3/ Due to the reticulated nature of Transporter's system, there is no distinction between forward hauls and backhauls for base rate purposes.

4/ Transporter has adopted the following NAESB Standard for capacity release transactions only. Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times the number of Days in the rate period, dividing the result by the number of Months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to Transporter's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by the number of Months in the rate period, dividing the result by the number of Days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to Transporter's specified decimal place. (NAESB Standard 5.3.22)

5/ Shippers shall be billed using the monthly rate. The minimum monthly reservation rate is zero.

6/ Shipper shall pay only one penalty/charge when Shipper's actions result in hourly scheduling penalties, daily unauthorized overrun penalties, and/or Critical Condition charges. Shipper shall pay the highest of the hourly scheduling penalty pursuant to Section 43 of the GT&C, the daily unauthorized overrun penalty, or the Critical Condition charge pursuant to Section 33 of the GT&C ("higher-of-test"). When Shipper is also the DP Operator with an OPAS Agreement, Section 4.4 of Rate Schedule OPAS will also apply to the determination of any applicable penalties.

7/ In the event Shipper is subject to a daily authorized overrun charge or a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules and/or service options, such daily overrun charge or penalty shall be assessed by multiplying the daily overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided on that Day.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

FOOTNOTES

1/ Surcharge(s) shall be added as applicable.

	Maximum	Minimum
ACA	$0.0019	$0.0019

2/ The Willcox Lateral Line Facilities reservation and usage charges are applicable only to those TSAs which provide for the assessment of these charges.

3/ Due to the reticulated nature of Transporter's system, there is no distinction between forward hauls and backhauls for base rate purposes.

4/ Transporter has adopted the following NAESB Standard for capacity release transactions only. Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times the number of Days in the rate period, dividing the result by the number of Months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to Transporter's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by the number of Months in the rate period, dividing the result by the number of Days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to Transporter's specified decimal place. (NAESB Standard 5.3.22)

5/ Shippers shall be billed using the monthly rate. The minimum monthly reservation rate is zero.

6/ Shipper shall pay only one penalty/charge when Shipper's actions result in hourly scheduling penalties, daily unauthorized overrun penalties, and/or Critical Condition charges. Shipper shall pay the highest of the hourly scheduling penalty pursuant to Section 14.1 of the GT&C, the daily unauthorized overrun penalty, or the Critical Condition charge pursuant to Section 11.1 of the GT&C ("higher-of-test"). When Shipper is also the DP Operator with an OPAS Agreement, Section 4.4 of Rate Schedule OPAS will also apply to the determination of any applicable penalties.

7/ In the event Shipper is subject to a daily authorized overrun charge or a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules and/or service options, such daily overrun charge or penalty shall be assessed by multiplying the daily overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided on that Day.

Effective Date: 04/01/2010 Status: Effective
FERC Docket: RP10-454-001

Sheet Nos. 30 - 99 Sheet Nos. 30 - 99

The following sheets have been reserved for future use:

Forty-First Revised Sheet No. 30
Thirty-Second Revised Sheet No. 31
Ninth Revised Sheet No. 31A
Second Revised Sheet No. 31B
Fourth Revised Sheet No. 32
Second Revised Sheet No. 33
Second Revised Sheet No. 34
Second Revised Sheet No. 35
Original Sheet No. 36
Twelfth Revised Sheet No. 37
Fifteenth Revised Sheet No. 38
First Revised Sheet No. 39
First Revised Sheet No. 40
Original Sheet Nos. 41 - 99

Reserved for future use

Effective Date: 04/01/2001 Status: Effective
FERC Docket: RP97-287-054

Ninth Revised Sheet No. 31A Ninth Revised Sheet No. 31A : Effective
Superseding: Eighth Revised Sheet No. 31A

Reserved Sheet
Tenth Revised Sheet No. 31A has been reserved for future use.

Effective Date: 01/01/2000 Status: Effective
FERC Docket: RP97-287-042

First Revised Sheet No. 31B First Revised Sheet No. 31B : Effective
Superseding: Original Sheet No. 31B

Reserved Sheet

First Revised Sheet No. 31B has been reserved.

Effective Date: 12/01/1997 Status: Effective
FERC Docket: RP97-287-009

Fourth Revised Sheet No. 32 Fourth Revised Sheet No. 32 : Effective
Superseding: Sheet No. 32

Reserved Sheet

Fifth Revised Sheet No. 32 has been reserved.

Reserved for future use.

Reserved for future use.

Reserved for future use.

Reserved Sheet

First Revised Sheet No. 36 has been reserved.

Reserved for future use.

Reserved for future use.

Reserved for future use.

First Revised Sheet No. 40 and
Original Sheet Nos. 41 through 99
are Reserved for Future Use

RATE SCHEDULE FT-1
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the transportation of Natural Gas on a firm basis by Transporter under the following conditions:

1.1 Transporter has determined that it has available capacity to render the firm transportation service; and

1.2 Shipper and Transporter have executed a TSA, in the form contained in this Volume No. 1A Tariff, for such firm transportation service.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed TSA.

2.2 Transportation service hereunder shall be firm, subject to the provisions of the Executed TSA and to the GT&C incorporated herein by reference.

2.3 Transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Point(s) specified in the Executed TSA, the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that gas, after appropriate reductions for Fuel and L&U as provided for in this Rate Schedule, to Shipper or for Shipper's account at the Delivery Point(s) specified in the Executed TSA. Shipper may nominate other Receipt and/or Delivery Points on a non-primary basis.

2.4 Shipper must meet the creditworthiness requirements of Section 4.16 of the GT&C.

RATE SCHEDULE FT-1
Firm Transportation Service

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 Rates of Flow.

(a) Except as otherwise provided in this Tariff, gas quantities received by Transporter in any hour shall not exceed 1/24th of Shipper's scheduled quantity at such Receipt Points. Except as otherwise provided in this Tariff, gas quantities delivered by Transporter in any hour shall not exceed 1/24th of Shipper's scheduled quantity at such Delivery Points.

(b) Except as otherwise provided in this Tariff, Shipper must balance its daily receipts and daily deliveries at the end of each Gas Day.

2.6 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) the hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

2.7 Shipper may submit a HEEN pursuant to Section 8.1(i) of the GT&C in accordance with this rate schedule.

2.8 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

RATE SCHEDULE IT-1
Interruptible Transportation Service (Continued)

3. RATE (Continued)
3.2 (Continued)

(b) Willcox Lateral Facilities Charge. This charge is applicable to those TSAs which provide service using the Willcox Lateral. The charge consists of the maximum rate, unless otherwise provided, set forth from time to time on the currently effective Statement of Rates sheet multiplied by Shipper's scheduled quantity. Since this charge pertains only to the Willcox Lateral, upstream rights or alternate point rights as described in this Tariff shall apply only to Receipt and Delivery Points on the Willcox Lateral.

(c) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

(d) Other Charges. Transporter shall charge Shipper and Shipper shall pay for any other FERC-approved charges that apply to service under this Rate Schedule.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.9 Service options pursuant to this Rate Schedule may be purchased as follows:

(a) Winter contract ("FT1-W"); firm transportation service is available for the five consecutive Months during the November through March winter period. FT1-W contracts may be for a term of multiple Years.

(b) Summer contract ("FT1-S"); firm transportation service is available for the seven consecutive Months during the April through October summer period. FT1-S contracts may be for a term of multiple Years.

(c) Shippers may contract for firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("FT1-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.9(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 4.14 of the GT&C.

2.10 When Shipper and Transporter mutually agree to amend a Rate Schedule FT-1 TSA to reduce a portion of the existing FT-1 TSA to use for a new Rate Schedule FT-H, NNTD, or NNTD TSA, Shipper shall retain any contract pressure commitment for the remaining portion of the Rate Schedule FT-1 TSA unless Shipper and Transporter agree otherwise as part of the contract amendment process.

3. RATE

3.1 Transporter, at its sole discretion, may from time to time and at any time selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such discounted rates shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates.

RATE SCHEDULE FT-1
Firm Transportation Service (Continued)

3. RATE (Continued)

3.2 Transportation Charges: Shipper shall pay the sum of the following, if applicable:

(a) Mainline Reservation Charges: The Reservation Charges applicable to a TSA subject to this Rate Schedule shall be determined by multiplying Shipper's TCD by the reservation rate specified in the TSA stated on a monthly basis. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the TSA.

(b) Willcox Lateral Facilities Reservation Charge: This charge is applicable to those TSAs which provide service using the Willcox Lateral. The charge consists of the maximum reservation rate, unless otherwise provided, set forth from time to time on the currently effective Statement of Rates multiplied by Shipper's TCD. Since this charge pertains only to the Willcox Lateral, upstream rights or alternate point rights as described in this Tariff shall apply only to Receipt and Delivery Points on the Willcox Lateral.

(c) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

3. RATE (Continued)

3.3 Usage Charges

(a) Base Usage Charges: Except as otherwise provided below, in addition to the applicable Reservation Charges, Shipper shall pay an amount determined by multiplying the quantity of Natural Gas delivered in dth, as applicable, by the sum of the following:

(i) Mainline Transportation Usage Charges: The maximum rate(s) per dth, unless otherwise provided, applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, Nevada or California) in which deliveries are made as set forth on the currently effective Statement of Rates. The usage charge payable under this Rate Schedule shall include all applicable usage surcharges, unless otherwise provided in the TSA.

(ii) Willcox Lateral Facilities Usage Charge: The charge per dth as set forth from time to time on the currently effective Statement of Rates if the transportation service rendered by Transporter involves the use of the Willcox Lateral.

4. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to Rate Schedule FT-1 Shippers when it is unable to schedule such Shippers' nominated and confirmed quantities on a daily basis pursuant to Section 16 of the GT&C, subject to the conditions of this Rate Schedule.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

5. CHARGES

5.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.

5.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the TSA pursuant to Section 2.5 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the daily authorized overrun rate. The daily authorized overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

5. CHARGES (Continued)

5.2(a) Overrun Transportation (Continued)

(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 5.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(ii) Because daily overrun service is measured by use of a Shipper's TCD pursuant to Section 5.2(a) of this rate schedule, to the extent a Shipper takes daily deliveries in excess of its Delivery Point MDQ at one Delivery Point but below TCD at all Delivery Points, such quantities will be charged the usage rate and will be treated as imbalance quantities rather than overrun quantities if the quantities have not been scheduled.

(b) Daily Unauthorized Overrun Transportation.

(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 10.5 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

RATE SCHEDULE IHSW
Interruptible Hourly Swing Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for hourly deliveries of Natural Gas on an interruptible basis by Transporter under the following conditions:

1.1 Shipper has met the creditworthiness requirements of this Tariff.

1.2 Shipper and Transporter have executed a TSA for the IHSW service in the form contained in this Tariff ("IHSW TSA").

1.3 Shipper has an Executed TSA(s) under Transporter's Rate Schedules FT-1, FTH-V, FT-H, NNTD, NNTH and/or IT-1 for the transportation of gas ("Transport TSA(s)").

1.4 IHSW service is available only at Delivery Points identified as Premium Service Delivery Points on Transporter's EBB.

1.5 IHSW service is available to any party meeting the requirements of this Rate Schedule including DP Operators.

1.6 A DP Operator shall have the flexibility to apply IHSW service to hourly quantities under one of the pre-determined allocation methods described in Section 38 of the GT&C.

(a) If a DP Operator utilizes IHSW service it may choose to associate such service with the Operator Sweep method option pursuant to Section 38. In this event, the Operator's OSA shall be defined as a Transport TSA for purposes of this rate schedule only.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas delivered by Transporter for Shipper pursuant to the IHSW TSA.

2.2 Delivery service hereunder shall be interruptible, subject to the provisions of the IHSW TSA and to the GT&C incorporated herein by reference.

2.3 IHSW service is provided to accommodate hourly flow variations above Hourly Scheduled Entitlements, based on total quantities scheduled on Transport TSAs, at each Premium Service Delivery Point.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

5. CHARGES (Continued)

5.2(b) Daily Unauthorized Overrun Transportation (Continued)

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 5.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 5.2(b)(ii) of this rate schedule.

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 11.1(a)(viii) and 11.1(i) of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

5. CHARGES (Continued)
5.2(b) Daily Unauthorized Overrun Transportation (Continued)

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 5.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

6. FUEL and L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's Executed TSA. Unless otherwise agreed, the Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C. The Fuel charge may be discounted by Transporter; provided, however, that the discounted charge shall not be less than actual fuel incurred for the transactions being discounted. The L&U charge may not be discounted.

7. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for firm transportation service of Section 8.1, the requests for services of Section 4, the Fuel provisions of Section 13, the monthly imbalance procedures of Section 10, the Critical Condition procedures of Section 11.1, and the reservation charge credit provisions of Section 16 are applicable to this Rate Schedule.

8. CONVERSION OF FULL REQUIREMENTS TO CONTRACT DEMAND

8.1 Capacity of shippers that converted from full requirements to contract demand service effective September 1, 2003. The maximum capacity rights of converted Full Requirements Shippers were defined in the FERC approved Allocation Report in Docket No. RP00-336-010. Such defined capacity originated from various sources, namely, existing Full Requirements capacity, Line 2000 conversion capacity, Line 2000 Power-up capacity, Block 1, Block 2 and Block 3 unsubscribed system capacity, and, in some cases, turned-back capacity. The converted Full Requirements Shippers have the option of entering into either four or six contracts, or a different number of contracts if mutually agreeable, for such capacity.

Reserved for future use.

RATE SCHEDULE FT-2
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to those existing east-of-California customers listed in Section 4 receiving exclusive firm service of no more than 10,000 dth per Day (as further defined in this Rate Schedule) who have elected, as of September 1, 2003, transportation service under this Rate Schedule in lieu of transportation service under Rate Schedule FT-1.

Shipper and Transporter have executed a TSA, in the form contained in this Volume No. 1A Tariff, for such firm transportation service.

If Shipper requires transportation service greater than 10,000 dth per Day, Shipper must convert its entire Rate Schedule FT-2 TSA to firm service under Rate Schedule FT-1 or other firm Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed TSA.

2.2 Transportation service hereunder shall be firm, subject to the provisions of the Executed TSA and to the GT&C incorporated herein by reference.

2.3 Transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Point(s) specified in the Executed TSA, the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that gas, after appropriate reductions as provided for in this Rate Schedule, to Shipper or for Shipper's account at the Delivery Point(s) specified in the Executed TSA.

2.4 Shippers under this Rate Schedule have been allocated certain capacity with San Juan Basin receipt rights pursuant to the capacity allocation proceeding in Docket No. RP00-336-000, et al. Such allocated capacity shall be called Tier 1 capacity, as identified in Section 4 of this rate schedule.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.4 (Continued)

(a) An FT-2 Shipper may utilize service above its Tier 1 rights and request service on an alternate basis from San Juan Basin Receipt Points, provided that such capacity is available. In the event that such San Juan Basin capacity is not available, the FT-2 Shipper wishing to utilize primary service above its Tier 1 rights may nominate service on a primary basis from the Waha Area or NGPL Lea County Receipt Points.

(b) FT-2 San Juan Capacity Pool. The FT-2 San Juan Capacity Pool ("Capacity Pool") represents the total San Juan Basin capacity allocated to the FT-2 Shippers in Docket No. RP00-336-000, et al.

(i) Any FT-2 Shipper wishing to utilize San Juan Basin capacity above its Tier 1 rights may request such service as a part of the regular nomination process. If the Capacity Pool is being fully utilized, such capacity request will be scheduled on a Second Alternate basis with other firm Shippers. To the extent the Capacity Pool is not being fully used by FT-2 Shippers on that Day and sufficient capacity is available to serve all such requests, the capacity request above such Shipper's Tier 1 rights will be scheduled on an FT-2 alternate basis. If only a portion of the total requests may be served from the Capacity Pool on that Gas Day, then the requests will be allocated on a pro rata basis using the quantity nominated and confirmed on that Day until the Capacity Pool is fully utilized.

(c) Any other Receipt Points, including those from the San Juan Basin if capacity is available, may be scheduled on a Second Alternate basis along with other firm Shippers.

2.5 Rates of Flow. Shipper may take gas in hourly rates of up to 150% of 1/24th of daily scheduled quantities for any six hours of the Gas Day. Shipper may not exceed an hourly average of 120% of 1/24th of daily scheduled quantities for any consecutive 12 hours of the Gas Day. Except as otherwise provided in this Tariff, Shipper must balance its daily receipts and daily deliveries at the end of each Gas Day.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

2.7 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

3. RATE

3.1 Transporter, at its sole discretion, may from time to time and at any time selectively adjust any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Rate Schedule FT-2 Statement of Rates.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

3. RATE (Continued)

3.2 Transportation Charges: Shipper shall pay a one-part volumetric rate applicable to the service provided as set forth below, multiplied by the quantity of Natural Gas delivered in dth.

(a) Mainline Transportation Charges: The maximum rate(s) per dth, unless otherwise provided, applicable to the delivery zones (Texas, New Mexico, Arizona) in which deliveries are made, as set forth on the currently effective Statement of Rates. If delivered quantities are equal to or less than the Tier 1 quantity for that Shipper, the Tier 1 Transportation Charge shall apply. The Tier 2 rate shall apply to any delivered quantity exceeding the Tier 1 quantity.

4. SHIPPERS RECEIVING RATE SCHEDULE FT-2 SERVICE

Apache Nitrogen Products, Inc.
Chemical Lime Company of Arizona
City of Benson, Arizona
City of Deming, New Mexico
City of Denver City, Texas
City of Lordsburg, New Mexico
City of Morton, Texas
City of Plains, Texas
City of Safford, Arizona
City of Socorro, New Mexico
City of Whiteface, Texas
City of Willcox, Arizona
Corona, New Mexico, Village of
Dumas, Texas, City of
Duncan Rural Services Corporation
EMW Gas Association
Graham County Utilities, Inc.
McLean, Texas, City of
Natural Gas Processing Co.
Rio Grande Natural Gas Association
Sterling Natural Gas, Inc.
Town of Mountainair, New Mexico
Zia Natural Gas Company

The Tier 1 Quantity for each Shipper is equal to the monthly capacity allocated to each FT-2 Shipper as described in the report filed on April 8, 2003 in Docket No. RP00-336-010.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

5. CHARGES

5.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.

5.2 Daily Unauthorized Overrun Transportation. On any Day, if Shipper's takes under its TSA exceed 10,000 dth in total for all Delivery Points, the excess shall be deemed daily unauthorized overrun transportation. Such quantities shall be subject to the daily unauthorized overrun rate. Shipper shall pay an amount obtained by multiplying the quantity of such daily unauthorized overrun quantities by the daily unauthorized overrun rate on the Statement of Rates.

(a) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(b) Pursuant to Section 5.2 of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

6. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for Fuel and L&U for the transportation of Natural Gas pursuant to Shipper's Executed TSA. The Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C. The Fuel charge may be discounted by Transporter; provided, however, that the discounted charge shall not be less than actual Fuel incurred in the transaction being discounted.

7. TERMINATION OF OTHER SERVICES

Upon the effectiveness of an Executed TSA under this Rate Schedule, all prior TSAs entered into between Transporter and Shipper shall be terminated and Transporter, if necessary, shall be deemed to have been granted abandonment authorization pursuant to Section 7(b) of the Natural Gas Act with respect to said terminated TSAs. During the effectiveness of a TSA under this Rate Schedule, Shipper shall not request or receive transportation service through Transporter's facilities under any other arrangement with Transporter, or any third party. Notwithstanding the above, any existing non-Rate Schedule FT-2 firm Shipper that acquires all or substantially all of the Natural Gas business of a Rate Schedule FT-2 Shipper may continue service under its existing TSA and under the newly acquired FT-2 TSA. However, the succeeding Shipper may only use the FT-2 TSA for service to the traditional market area served by that Rate Schedule FT-2 TSA. This shall not preclude a Shipper from entering into a transportation arrangement with any upstream pipeline to transport supplies to Transporter's system.

8. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the Fuel provisions of Section 13 and the Critical Condition procedures of Section 11.1 are applicable to this Rate Schedule. Furthermore, Section 8.1(f) of the GT&C, "Flexible Receipts and Delivery Points," shall not apply to this Rate Schedule.

Reserved for future use.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the hourly transportation of Natural Gas on a firm basis by Transporter under the following conditions:

1.1 Transporter has determined that it has sufficient available and uncommitted capacity to perform the hourly firm transportation service requested.

1.2 Transporter shall not be obligated to construct, modify or acquire facilities or gas supplies to perform hourly transportation service.

1.3 Shipper has met the creditworthiness requirements of this Tariff.

1.4 Shipper has an Executed TSA for service under this Rate Schedule in the form contained in this Tariff ("FTH TSA").

1.5 Hourly transportation service is available only at Delivery Points listed on Exhibit A of Shipper's FTH TSA. Such Delivery Points must also be identified as Premium Service Delivery Points on Transporter's EBB.

1.6 Hourly firm transportation service is available to any party meeting the requirements of this Rate Schedule including DP Operators.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed FTH TSA.

2.2 Hourly transportation service hereunder shall be firm, subject to the provisions of the Executed FTH TSA and to the GT&C incorporated herein by reference.

RATE SCHEDULE FT-1
Firm Transportation Service

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 Rates of Flow.

(a) Except as otherwise provided in this Tariff, gas quantities received by Transporter in any hour shall not exceed 1/24th of Shipper's scheduled quantity at such Receipt Points. Except as otherwise provided in this Tariff, gas quantities delivered by Transporter in any hour shall not exceed 1/24th of Shipper's scheduled quantity at such Delivery Points.

(b) Except as otherwise provided in this Tariff, Shipper must balance its daily receipts and daily deliveries at the end of each Gas Day.

2.6 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) the hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

2.7 Shipper may submit a HEEN pursuant to Section 25 of the GT&C in accordance with this rate schedule.

2.8 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 Hourly transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Points specified in the Executed FTH TSA on a ratable basis, the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that gas to Shipper, or for Shipper's account, on an unequal hourly basis, after appropriate reductions as provided for in this Rate Schedule, to Shipper, or for Shipper's account, at the Delivery Points specified in the Executed FTH TSA.

2.4 Rate Schedule FT-H service is a daily transportation service comprised of hourly delivery service based on firm rights to varying Hourly Contract Entitlements at Premium Service Delivery Points.

(a) Daily Transportation Service.

(i) Shipper shall nominate a transportation quantity and Transporter shall schedule in accordance with the provisions of Section 6 of the GT&C.

(b) Hourly Delivery Service Entitlements.

(i) Hourly Contract Entitlements, as defined in Section 2.6 of this rate schedule, shall be described in Shipper's FTH TSA.

(ii) Hourly gas quantities are not nominated or scheduled. A Shipper's daily scheduled quantity determines its Hourly Scheduled Entitlement.

(iii) If a Shipper's actual hourly takes are below its Hourly Scheduled Entitlement in any hour, the unused Hourly Scheduled Entitlement may be used in any hour of the Gas Day, subject to the restrictions on peak hourly flows, to minimize Hourly Scheduling Penalty Quantities.

(iv) Shipper agrees to provide Transporter with the most current estimate of its hourly requirements over the course of the Gas Day.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.9 Service options pursuant to this Rate Schedule may be purchased as follows:

(a) Winter contract ("FT1-W"); firm transportation service is available for the five consecutive Months during the November through March winter period. FT1-W contracts may be for a term of multiple Years.

(b) Summer contract ("FT1-S"); firm transportation service is available for the seven consecutive Months during the April through October summer period. FT1-S contracts may be for a term of multiple Years.

(c) Shippers may contract for firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("FT1-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.9(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 20.16 of the GT&C.

3. RESERVED

4. RATE

4.1 Transporter, at its sole discretion, may from time to time and at any time selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such discounted rates shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates Sheet.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 Hourly service options, pursuant to Section 2.6 of this rate schedule, may be purchased as follows:

(a) Winter contract ("FTH-W"); hourly firm transportation service is available for the five consecutive Months during the November through March winter period. FTH-W contracts may be for a term of multiple Years.

(b) Summer contract ("FTH-S"); hourly firm transportation service is available for the seven consecutive Months during the April through October summer period. FTH-S contracts may be for a term of multiple Years.

(c) Shippers may contract for hourly firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("FTH-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate hourly firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.5(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 4.14 of the GT&C.

2.6 The following hourly transportation service options are available under this Rate Schedule FT-H. Rate Schedule FT-H service options must be contracted separately.

(a) Three Hour Enhanced Peaking Service "FTH-3." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

RATE SCHEDULE FT-1
Firm Transportation Service (Continued)

4. RATE (Continued)

4.2 Transportation Charges: Shipper shall pay the sum of the following, if applicable:

(a) Mainline Reservation Charges: The Reservation Charges applicable to a TSA subject to this Rate Schedule shall be determined by multiplying Shipper's TCD by the reservation rate specified in the TSA stated on a monthly basis. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the TSA.

(b) Willcox Lateral Facilities Reservation Charge: This charge is applicable to those TSAs which provide service using the Willcox Lateral. The charge consists of the maximum reservation rate, unless otherwise provided, set forth from time to time on the currently effective Statement of Rates sheet multiplied by Shipper's TCD. Since this charge pertains only to the Willcox Lateral, upstream rights or alternate point rights as described in this Tariff shall apply only to Receipt and Delivery Points on the Willcox Lateral.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 (a) (i) up to 150% of 1/24th of the daily scheduled quantity at such point for up to five hours in the Gas Day subject to the limit that no more than three such hours may be consecutive hours in the Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity; and

(ii) up to an average of 130% of 1/24th of the daily scheduled quantity at such point for up to nine hours in the Gas Day subject to the limit that no more than six such hours may be consecutive hours in the Gas Day; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity; and

(iii) up to an average of 120% of 1/24th of the daily scheduled quantity at such point for any twelve consecutive hours; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity.

(iv) Hourly quantities in excess of any one of the Section 2.6 (a)(i) through Section 2.6 (a)(iii) criterion will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

(v) Transporter will provide a minimum pressure commitment of 250 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(b) Twelve Hour Peaking Service "FTH-12." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any twelve hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

4. RATE (Continued)

4.2 Transportation Charges (Continued)

(c) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)
2.6 (b) (Continued)

(ii) Transporter will provide a minimum pressure commitment ranging between 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(c) Sixteen Hour Peaking Service "FTH-16." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any sixteen hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary Delivery Point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment ranging between 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(d) Eight Hour Peaking Service "FTH-8." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

4. RATE (Continued)

4.3 Usage Charges

(a) Base Usage Charges: Except as otherwise provided below, in addition to the applicable Reservation Charges, Shipper shall pay an amount determined by multiplying the quantity of Natural Gas delivered in dth, as applicable, by the sum of the following:

(i) Mainline Transportation Usage Charges: The maximum rate(s) per dth, unless otherwise provided, applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, Nevada or California) in which deliveries are made as set forth on the currently effective Statement of Rates Sheet. The usage charge payable under this Rate Schedule shall include all applicable usage surcharges, unless otherwise provided in the TSA.

(ii) Willcox Lateral Facilities Usage Charge: The charge per dth as set forth from time to time on the currently effective Statement of Rates sheet if the transportation service rendered by Transporter involves the use of the Willcox Lateral.

5. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to Rate Schedule FT-1 Shippers when it is unable to schedule such Shippers' nominated and confirmed quantities on a daily basis pursuant to Section 39 of the GT&C, subject to the conditions of this Rate Schedule.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 (d) (i) up to an average of 300% of 1/24th of the daily scheduled quantity at such point in any hour for up to any eight hours in a Gas Day; however, no one hour in the Gas Day may exceed 300% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 300% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment ranging between 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

2.7 Hourly Delivery Transfer. Should Shipper elect non-uniform rates of flow pursuant to Section 2.6 of this rate schedule, Transporter will provide for (unless Shipper requests otherwise) the hourly transfer of any unused Hourly Scheduled Entitlement quantities to Shipper's upstream Operationally Equivalent Delivery Point in the same geographic region so that such unused Hourly Scheduled Entitlement is combined with Shipper's other Hourly Scheduled Entitlements at such upstream Delivery Point.

(a) Hourly delivery transfers will utilize Alternate Capacity only.

(b) Delivery Points eligible for hourly delivery transfer are identified on the EBB as: 1) Premium Service Delivery Points, and must be listed as primary delivery points on Exhibit A of Shipper's FTH TSA or 2) alternate Premium Service Delivery Points located on Shipper's primary receipt-to-delivery Flow Path. Transporter will update the list of eligible Delivery Points as experience and operating conditions allow.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.7 (Continued)

(c) Hourly Scheduled Entitlements transferred from a delivery point must be equal to, or less than, Shipper's Hourly Scheduled Entitlement pursuant to Shipper's FTH TSA, less hourly deliveries to such point resulting from nominations for delivery to that point.

(d) Hourly delivery transfers to delivery points shall not exceed the quantity limitations for the time periods specified in Shipper's FTH TSA.

(e) The transfer of such Hourly Scheduled Entitlements may not affect service to any other firm Shipper.

2.8 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

2.9 Shipper may submit a HEEN pursuant to Section 8.1(i) of the GT&C and in accordance with this rate schedule.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

3. CONDITIONS OF SERVICE

3.1 Shipper's daily scheduled quantity at a Delivery Point will be converted to Hourly Scheduled Entitlements based on the hourly profile described in Shipper's FTH TSA.

3.2 On an alternate basis, Shipper may use its Hourly Contract Entitlements pursuant to its FTH TSA at Premium Service Delivery Points not listed in Shipper's FTH TSA if the distance between the Receipt Point and Delivery Point and the Flow Path are Operationally Equivalent to the points listed in the FTH TSA and service to other Shippers is not adversely affected. If these conditions are not satisfied, Shippers may use the Receipt and/or Delivery Point on an alternate basis at uniform rates of flow pursuant to the requirements of this Tariff.

3.3 A Shipper may request to re-designate a primary point pursuant to Section 8.1(f) of the GT&C.

(a) A Shipper that re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the original point.

(b) Rate Schedule FT-H capacity will become Rate Schedule FT-1 capacity if the Shipper re-designates a primary delivery point to a non-Premium Service Delivery Point or to a non-Operationally Equivalent Premium Service Delivery Point; however, the Shipper will continue to pay the maximum applicable Rate Schedule FT-H rates for such service until the next general rate proceeding.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.4 Rate Schedule FT-H capacity may be released to another party.

(a) The Acquiring Shipper will retain hourly service rights, as defined in the Releasing Shipper's FTH TSA, at the primary delivery points released by the Releasing Shipper. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis subject to the provisions of Section 3.2 of this Rate Schedule.

(b) An Acquiring Shipper who re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the primary point.

(c) Released Rate Schedule FT-H capacity will become Rate Schedule FT-1 capacity if the Acquiring Shipper re-designates an acquired Delivery Point to a non-Premium Service Delivery Point or a non-Operationally Equivalent Premium Service Delivery Point; however, the Acquiring Shipper will continue to pay the maximum applicable Rate Schedule FT-H rates for such service until the next general rate proceeding.

3.5 Flow day diversions, pursuant to Section 6.5 of the GT&C, are available to Rate Schedule FT-H Shippers.

3.6 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

4. HOURLY POINT RIGHTS

Transporter shall provide defined hourly transportation service at Premium Service Delivery Points pursuant to this Rate Schedule.

4.1 Delivery Points eligible for hourly service must be identified on Transporter's EBB as Premium Service Delivery Points.

4.2 Where deliveries involve service to non-Premium Service Delivery Points, Shipper must take deliveries, or cause deliveries to be taken, at uniform rates of flow and Shipper's hourly rights will be deemed to be 1/24th of daily scheduled quantities at such points.

4.3 A Shipper's total hourly rights at a Delivery Point will be determined by summing Shipper's Hourly Contract Entitlements under all Shipper's TSAs for which gas is scheduled for delivery to such point.

4.4 All nominations are submitted and scheduled in daily quantities. Transporter will apply hourly profiles, pursuant to Shipper's FTH TSA, to the nominated and confirmed daily quantities to determine Hourly Scheduled Entitlements.

4.5 Gas flows at Premium Service Delivery Points will be allocated to contracts scheduled to such points in the following order. Within this allocation order, gas flows will be allocated pro rata among all agreements within a category unless the DP Operator designates a different allocation method, as set forth in Section 10.5 of the GT&C.

(a) Daily transportation service requiring uniform 1/24th of scheduled quantity flow rate, including authorized overruns;

(b) Hourly transportation service providing for Twelve Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

(c) Hourly transportation service providing for Sixteen Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

(d) Hourly transportation service providing for Eight Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

4. HOURLY POINT RIGHTS (Continued)

4.5 (Continued)

(e) Hourly transportation service providing for Three Hour Enhanced Service under Rate Schedule FT-H, including authorized overruns;

(f) Daily no-notice transportation service requiring uniform flow rate under Rate Schedule NNTD, including authorized overruns;

(g) Hourly no-notice transportation service providing for Twelve Hour Peaking Service under Rate Schedule NNTH, including authorized overruns;

(h) Hourly no-notice transportation service providing for Sixteen Hour Peaking Service under Rate Schedule NNTH, including authorized overruns;

(i) Hourly no-notice transportation service providing for Three Hour Enhanced Service under Rate Schedule NNTH, including authorized overruns; and

(j) Interruptible hourly swing service pursuant to Rate Schedule IHSW.

4.6 On any Gas Day, using the nomination process, a Shipper may request to reduce its Hourly Contract Entitlement at a Delivery Point to create additional useable daily capacity in the manner described below:

Eight Hour Peaking Service may be reduced to Sixteen Hour Peaking Service, Twelve Hour Peaking Service, Three Hour Enhanced Service, or to a uniform rate of flow, i.e. 1/24th of the daily scheduled quantity;

Sixteen Hour Peaking Service may be reduced to Twelve Hour Peaking Service, Three Hour Enhanced Service, or to a uniform rate of flow, i.e. 1/24th of the daily scheduled quantity;

Twelve Hour Peaking Service may be reduced to Three Hour Enhanced Service, or to a uniform rate of flow, i.e. 1/24th of the daily scheduled quantity;

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

4. HOURLY POINT RIGHTS (Continued)

4.6 (Continued)

Three Hour Enhanced Service may be reduced to a uniform rate of flow, i.e. 1/24th of the daily scheduled quantity.

(a) Such requested reduction must take place in the Timely Nomination Cycle (Cycle 1) or the Evening Nomination Cycle (Cycle 2). Once such reduction has been made, it cannot be changed until the next available Cycle 1.

(b) Delivery Point and path capacity that become available as a result of such reduction may be used to provide transportation service for others, including another firm Shipper or interruptible Shipper.

(c) A Shipper who has reduced its Hourly Contract Entitlement will be assessed hourly scheduling penalties based on the lower service option the Shipper has selected.

5. RATE

Shipper shall pay to Transporter each Month the charges set forth below under the Executed FTH TSA.

5.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rates shall not exceed the applicable maximum rate nor shall they be less than the minimum rate set forth on the currently effective Statement of Rates.

5.2 Mainline Reservation Charges: Shipper shall pay the Reservation Charges applicable to the service option contracted for in the FTH TSA subject to this Rate Schedule. This charge shall be determined by multiplying Shipper's TCD by the reservation rate specified in the FTH TSA. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the FTH TSA.

5.3 Usage Charge: Unless otherwise provided in the FTH TSA, Shipper shall pay the maximum rate per dth applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, Nevada and California at IBlythe, DRN 305261) in which deliveries are made as set forth from time to time on the applicable Statement of Rates. The usage charges payable under this Rate Schedule will include all applicable usage surcharges, unless otherwise provided in the FTH TSA.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

6. CHARGES (Continued)
6.2(a) Overrun Transportation (Continued)
(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 6.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.
(ii) Because daily overrun service is measured by use of a Shipper's TCD pursuant to Section 6.2(a) of this rate schedule, to the extent a Shipper takes daily deliveries in excess of its Delivery Point MDQ at one Delivery Point but below TCD at all Delivery Points, such quantities will be charged the usage rate and will be treated as imbalance quantities rather than overrun quantities if the quantities have not been scheduled.

(b) Daily Unauthorized Overrun Transportation.
(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 38 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

5. RATE (Continued)

5.4 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

6. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Rate Schedule FT-H Shipper when it is unable to schedule such Shipper's nominated and confirmed quantities on a daily basis pursuant to Section 16 of the GT&C, subject to the conditions of this Rate Schedule.

7. CHARGES

7.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

6. CHARGES (Continued)

6.2(b) Daily Unauthorized Overrun Transportation (Continued)

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 6.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 6.2(b)(ii) of this rate schedule.

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 33.1(h)(ii) and 33.10 of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

7. CHARGES (Continued)

7.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the FTH TSA pursuant to Section 2.6 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the Daily Authorized Overrun rate. The Daily Authorized Overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 7.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

6. CHARGES (Continued)
6.2(b) Daily Unauthorized Overrun Transportation (Continued)

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 36 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 6.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

7. CHARGES (Continued)

7.2(a) Overrun Transportation

(ii) Because daily overrun service is measured by use of a Shipper's TCD pursuant to Section 7.2(a) above, to the extent a Shipper takes daily deliveries in excess of its Delivery Point MDQ at one Delivery Point but below TCD at all Delivery Points, such quantities will be charged the usage rate and will be treated as imbalance quantities rather than overrun quantities if the quantities have not been scheduled.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

7. CHARGES (Continued)
7.2 Overrun Transportation (Continued)
(b) Daily Unauthorized Overrun Transportation.

(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 10.5 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 7.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 7.2(b)(ii) of this rate schedule.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

7. CHARGES (Continued)
7.2(b) Daily Unauthorized Overrun Transportation (Continued)

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 11.1(a)(viii) and 11.1(i) of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 7.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

8. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's FTH TSA. Unless otherwise agreed, the Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C.

9. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for firm transportation service of Section 8.1, the requests for services of Section 4, the Fuel provisions of Section 13, the monthly imbalance procedures of Section 10, Critical Condition procedures of Section 11.1, and reservation charge credit provisions of Section 16 are applicable to this Rate Schedule.

Fourth Revised Sheet No. 118A Fourth Revised Sheet No. 118A : Superseded
Superseding: Third Revised Sheet No. 118A

Reserved for future use.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area

1. AVAILABILITY

This Rate Schedule is available to any Shipper in the Permian virtual area for the hourly transportation of Natural Gas on a firm basis within the Permian virtual area by Transporter. Transportation service under this Rate Schedule is limited to up to 10,000 dth per Day and subject to the following conditions:

1.1 Transporter has determined that it has sufficient available and uncommitted capacity to perform the hourly firm transportation service requested.

1.2 Transporter shall not be obligated to construct, modify or acquire facilities or gas supplies to perform hourly transportation service.

1.3 Shipper has met the creditworthiness requirements of this Tariff.

1.4 Shipper is limited to one Executed TSA with a TCD of no more than 10,000 dth per Day for service under this Rate Schedule in the form contained in this Tariff ("FTHV TSA"). Primary delivery points listed on the FTHV TSA must be within the Permian virtual area. A Delivery Point outside the Permian virtual area may not be listed on an FTHV TSA.

1.5 Hourly transportation service is available only at Premium Service Virtual Delivery Points ("PSVPs") that are listed on Exhibit A of Shipper's FTHV TSA. Such Delivery Points will be dependent on operational criteria and must also be identified on Transporter's EBB.

1.6 Hourly transportation service is available to any party meeting the requirements of this Rate Schedule including DP Operators.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed FTHV TSA.

2.2 Daily and hourly transportation service hereunder shall be firm, subject to the provisions of the Executed FTHV TSA and to the GT&C incorporated herein by reference.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 Daily and hourly transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Points specified in the Executed FTV TSA on a ratable basis, the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that gas to Shipper, or for Shipper's account, on an unequal hourly basis, after appropriate reductions as provided for in this Rate Schedule, to Shipper, or for Shipper's account, at the Delivery Points specified in the Executed FTHV TSA.

2.4 Rate Schedule FTH-V service is a daily transportation service with defined hourly delivery service parameters based on certain firm rights to Hourly Contract Entitlements at PSVPs, pursuant to Section 2.6 of this Rate Schedule.

(a) Daily Transportation Service

(i) Shipper shall nominate a daily transportation quantity and Transporter shall schedule in accordance with the provisions of Section 6 of the GT&C.

(b) Hourly Delivery Service Entitlements

(i) Hourly gas quantities are not nominated or scheduled. A Shipper's nominated and confirmed daily scheduled quantities determine its Hourly Scheduled Entitlement.

(ii) If a Shipper's actual hourly takes are below its Hourly Scheduled Entitlements in any hour, the unused Hourly Scheduled Entitlements may be used in any hour of the Gas Day, subject to the restrictions on peak hourly flows, to minimize Hourly Scheduling Penalty Quantities.

(iii) Shipper agrees to provide Transporter with the most current estimate of its hourly requirements over the course of the Gas Day.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 Grandfathered Sculpted Monthly Maximum Delivery Quantities and Conversion Rights. If a Shipper, as of December 31, 2008, has varying monthly MDQ rights under Rate Schedule FT-1 service and elects to convert part or all of that service to FTH-V service, Shipper may move such sculpted monthly MDQ rights to its Rate Schedule FTH-V contract.

2.6 Hourly transportation service under this Rate Schedule FTH-V shall be based on a three-hour enhanced peaking right, subject to the limitation that gas quantities taken at an applicable Delivery Point may not exceed the daily scheduled quantity at such point. On any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(a) up to 150% of 1/24th of the daily scheduled quantity at such point for up to five hours in the Gas Day subject to the limit that no more than three such hours may be consecutive hours in the Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity; and

(b) up to an average of 130% of 1/24th of the daily scheduled quantity at such point for up to nine hours in the Gas Day subject to the limit that no more than six such hours may be consecutive hours in the Gas Day; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity; and

(c) up to an average of 120% of 1/24th of the daily scheduled quantity at such point for any twelve consecutive hours; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity.

(d) Hourly quantities in excess of any one of the Section 2.6(a) through Section 2.6(c) criterion will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

2.7 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.8 Service options pursuant to this Rate Schedule may be purchased as follows:

(a) Winter contract ("FTHV-W"); firm transportation service is available for the five consecutive Months during the November through March winter period. FTHV-W contracts may be for a term of multiple Years.

(b) Summer contract ("FTHV-S"); firm transportation service is available for the seven consecutive Months during the April through October summer period. FTHV-S contracts may be for a term of multiple Years.

(c) Shippers may contract for firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("FTHV-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.8(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 4.14 of the GT&C.

2.9 Shipper may submit a HEEN pursuant to Section 8.1(i) of the GT&C and in accordance with this rate schedule.

3. CONDITIONS OF SERVICE

3.1 On an alternate basis, Shipper may use its Hourly Contract Entitlements pursuant to its FTHV TSA at Delivery Points not listed in Shipper's FTHV TSA if such alternate Delivery Point is a PSVP and is within the Permian virtual area and service to other Shippers is not adversely affected. If these conditions are not satisfied, Shippers may use the Delivery Point on an alternate basis at uniform rates of flow pursuant to the requirements of this Tariff.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.2 Pursuant to Section 8.1(f) of the GT&C, a Shipper that re-designates a primary delivery point to another PSVP will retain defined hourly delivery service parameters at such point if service to the re-designated point is Operationally Equivalent to service at the original point, is within the Permian virtual area, and is listed on the EBB as a PSVP available location.

3.3 Release of FTH-V Capacity

(a) The Acquiring Shipper will retain hourly service rights, as defined in the Releasing Shipper's FTHV TSA, at the primary delivery points released by the Releasing Shipper. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis subject to the provisions of Section 3.1 of this Rate Schedule.

(b) An Acquiring Shipper who re-designates a primary delivery point to another PSVP will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the primary point, is within the Permian virtual area, and is listed on the EBB as a PSVP available location.

3.4 Flow day diversions, pursuant to Section 6.5 of the GT&C, are available to Rate Schedule FTH-V Shippers.

3.5 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

4. HOURLY POINT RIGHTS

Transporter shall provide defined hourly transportation service at PSVPs pursuant to this Rate Schedule.

4.1 Delivery Points eligible for hourly service within the Permian virtual area must be identified on Transporter's EBB as PSVPs.

4.2 Where deliveries involve service to non-PSVPs, Shipper must take deliveries, or cause deliveries to be taken, at uniform rates of flow and Shipper's hourly rights will be deemed to be 1/24th of daily scheduled quantities at such points.

4.3 Gas flows at PSVPs will be allocated to contracts scheduled to such points in the following order. Within this allocation order, gas flows will be allocated pro rata among all agreements within a category unless the DP Operator designates a different allocation method, as set forth in Section 10.5 of the GT&C.

(a) Daily transportation service requiring uniform 1/24th of scheduled quantity flow rate, including authorized overruns;

(b) Hourly transportation service providing for firm Permian virtual area service under Rate Schedule FTH-V, including authorized overruns;

(c) Interruptible hourly swing service pursuant to Rate Schedule IHSW.

5. RATE

5.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such discounted rates shall not exceed the applicable maximum rate nor shall they be less than the minimum rate set forth on the currently effective Statement of Rates.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

5. RATE (Continued)

5.2 Transportation Charges: Shipper shall pay to Transporter each Month the charges set forth below under the Executed FTHV TSA.

(a) Mainline Reservation Charges: Shipper shall pay the applicable Reservation Charges, which shall be determined by multiplying Shipper's TCD by the reservation rate specified in the FTHV TSA. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the FTHV TSA.

(b) Usage Charge: Shipper shall pay the maximum rate per dth applicable to the Permian virtual area zone in which deliveries are made as set forth from time to time on the applicable Statement of Rates. The usage charges payable under this Rate Schedule will include all applicable usage surcharges, unless otherwise provided in the FTHV TSA.

5.3 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

6. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Rate Schedule FTH-V Shipper when Transporter is unable to schedule such Shipper's nominated and confirmed quantities on a daily basis pursuant to Section 16 of the GT&C, subject to the conditions of this Rate Schedule.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.4 (Continued)

(a) An FT-2 Shipper may utilize service above its Tier 1 rights and request service on an alternate basis from San Juan Basin Receipt Points, provided that such capacity is available. In the event that such San Juan Basin capacity is not available, the FT-2 Shipper wishing to utilize primary service above its Tier 1 rights may nominate service on a primary basis from the Waha Area or NGPL Lea County Receipt Points.

(b) FT-2 San Juan Capacity Pool. The FT-2 San Juan Capacity Pool ("Capacity Pool") represents the total San Juan Basin capacity allocated to the FT-2 Shippers in Docket No. RP00-336-000, et al.

(i) Any FT-2 Shipper wishing to utilize San Juan Basin capacity above its Tier 1 rights may request such service as a part of the regular nomination process. If the Capacity Pool is being fully utilized, such capacity request will be scheduled on a Second Alternate basis with other firm Shippers. To the extent the Capacity Pool is not being fully used by FT-2 Shippers on that Day and sufficient capacity is available to serve all such requests, the capacity request above such Shipper's Tier 1 rights will be scheduled on an FT-2 alternate basis. If only a portion of the total requests may be served from the Capacity Pool on that Gas Day, then the requests will be allocated on a pro rata basis using the quantity nominated and confirmed on that Day until the Capacity Pool is fully utilized.

(c) Any other Receipt Points, including those from the San Juan Basin if capacity is available, may be scheduled on a Second Alternate basis along with other firm Shippers.

2.5 Rates of Flow. Shipper may take gas in hourly rates of up to 150% of 1/24th of daily scheduled quantities for any six hours of the Gas Day. Shipper may not exceed an hourly average of 120% of 1/24th of daily scheduled quantities for any consecutive 12 hours of the Gas Day. Except as otherwise provided in this Tariff, Shipper must balance its daily receipts and daily deliveries at the end of each Gas Day.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

7. CHARGES

7.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.

(a) For purposes of evaluating hourly scheduling penalties, a Shipper's total hourly rights at a PSVP will be determined by summing Shipper's Hourly Contract Entitlements under all Shipper's TSAs for which gas is scheduled for delivery to such point.

7.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the TSA pursuant to Section 2.4 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the daily authorized overrun rate. The daily authorized overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) In the event Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on deliveries in excess of the FTHV TSA TCD, the daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the maximum authorized overrun rate as stated on the Statement of Rates.

(ii) Because daily overrun service is measured by use of a Shipper's TCD pursuant to Section 7.2(a) of this rate schedule, to the extent a Shipper takes daily deliveries in excess of its Delivery Point MDQ at one Delivery Point but below TCD at all Delivery Points, such quantities will be charged the usage rate and will be treated as imbalance quantities rather than overrun quantities if the quantities have not been scheduled.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

2.7 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

3. RATE

3.1 Transporter, at its sole discretion, may from time to time and at any time selectively adjust any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Rate Schedule FT-2 Statement of Rates Sheet.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

7. CHARGES (Continued)
7.2 (b) Daily Unauthorized Overrun Transportation

(i) A Shipper shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 10.5 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 7.2(b)(iii) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates.

(iii) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 11.1(a)(viii) and 11.1(i) of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

3. RATE (Continued)

3.2 Transportation Charges: Shipper shall pay a one-part volumetric rate applicable to the service provided as set forth below, multiplied by the quantity of Natural Gas delivered in dth.

(a) Mainline Transportation Charges: The maximum rate(s) per dth, unless otherwise provided, applicable to the delivery zones (Texas, New Mexico, Arizona) in which deliveries are made, as set forth on the currently effective Statement of Rates Sheet. If delivered quantities are equal to or less than the Tier 1 quantity for that Shipper, the Tier 1 Transportation Charge shall apply. The Tier 2 rate shall apply to any delivered quantity exceeding the Tier 1 quantity.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

7. CHARGES (Continued)
7.2 (b) Daily Unauthorized Overrun Transportation (Continued)

(iv) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(v) Pursuant to Section 7.2(b)(ii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

8. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's FTHV TSA. Unless otherwise agreed, the Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C.

9. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for firm transportation service of Section 8.1, the requests for services of Section 4, the Fuel provisions of Section 13, the monthly imbalance procedures of Section 10, Critical Condition procedures of Section 11.1, and reservation charge credit provisions of Section 16 are applicable to this Rate Schedule.

Reserved for future use.

RATE SCHEDULE FT-2
Firm Transportation Service
(Continued)

5. CHARGES

5.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 43 of the GT&C.

5.2 Daily Unauthorized Overrun Transportation. On any Day, if Shipper's takes under its TSA exceed 10,000 dth in total for all Delivery Points, the excess shall be deemed daily unauthorized overrun transportation. Such quantities shall be subject to the daily unauthorized overrun rate. Shipper shall pay an amount obtained by multiplying the quantity of such daily unauthorized overrun quantities by the daily unauthorized overrun rate on the Statement of Rates.

(a) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 36 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(b) Pursuant to Section 5.2 of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE FDBS
Firm Daily Balancing Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the daily balancing of Natural Gas transportation deliveries to scheduled quantities on a firm basis by Transporter under the following conditions:

1.1 Transporter has determined that it has sufficient available and uncommitted operational capacity and has the physical capability to perform the firm daily balancing service requested;

1.2 Shipper has met the creditworthiness requirements of this Tariff;

1.3 Shipper has an Executed TSA for service under this Rate Schedule in the form contained in this Tariff ("FDBS TSA"); and

1.4 Shipper and Transporter have executed a companion TSA(s) under Transporter's Rate Schedule FT-1 and/or Rate Schedule FT-H ("FT TSA") for firm transportation of gas.

(a) The FDBS TSA must include the same primary delivery points as provided in the FT TSA;

(b) The maximum delivery quantity ("MDQ") of the FDBS TSA at a primary delivery point is no more than 10% of the MDQ of such point in the FT TSA; and

(c) The FDBS TSA must be for a term equal to or less than the term of the FT TSA.

1.5 Firm daily balancing service is available only at Delivery Points listed on Exhibit A of Shipper's FT TSA. Such Delivery Points must also be identified as Premium Service Delivery Points on Transporter's EBB.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Daily balancing service hereunder shall be firm, subject to the provisions of the Executed FDBS TSA and to the GT&C incorporated herein by reference.

RATE SCHEDULE FDBS
Firm Daily Balancing Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE

2.2 Except as otherwise provided in this Tariff, at each Delivery Point, hourly quantities delivered, or caused to be delivered, for Shipper's account shall not exceed 1/24th of Shipper's daily scheduled quantities at such point.

2.3 Firm daily balancing service hereunder shall consist of:

(a) Transporter retaining nominated and confirmed Natural Gas quantities on Transporter's pipeline system ("Bank") at the Delivery Points specified in the Executed FDBS TSA up to the FDBS TSA MDQ for each point; and

(b) Transporter delivering nominated and confirmed Natural Gas quantities, after appropriate reductions as provided for in this Rate Schedule, to Delivery Points specified in the Executed FDBS TSA ("Draw") up to the FDBS TSA MDQ for each point.

(c) Firm balancing service will be provided on a daily basis up to a Shipper's Maximum Inventory Amount.

(i) Maximum Inventory Amount is the maximum quantity a Shipper can Bank or Draw at a Delivery Point. The Maximum Inventory Amount is calculated as the difference between the FDBS TSA MDQ at a Delivery Point and the sum of the accumulated end-of-day balances at such point.

2.4 Service options pursuant to this Rate Schedule may be purchased as follows:

(a) Winter contract ("FDBS-W"); firm daily balancing service is available for the five consecutive Months during the November through March winter period. FDBS-W contracts may be for a term of multiple Years.

(b) Summer contract ("FDBS-S"); firm daily balancing service is available for the seven consecutive Months during the April through October summer period. FDBS-S contracts may be for a term of multiple Years.

(c) Shippers may contract for firm daily balancing service separately with a summer or winter contract, or jointly to create an annual contract for service ("FDBS-A"). In addition, an annual contract may be for twelve months or longer.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area

1. AVAILABILITY

This Rate Schedule is available to any Shipper in the Permian virtual area for the hourly transportation of Natural Gas on a firm basis within the Permian virtual area by Transporter. Transportation service under this Rate Schedule is limited to up to 10,000 dth per Day and subject to the following conditions:

1.1 Transporter has determined that it has sufficient available and uncommitted capacity to perform the hourly firm transportation service requested.

1.2 Transporter shall not be obligated to construct, modify or acquire facilities or gas supplies to perform hourly transportation service.

1.3 Shipper has met the creditworthiness requirements of this Tariff.

1.4 Shipper is limited to one Executed TSA with a TCD of no more than 10,000 dth per Day for service under this Rate Schedule in the form contained in this Tariff ("FTHV TSA"). Primary delivery points listed on the FTHV TSA must be within the Permian virtual area. A Delivery Point outside the Permian virtual area may not be listed on an FTHV TSA.

1.5 Hourly transportation service is available only at Premium Service Virtual Delivery Points ("PSVPs") that are listed on Exhibit A of Shipper's FTHV TSA. Such Delivery Points will be dependent on operational criteria and must also be identified on Transporter's EBB.

1.6 Hourly transportation service is available to any party meeting the requirements of this Rate Schedule including DP Operators.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed FTHV TSA.

2.2 Daily and hourly transportation service hereunder shall be firm, subject to the provisions of the Executed FTHV TSA and to the GT&C incorporated herein by reference.

RATE SCHEDULE FDBS
Firm Daily Balancing Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE
2.4 (Continued)

(d) Maximum rate firm daily balancing service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.4(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 4.14 of the GT&C.

2.5 Daily Balancing Quantities

(a) On any Gas Day, Shipper's Bank or Draw quantities for that Day at the Delivery Point plus the previous accumulated end-of-day balance at such Delivery Point may not exceed the Maximum Inventory Amount for such point.

(b) On any Gas Day, if the sum of the Bank or Draw quantities and the related FT TSA scheduled quantities at a Delivery Point exceed the MDQ for that point contained in the FT TSA, the excess quantities will be treated as daily unauthorized overrun quantities on the companion FT TSA.

3. CONDITIONS OF SERVICE

3.1 Notwithstanding the above, Shipper may Bank or Draw gas quantities at a Delivery Point in an amount no greater than the FDBS TSA MDQ for such point. Transporter will not provide daily balancing service when Shipper's total outstanding FDBS end-of-day balance at a Delivery Point equals the FDBS Maximum Inventory Amount.

3.2 Firm daily balancing service quantities must be nominated and confirmed to the FDBS TSA in accordance with the provisions of Section 6 of the GT&C.

3.3 Resolution of FDBS End-of-Day Balances.

(a) An FDBS end-of-day balance shall be resolved through the use of physical make-up or payback gas quantities.

(b) Make-up or payback nominations shall be made pursuant to Section 6 of the GT&C.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 Daily and hourly transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Points specified in the Executed FTV TSA on a ratable basis, the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that gas to Shipper, or for Shipper's account, on an unequal hourly basis, after appropriate reductions as provided for in this Rate Schedule, to Shipper, or for Shipper's account, at the Delivery Points specified in the Executed FTHV TSA.

2.4 Rate Schedule FTH-V service is a daily transportation service with defined hourly delivery service parameters based on certain firm rights to Hourly Contract Entitlements at PSVPs, pursuant to Section 2.6 of this Rate Schedule.

(a) Daily Transportation Service

(i) Shipper shall nominate a daily transportation quantity and Transporter shall schedule in accordance with the provisions of Section 4 of the GT&C.

(b) Hourly Delivery Service Entitlements

(i) Hourly gas quantities are not nominated or scheduled. A Shipper's nominated and confirmed daily scheduled quantities determine its Hourly Scheduled Entitlement.

(ii) If a Shipper's actual hourly takes are below its Hourly Scheduled Entitlements in any hour, the unused Hourly Scheduled Entitlements may be used in any hour of the Gas Day, subject to the restrictions on peak hourly flows, to minimize Hourly Scheduling Penalty Quantities.

(iii) Shipper agrees to provide Transporter with the most current estimate of its hourly requirements over the course of the Gas Day.

RATE SCHEDULE FDBS
Firm Daily Balancing Service
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.3 (Continued)

(c) At the end of the Month, an FDBS end-of-day balance at a Delivery Point may be netted with an FDBS end-of-day balance at another Delivery Point under the FDBS TSA as long as such netting does not serve to effectuate transportation across persistent system constraints.

(d) An FDBS end-of-day balance that has not been eliminated for 30 Days will be cashed out at the end of the next Month pursuant to Section 10 of the GT&C.

3.4 Rate Schedule FDBS capacity may be released to another party. The Acquiring Shipper must meet the requirements of this Rate Schedule.

3.5 Subject to the conditions and requirements for service under this Rate Schedule, Shipper may request to re-designate a primary point pursuant to Section 8.1(f) of the GT&C.

4. RATE

Shipper shall pay to Transporter each Month the charges set forth below under the Executed FDBS TSA.

4.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rates shall not exceed the applicable maximum rate nor shall they be less than the minimum rate set forth on the currently effective Statement of Rates.

4.2 Mainline Reservation Charges: Shipper shall pay the Reservation Charges applicable to an FDBS TSA subject to this Rate Schedule. This charge shall be determined by multiplying Shipper's TCD by the reservation rate specified in the FDBS TSA. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the FDBS TSA.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 Grandfathered Sculpted Monthly Maximum Delivery Quantities and Conversion Rights. If a Shipper, as of December 31, 2008, has varying monthly MDQ rights under Rate Schedule FT-1 service and elects to convert part or all of that service to FTH-V service, Shipper may move such sculpted monthly MDQ rights to its Rate Schedule FTH-V contract.

2.6 Hourly transportation service under this Rate Schedule FTH-V shall be based on a three-hour enhanced peaking right, subject to the limitation that gas quantities taken at an applicable Delivery Point may not exceed the daily scheduled quantity at such point. On any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(a) up to 150% of 1/24th of the daily scheduled quantity at such point for up to five hours in the Gas Day subject to the limit that no more than three such hours may be consecutive hours in the Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity; and

(b) up to an average of 130% of 1/24th of the daily scheduled quantity at such point for up to nine hours in the Gas Day subject to the limit that no more than six such hours may be consecutive hours in the Gas Day; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity; and

(c) up to an average of 120% of 1/24th of the daily scheduled quantity at such point for any twelve consecutive hours; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity.

(d) Hourly quantities in excess of any one of the Section 2.6(a) through Section 2.6(c) criterion will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

2.7 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

RATE SCHEDULE FDBS
Firm Daily Balancing Service
(Continued)

4. RATE (Continued)

4.3 Usage Charge: Unless otherwise provided in the FDBS TSA, Shipper shall pay the maximum rate per dth as set forth from time to time on the applicable Statement of Rates. The usage charges payable under this Rate Schedule will include all applicable usage surcharges, unless otherwise provided in the FDBS TSA.

4.4 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

5. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Rate Schedule FDBS Shipper when it is unable to schedule such Shipper's nominated and confirmed quantities on a daily basis pursuant to Section 16 of the GT&C, subject to the conditions of this Rate Schedule.

6. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's FDBS TSA. Unless otherwise agreed, the Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.8 Service options pursuant to this Rate Schedule may be purchased as follows:

(a) Winter contract ("FTHV-W"); firm transportation service is available for the five consecutive Months during the November through March winter period. FTHV-W contracts may be for a term of multiple Years.

(b) Summer contract ("FTHV-S"); firm transportation service is available for the seven consecutive Months during the April through October summer period. FTHV-S contracts may be for a term of multiple Years.

(c) Shippers may contract for firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("FTHV-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.8(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 20.16 of the GT&C.

2.9 Shipper may submit a HEEN pursuant to Section 25 of the GT&C and in accordance with this rate schedule.

3. CONDITIONS OF SERVICE

3.1 On an alternate basis, Shipper may use its Hourly Contract Entitlements pursuant to its FTHV TSA at Delivery Points not listed in Shipper's FTHV TSA if such alternate Delivery Point is a PSVP and is within the Permian virtual area and service to other Shippers is not adversely affected. If these conditions are not satisfied, Shippers may use the Delivery Point on an alternate basis at uniform rates of flow pursuant to the requirements of this Tariff.

RATE SCHEDULE FDBS
Firm Daily Balancing Service
(Continued)

7. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the FDBS TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for firm transportation service of Section 8.1, the requests for services of Section 4, the Fuel provisions of Section 13, Critical Condition procedures of Section 11.1, and reservation charge credit provisions of Section 16 are applicable to this Rate Schedule.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.2 Pursuant to Section 20.13 of the GT&C, a Shipper that re-designates a primary delivery point to another PSVP will retain defined hourly delivery service parameters at such point if service to the re-designated point is Operationally Equivalent to service at the original point, is within the Permian virtual area, and is listed on the EBB as a PSVP available location.

3.3 Release of FTH-V Capacity

(a) The Acquiring Shipper will retain hourly service rights, as defined in the Releasing Shipper's FTHV TSA, at the primary delivery points released by the Releasing Shipper. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis subject to the provisions of Section 3.1 of this Rate Schedule.

(b) An Acquiring Shipper who re-designates a primary delivery point to another PSVP will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the primary point, is within the Permian virtual area, and is listed on the EBB as a PSVP available location.

3.4 Flow day diversions, pursuant to Section 4.1(g) of the GT&C, are available to Rate Schedule FTH-V Shippers.

3.5 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

First Revised Sheet No. 129D First Revised Sheet No. 129D
Superseding: Original Sheet No. 129D

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RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

4. HOURLY POINT RIGHTS

Transporter shall provide defined hourly transportation service at PSVPs pursuant to this Rate Schedule.

4.1 Delivery Points eligible for hourly service within the Permian virtual area must be identified on Transporter's EBB as PSVPs.

4.2 Where deliveries involve service to non-PSVPs, Shipper must take deliveries, or cause deliveries to be taken, at uniform rates of flow and Shipper's hourly rights will be deemed to be 1/24th of daily scheduled quantities at such points.

4.3 Gas flows at PSVPs will be allocated to contracts scheduled to such points in the following order. Within this allocation order, gas flows will be allocated pro rata among all agreements within a category unless the DP Operator designates a different allocation method, as set forth in Section 38 of the GT&C.

(a) Daily transportation service requiring uniform 1/24th of scheduled quantity flow rate, including authorized overruns;

(b) Hourly transportation service providing for firm Permian virtual area service under Rate Schedule FTH-V, including authorized overruns;

(c) Interruptible hourly swing service pursuant to Rate Schedule IHSW.

5. RATE

5.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such discounted rates shall not exceed the applicable maximum rate nor shall they be less than the minimum rate set forth on the currently effective Statement of Rates sheet.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the enhanced daily transportation of Natural Gas on a firm basis by Transporter under the following conditions:

1.1 Transporter has determined that it has sufficient available and uncommitted capacity to perform the enhanced daily firm transportation service requested;

1.2 Transporter shall not be obligated to construct, modify or acquire facilities or gas supplies to perform the enhanced daily transportation service;

1.3 Shipper has met the creditworthiness requirements of this Tariff;

1.4 Shipper has an Executed TSA for service under this Rate Schedule in the form contained in this Tariff ("NNTD TSA");

1.5 Enhanced daily firm transportation service is available only at Delivery Points listed on Exhibit A of Shipper's NNTD TSA. Such Delivery Points must also be identified as Premium Service Delivery Points on Transporter's EBB; and

1.6 Enhanced daily firm transportation service is available to any party meeting the requirements of this Rate Schedule including DP Operators.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the executed NNTD TSA.

2.2 Enhanced daily transportation service hereunder shall be firm, subject to the provisions of the Executed NNTD TSA and to the GT&C incorporated herein by reference.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

5. RATE (Continued)

5.2 Transportation Charges: Shipper shall pay to Transporter each Month the charges set forth below under the Executed FTHV TSA.

(a) Mainline Reservation Charges: Shipper shall pay the applicable Reservation Charges, which shall be determined by multiplying Shipper's TCD by the reservation rate specified in the FTHV TSA. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the FTHV TSA.

(b) Usage Charge: Shipper shall pay the maximum rate per dth applicable to the Permian virtual area zone in which deliveries are made as set forth from time to time on the applicable Statement of Rates Sheet. The usage charges payable under this Rate Schedule will include all applicable usage surcharges, unless otherwise provided in the FTHV TSA.

5.3 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

6. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Rate Schedule FTH-V Shipper when Transporter is unable to schedule such Shipper's nominated and confirmed quantities on a daily basis pursuant to Section 39 of the GT&C, subject to the conditions of this Rate Schedule.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 Enhanced daily transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Points specified in the Executed NNTD TSA, the transportation of that Natural Gas through Transporter's pipeline system, and the daily delivery of that gas on a scheduled and no-notice basis, after appropriate reductions as provided for in this Rate Schedule, to Shipper or for Shipper's account at the Delivery Points specified in the Executed NNTD TSA.

2.4 Enhanced daily transportation service shall be comprised of scheduled and no-notice transportation service.

(a) Scheduled enhanced daily firm transportation service shall be nominated and confirmed in accordance with the provisions of Section 6 of the GT&C.

(b) No-notice enhanced daily firm transportation service shall consist of Transporter providing gas quantities above or below Shipper's scheduled quantities at primary delivery points listed in the NNTD TSA. The difference between Shipper's daily scheduled quantity and daily Flowing Gas quantity allocated to Shipper at a Delivery Point shall be deemed the no-notice daily quantity and will be allocated to the NNTD TSA as the NNTD balance at such point.

(c) Shipper may nominate from/to Receipt and/or Delivery Points not listed in Shipper's NNTD TSA on an alternate basis at uniform rates of flow pursuant to the requirements of this Tariff.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

7. CHARGES

7.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 43 of the GT&C.

(a) For purposes of evaluating hourly scheduling penalties, a Shipper's total hourly rights at a PSVP will be determined by summing Shipper's Hourly Contract Entitlements under all Shipper's TSAs for which gas is scheduled for delivery to such point.

7.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the TSA pursuant to Section 2.4 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the daily authorized overrun rate. The daily authorized overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) In the event Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on deliveries in excess of the FTHV TSA TCD, the daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the maximum authorized overrun rate as stated on the Statement of Rates.

(ii) Because daily overrun service is measured by use of a Shipper's TCD pursuant to Section 7.2(a) of this rate schedule, to the extent a Shipper takes daily deliveries in excess of its Delivery Point MDQ at one Delivery Point but below TCD at all Delivery Points, such quantities will be charged the usage rate and will be treated as imbalance quantities rather than overrun quantities if the quantities have not been scheduled.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 The enhanced daily transportation service options available under this Rate Schedule NNTD are as follows:

(a) Winter contract ("NNTD-W"); enhanced daily firm transportation service is available for the five consecutive Months during the November through March winter period. NNTD-W contracts may be for a term of multiple Years.

(b) Summer contract ("NNTD-S"); enhanced daily firm transportation service is available for the seven consecutive Months during the April through October summer period. NNTD-S contracts may be for a term of multiple Years.

(c) Shippers may contract for enhanced daily firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("NNTD-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate enhanced daily firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.5(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 4.14 of the GT&C.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

7. CHARGES (Continued)
7.2 (b) Daily Unauthorized Overrun Transportation

(i) A Shipper shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 38 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 7.2(b)(iii) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates.

(iii) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 33.1(h) and 33.10 of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 Rates of Flow.

(a) Except as otherwise provided in this Tariff, at each Receipt Point each Party shall use diligent, good faith efforts to tender, or cause to be tendered, gas at reasonably uniform hourly and daily rates of flow. At each Delivery Point, hourly quantities delivered, or caused to be delivered, for Shipper's account shall not exceed 1/24th of Shipper's daily scheduled quantities at such point.

(b) No-notice service shall not be applicable to any hourly variation greater than 1/24th of the NNTD TSA contract demand, except as provided in Section 6 of this rate schedule. Any such excess quantity shall be treated as Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

2.7 Daily Delivery Transfer. Transporter will provide for (unless Shipper requests otherwise) the daily transfer of any unused daily delivery point entitlements to Shipper's upstream Operationally Equivalent Delivery Point(s) in the same geographic region so that such unused daily entitlements are combined with Shipper's other daily delivery entitlements at such upstream Delivery Point.

(a) Daily delivery transfers will utilize Alternate Capacity only.

(b) Delivery Points eligible for daily delivery transfer are identified on the EBB as: 1) Premium Service Delivery Points, and must be listed as primary delivery points on Exhibit A of Shipper's NNTD TSA or 2) alternate Premium Service Delivery Points located on Shipper's primary receipt-to-delivery Flow Path. Transporter will update the list of eligible Delivery Points as experience and operating conditions allow.

(c) Delivery point entitlements transferred from a delivery point must be equal to, or less than, Shipper's MDQ less daily deliveries to such point resulting from scheduled nominations for delivery to that point.

(d) The transfer of such daily entitlements may not affect service to any other firm Shipper.

2.8 Shipper may submit a HEEN pursuant to Section 8.1(i) of the GT&C and in accordance with this rate schedule.

RATE SCHEDULE FTH-V
Small Shipper Firm Hourly Transportation Service - Virtual Area
(Continued)

7. CHARGES (Continued)
7.2 (b) Daily Unauthorized Overrun Transportation (Continued)

(iv) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 36 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(v) Pursuant to Section 7.2(b)(ii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

8. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's FTHV TSA. Unless otherwise agreed, the Fuel and L&U charge shall be set forth on the applicable Statement of Rates sheets and shall be subject to adjustment in accordance with Section 26 of the GT&C.

9. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 4, the operating provisions for firm transportation service of Section 20, the contract procedures of Section 22, the Fuel provisions of Section 26, the monthly imbalance procedures of Section 32, Critical Condition procedures of Section 33, and reservation charge credit provisions of Section 39 are applicable to this Rate Schedule.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE

3.1 Transporter will provide Shipper with a no-notice gas account equal to +/- 10% of Shipper's TCD to provide daily no-notice service of up to +/- 10% of Shipper's MDQ at each of the primary delivery points listed on Exhibit A of Shipper's NNTD TSA.

(a) Pursuant to Section 3.1(d) of this Rate Schedule, when delivered quantities are less than scheduled quantities (pack) at a primary delivery point, such variance shall not exceed 10% of Shipper's MDQ and shall be deemed "no-notice pack quantities." Any quantities in excess of the no-notice pack quantities will be an imbalance on Shipper's TSA and subject to Section 10 of the GT&C.

(b) Pursuant to Section 3.1(e) of this Rate Schedule, when delivered quantities exceed scheduled quantities (draft) at a primary delivery point, such variance shall be deemed "no-notice draft quantities" and shall not exceed the lower of: 1) 10% of Shipper's MDQ, or 2) the difference between the Shipper's MDQ and the scheduled quantity. Any quantities in excess of the no-notice draft quantities will be an imbalance on Shipper's TSA and subject to Section 10 of the GT&C.

(c) Each Day no-notice pack or draft quantities for all delivery points listed in Exhibit A of Shipper's NNTD TSA will be netted together and the net pack added to, or the net draft subtracted from, the no-notice account balance as long as such netting does not serve to effectuate transportation across persistent system constraints.

(d) In the event a pack no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice pack quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the pack no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with pack no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage pack quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice pack account balance does not go below 10% of Shipper's TCD.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.1 (d) (iii) If after reducing the pack no-notice quantities at the first point, the pack no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the pack no-notice account balance does not go below 10% of Shipper's TCD.

(iv) Such process will be repeated until the pack no-notice account balance is reduced to equal 10% of Shipper's TCD.

(e) In the event a draft no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice draft quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the draft no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with draft no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage draft quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice draft account balance does not go below 10% of Shipper's TCD.

(iii) If after reducing the draft no-notice quantities at the first point, the draft no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the draft no-notice account balance does not go below 10% of Shipper's TCD.

(iv) Such process will be repeated until the draft no-notice account balance is reduced to equal 10% of Shipper's TCD.

RATE SCHEDULE PAL
Interruptible Parking and Lending Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the short-term parking and lending of Natural Gas on an interruptible, non-discriminatory basis, by Transporter when and to the extent that:

1.1 Transporter has determined, using its reasonable discretion, that capacity is available on its existing facilities and that it has the operational flexibility to provide interruptible Parking and Lending service without detriment or disadvantage to its customers using other transportation services;

1.2 Shipper has entered into a Master Parking and Lending ("PAL") Agreement with Transporter using the form contained in this Tariff;

1.3 Shipper has met the creditworthiness requirements of this Tariff; and

1.4 Shipper has entered into a PAL Service Agreement ("PALSA") (an attachment to the Master PAL Agreement) with Transporter in the form contained in this Tariff, for each PAL transaction between Shipper and Transporter specifying the term, rate, quantity and point(s) of transaction for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all PAL services rendered by Transporter for Shipper.

2.1 All PAL locations eligible for PAL service ("PAL Points") shall be located within the Production Area or within California pools and will be made available to Shipper on a non-discriminatory basis. Currently effective PAL Points shall be listed on Transporter's EBB.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.2 On an alternate basis, Shipper may use its NNTD rights at Premium Service Delivery Points not listed in Shipper's NNTD TSA if the distance between the Receipt Point and Delivery Point and the Flow Path are equivalent to the points listed in the NNTD TSA ("Operationally Equivalent") and service to other firm shippers is not adversely affected. If these conditions are not satisfied, Shipper may use the Receipt and/or Delivery Points on a Second Alternate basis pursuant to Section 6.2 of the GT&C at scheduled uniform rates of flow pursuant to the requirements of this Tariff.

(a) Shipper's use of no-notice service at an alternate delivery point is limited to no more than 10% of the scheduled quantity at such alternate point and the availability of no-notice quantities pursuant to Section 3 of this Rate Schedule.

3.3 A Shipper may request to re-designate a primary point pursuant to Section 8.1(f) of the GT&C.

(a) A Shipper that re-designates a primary delivery point to another Premium Service Delivery Point will retain no-notice service rights at such point if service to the re-designated point is Operationally Equivalent to service at the original point.

(b) Rate Schedule NNTD capacity will become Rate Schedule FT-1 capacity if the Shipper re-designates a primary delivery point to a non-Premium Service Delivery Point or to a non-Operationally Equivalent Premium Service Delivery Point; however, the Shipper will continue to pay the maximum applicable Rate Schedule NNTD rates for such service until the next general rate proceeding.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.4 Resolution of NNTD Balance.

(a) An NNTD balance shall be resolved through the use of physical make-up or payback gas quantities.

(b) Any TSA may be used to make-up or payback gas quantities.

(c) Make-up or payback nominations shall be made pursuant to Section 6 of the GT&C.

(d) At the end of the Month, an NNTD balance on an NNTD TSA may be netted with an NNTD balance on another NNTD TSA, as long as such netting does not serve to effectuate transportation across persistent system constraints.

(e) An NNTD balance that has not been eliminated for 30 Days will be cashed out at the end of the next Month pursuant to Section 10 of the GT&C.

3.5 Release of Rate Schedule NNTD Capacity.

(a) Shipper may release its Rate Schedule NNTD capacity for service under Rate Schedule NNTD. The Acquiring Shipper must retain the same Delivery Points as provided in the Releasing Shipper's NNTD TSA to retain the no-notice features of this Rate Schedule. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis.

(b) Released Rate Schedule NNTD capacity will become Rate Schedule FT-1 capacity if the Acquiring Shipper re-designates to a non-Premium Service Delivery Point or a non-Operationally Equivalent Premium Service Delivery Point; however, the Acquiring Shipper will continue to pay the maximum applicable Rate Schedule NNTD rates for such service until the next general rate proceeding.

(c) Shipper may not separately release the no-notice (un-nominated) portion of its NNTD TSA.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.6 Flow day diversions, pursuant to Section 6.5 of the GT&C, are available to Rate Schedule NNTD Shippers.

3.7 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

4. RATE

Shipper shall pay to Transporter each Month the charges set forth below under the executed NNTD TSA.

4.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rates shall not exceed the applicable maximum rate nor shall they be less than the minimum rate set forth on the currently effective Statement of Rates.

4.2 Mainline Reservation Charges: Shipper shall pay the Reservation Charges applicable to an NNTD TSA subject to this Rate Schedule. This charge shall be determined by multiplying Shipper's TCD by the reservation rate specified in the NNTD TSA. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the NNTD TSA.

4.3 Usage Charge: Unless otherwise provided in the NNTD TSA, Shipper shall pay the maximum rate per dth applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, Nevada and California) in which deliveries are made as set forth from time to time on the applicable Statement of Rates. The usage charges payable under this Rate Schedule will include all applicable usage surcharges, unless otherwise provided in the NNTD TSA.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

4. RATE (Continued)

4.4 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

5. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Rate Schedule NNTD Shipper when it is unable to schedule such Shipper's nominated and confirmed quantities on a daily basis pursuant to Section 16 of the GT&C, subject to the conditions of this Rate Schedule.

6. CHARGES

6.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

6. CHARGES (Continued)

6.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the NNTD TSA pursuant to Section 2.6 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the daily authorized overrun rate. The daily authorized overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 6.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

6. CHARGES (Continued)

6.2(a) Overrun Transportation

(ii) Because daily overrun service is measured by use of a Shipper's TCD pursuant to Section 6.2(a) above, to the extent a Shipper takes daily deliveries in excess of its Delivery Point MDQ at one Delivery Point but below TCD at all Delivery Points, such quantities will be charged the usage rate and will be treated as imbalance quantities rather than overrun quantities if the quantities has not been scheduled.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

6. CHARGES (Continued)
6.2 Overrun Transportation (Continued)
(b) Daily Unauthorized Overrun Transportation.

(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 10.5 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 6.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 6.2(b)(ii) of this rate schedule.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

6. CHARGES (Continued)

6.2(b) Daily Unauthorized Overrun Transportation (Continued)

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 11.1(a)(viii) and 11.1(i) of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 6.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

7. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's NNTD TSA. Unless otherwise agreed, the Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C.

8. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the NNTD TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for firm transportation service of Section 8.1, the requests for services of Section 4, the Fuel provisions of Section 13, the monthly imbalance procedures of Section 10, Critical Condition procedures of Section 11.1, and reservation charge credit provisions of Section 16 are applicable to this Rate Schedule.

Sheet Nos. 140 - 144 Sheet Nos. 140 - 144

Sheet Nos. 140 through 144 have been
reserved for future use.

Reserved for future use.

Reserved for future use.

Reserved for future use.

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the enhanced hourly transportation of Natural Gas on a firm basis by Transporter under the following conditions:

1.1 Transporter has determined that it has sufficient available and uncommitted capacity to perform the enhanced hourly firm transportation service requested.

1.2 Transporter shall not be obligated to construct, modify or acquire facilities or gas supplies to perform the enhanced hourly transportation service.

1.3 Shipper has met the creditworthiness requirements of this Tariff.

1.4 Shipper has an Executed TSA in the form contained in this Tariff ("NNTH TSA").

1.5 Enhanced hourly transportation service is available only at Delivery Points listed on Exhibit A of Shipper's NNTH TSA. Such Delivery Points must also be identified as Premium Service Delivery Points on Transporter's EBB.

1.6 Enhanced hourly firm transportation service is available to any party meeting the requirements of this Rate Schedule including DP Operators.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed NNTH TSA.

2.2 Enhanced hourly transportation service hereunder shall be firm, subject to the provisions of the Executed NNTH TSA and to the GT&C incorporated herein by reference.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 Enhanced hourly transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Points specified in the Executed NNTH TSA on a ratable basis, the transportation of that Natural Gas through Transporter's pipeline system, and the unequal hourly delivery of that gas on a scheduled and no-notice basis, after appropriate reductions as provided for in this Rate Schedule, to Shipper or for Shipper's account at the Delivery Points specified in the Executed NNTH TSA.

2.4 Rate Schedule NNTH is a daily transportation service comprised of firm varying Hourly Contract Entitlements at Premium Service Delivery Points and consists of scheduled and no-notice transportation.

(a) Daily Transportation Service.

(i) Scheduled daily firm transportation service shall be nominated and confirmed in accordance with the provisions of Section 6 of the GT&C.

(b) Hourly Delivery Service Entitlements.

(i) Hourly Contract Entitlements, as defined in Section 2.6 of this rate schedule, shall be described in Shipper's NNTH TSA.

(ii) Hourly gas quantities are not nominated and scheduled. Shipper's daily scheduled quantities will be allocated on an hourly basis based on the Hourly Contract Entitlements described in Shipper's NNTH TSA.

(iii) If a Shipper's actual hourly takes are below its Hourly Scheduled Entitlement in any hour, the unused Hourly Scheduled Entitlement may be used in any hour for the Gas Day, subject to the restrictions on peak hourly flows, to minimize Hourly Scheduling Penalty Quantities.

(iv) Shipper agrees to provide Transporter with the most current estimate of its hourly requirements over the course of the Gas Day.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 Hourly service options, pursuant to Section 2.6 of this rate schedule, may be purchased as follows:

(a) Winter contract ("FTH-W"); hourly firm transportation service is available for the five consecutive Months during the November through March winter period. FTH-W contracts may be for a term of multiple Years.

(b) Summer contract ("FTH-S"); hourly firm transportation service is available for the seven consecutive Months during the April through October summer period. FTH-S contracts may be for a term of multiple Years.

(c) Shippers may contract for hourly firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("FTH-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate hourly firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.5(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 20.16 of the GT&C.

2.6 The following hourly transportation service options are available under this Rate Schedule FT-H. Rate Schedule FT-H service options must be contracted separately.

(a) Three Hour Enhanced Peaking Service "FTH-3." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.4 (c) No-Notice Transportation Service.

(i) No-notice transportation service shall consist of Transporter providing gas quantities above or below Shipper's scheduled quantities at primary delivery points listed in the NNTH TSA.

(ii) The difference between Shipper's daily scheduled quantity and daily Flowing Gas quantity allocated to Shipper at a Delivery Point shall be deemed the no-notice daily quantity and will be allocated to the NNTH TSA as the NNTH daily balance at such point.

(iii) Subject to the limits described in this rate schedule, the difference between Shipper's Hourly Scheduled Entitlement quantity and the hourly Flowing Gas quantity allocated to Shipper at a Delivery Point shall be deemed the no-notice hourly quantity and will be allocated to the NNTH TSA as the NNTH hourly balance at such point.

(d) On an alternate basis, Shipper may use its Hourly Contract Entitlements pursuant to its NNTH TSA at Premium Service Delivery Points not listed in Shipper's NNTH TSA if the capacity serving the alternate point is Operationally Equivalent and service to other firm shippers is not adversely affected. If these conditions are not satisfied, Shipper may use the Receipt and/or Delivery Points pursuant to Section 6.2 of the GT&C at scheduled uniform rates of flow pursuant to the requirements of this Tariff.

(i) Shipper's use of no-notice service at an alternate delivery point is limited to no more than 10% of the scheduled quantity at such alternate point and the availability of no-notice quantities pursuant to Section 3 of this Rate Schedule.

2.5 The enhanced hourly transportation service options available under this Rate Schedule NNTH are as follows:

(a) Winter contract ("NNTH-W"); enhanced hourly firm transportation service is available for the five consecutive Months during the November through March winter period. NNTH-W contracts may be for a term of multiple Years.

(b) Summer contract ("NNTH-S"); enhanced hourly firm transportation service is available for the seven consecutive Months during the April through October summer period. NNTH-S contracts may be for a term of multiple Years.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 (a) (i) up to 150% of 1/24th of the daily scheduled quantity at such point for up to five hours in the Gas Day subject to the limit that no more than three such hours may be consecutive hours in the Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity; and

(ii) up to an average of 130% of 1/24th of the daily scheduled quantity at such point for up to nine hours in the Gas Day subject to the limit that no more than six such hours may be consecutive hours in the Gas Day; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity; and

(iii) up to an average of 120% of 1/24th of the daily scheduled quantity at such point for any twelve consecutive hours; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity.

(iv) Hourly quantities in excess of any one of the Section 2.6 (a)(i) through Section 2.6 (a)(iii) criterion will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

(v) Transporter will provide a minimum pressure commitment of 250 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(b) Twelve Hour Peaking Service "FTH-12." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any twelve hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 (c) Shippers may contract for enhanced hourly firm transportation service separately with a summer or winter contract, or jointly to create an annual contract of service ("NNTH-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate enhanced hourly firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.5(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 4.14 of the GT&C.

2.6 The following enhanced hourly transportation service options are available under this Rate Schedule NNTH. Rate Schedule NNTH service options must be contracted separately.

(a) Three Hour Enhanced Peaking Service "NNTH-3." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the MDQ at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to 150% of 1/24th of the daily scheduled quantity at such point for up to five hours in the Gas Day subject to the limit that no more than three such hours may be consecutive hours in the Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity; and

(ii) up to an average of 130% of 1/24th of the daily scheduled quantity at such point for up to nine hours in the Gas Day subject to the limit that no more than six such hours may be consecutive hours in the Gas Day; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity; and

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)
2.6 (b) (Continued)

(ii) Transporter will provide a minimum pressure commitment ranging between 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(c) Sixteen Hour Peaking Service "FTH-16." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any sixteen hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary Delivery Point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment ranging between 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(d) Eight Hour Peaking Service "FTH-8." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the daily scheduled quantity at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)
2.6 (a) (Continued)
(iii) up to an average of 120% of 1/24th of the daily scheduled quantity at such point for any twelve consecutive hours; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity.

(iv) Hourly quantities in excess of any one of the Section 2.6 (a)(i) through Section 2.6 (a)(iii) criterion will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

(v) Transporter will provide a minimum pressure commitment of 250 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in the Operator agreement or TSA covering that D-Code.

(b) Twelve Hour Peaking Service "NNTH-12." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the MDQ at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any twelve hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment of 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(c) Sixteen Hour Peaking Service "NNTH-16." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the MDQ at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 (d) (i) up to an average of 300% of 1/24th of the daily scheduled quantity at such point in any hour for up to any eight hours in a Gas Day; however, no one hour in the Gas Day may exceed 300% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 300% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment ranging between 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

2.7 Hourly Delivery Transfer. Should Shipper elect non-uniform rates of flow pursuant to Section 2.6 of this rate schedule, Transporter will provide for (unless Shipper requests otherwise) the hourly transfer of any unused Hourly Scheduled Entitlement quantities to Shipper's upstream Operationally Equivalent Delivery Point in the same geographic region so that such unused Hourly Scheduled Entitlement is combined with Shipper's other Hourly Scheduled Entitlements at such upstream Delivery Point.

(a) Hourly delivery transfers will utilize Alternate Capacity only.

(b) Delivery Points eligible for hourly delivery transfer are identified on the EBB as: 1) Premium Service Delivery Points, and must be listed as primary delivery points on Exhibit A of Shipper's FTH TSA or 2) alternate Premium Service Delivery Points located on Shipper's primary receipt-to-delivery Flow Path. Transporter will update the list of eligible Delivery Points as experience and operating conditions allow.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 (c) (Continued)

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any sixteen hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 14.1 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment of 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

2.7 Hourly Delivery Transfer. Should Shipper elect non-uniform rates of flow pursuant to Section 2.6 of this rate schedule, Transporter will provide for (unless Shipper requests otherwise) the hourly transfer of any unused Hourly Scheduled Entitlements to Shipper's upstream Operationally Equivalent Delivery Point in the same geographic region so that such unused Hourly Scheduled Entitlements are combined with Shipper's other Hourly Scheduled Entitlements at such upstream Delivery Point.

(a) Hourly delivery transfers will utilize Alternate Capacity only.

(b) Delivery Points eligible for hourly delivery transfer are identified on the EBB as: 1) Premium Service Delivery Points, and must be listed as primary delivery points on Exhibit A of Shipper's NNTH TSA or 2) alternate Premium Service Delivery Points located on Shipper's primary receipt-to-delivery Flow Path. Transporter will update the list of eligible Delivery Points as experience and operating conditions allow.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.7 (Continued)

(c) Hourly Scheduled Entitlements transferred from a delivery point must be equal to, or less than, Shipper's Hourly Scheduled Entitlement pursuant to Shipper's FTH TSA, less hourly deliveries to such point resulting from nominations for delivery to that point.

(d) Hourly delivery transfers to delivery points shall not exceed the quantity limitations for the time periods specified in Shipper's FTH TSA.

(e) The transfer of such Hourly Scheduled Entitlements may not affect service to any other firm Shipper.

2.8 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

2.9 Shipper may submit a HEEN pursuant to Section 25 of the GT&C and in accordance with this rate schedule.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.7 (Continued)

(c) Hourly Scheduled Entitlements transferred from a delivery point must be equal to, or less than, Shipper's Hourly Scheduled Entitlement pursuant to Shipper's NNTH TSA, less hourly deliveries to such point resulting from scheduled nominations for delivery to that point.

(d) Hourly delivery transfers to delivery points shall not exceed the quantity limitations for the time periods specified in Shipper's NNTH TSA.

(e) The transfer of such Hourly Scheduled Entitlements may not affect service to any other firm Shipper.

2.8 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

2.9 Shipper may submit a HEEN pursuant to Section 8.1(i) of the GT&C and in accordance with this rate schedule.

3. CONDITIONS OF SERVICE

3.1 Shipper's daily scheduled quantity at a Delivery Point will be converted to Hourly Scheduled Entitlements based on the hourly profile described in Shipper's NNTH TSA.

3.2 Transporter will provide Shipper with a no-notice gas account equal to +/- 10% of Shipper's TCD to provide hourly no-notice service of up to +/- 10% of Shipper's MDQ at each of the primary delivery points listed on Exhibit A of Shipper's NNTH TSA.

(a) Pursuant to Section 3.2(d) of this Rate Schedule, when delivered quantities are less than scheduled quantities (pack) at a primary delivery point, such variance shall not exceed 10% of Shipper's MDQ and shall be deemed "no-notice pack quantities." Any quantities in excess of the no-notice pack quantities will be an imbalance on Shipper's TSA and subject to Section 10 of the GT&C.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.4 Rate Schedule FT-H capacity may be released to another party.

(a) The Acquiring Shipper will retain hourly service rights, as defined in the Releasing Shipper's FTH TSA, at the primary delivery points released by the Releasing Shipper. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis subject to the provisions of Section 3.2 of this Rate Schedule.

(b) An Acquiring Shipper who re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the primary point.

(c) Released Rate Schedule FT-H capacity will become Rate Schedule FT-1 capacity if the Acquiring Shipper re-designates an acquired Delivery Point to a non-Premium Service Delivery Point or a non-Operationally Equivalent Premium Service Delivery Point; however, the Acquiring Shipper will continue to pay the maximum applicable Rate Schedule FT-H rates for such service until the next general rate proceeding.

3.5 Flow day diversions, pursuant to Section 4.1(g) of the GT&C, are available to Rate Schedule FT-H Shippers.

3.6 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.2 (d) (iv) Such process will be repeated until the pack no-notice account balance is reduced to equal 10% of Shipper's TCD.

(e) In the event a draft no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice draft quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the draft no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with draft no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage draft quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice draft account balance does not go below 10% of Shipper's TCD.

(iii) If after reducing the draft no-notice quantities at the first point, the draft no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the draft no-notice account balance does not go below 10% of Shipper's TCD.

(iv) Such process will be repeated until the draft no-notice account balance is reduced to equal 10% of Shipper's TCD.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.5 Release of Rate Schedule NNTH Capacity.

(a) Shipper may release its Rate Schedule NNTH capacity for service under Rate Schedule NNTH. The Acquiring Shipper will retain hourly service delivery rights, as defined in the Releasing Shipper's NNTH TSA, at the primary delivery points listed in the Releasing Shipper's NNTH TSA. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis subject to the provisions of Section 2.4(d) of this Rate Schedule.

(b) An Acquiring Shipper who re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the primary point.

(c) Released Rate Schedule NNTH capacity will become Rate Schedule FT-1 capacity if the Acquiring Shipper re-designates an acquired Delivery Point to a non-Premium Service Delivery Point or a non-Operationally Equivalent Premium Service Delivery Point; however, the Acquiring Shipper will continue to pay the maximum applicable Rate Schedule NNTH rates for such service until the next general rate proceeding.

(d) Shipper may not separately release the no-notice (un-nominated) portion of its NNTH TSA.

3.6 Flow day diversions, pursuant to Section 6.5 of the GT&C, are available to Rate Schedule NNTH Shippers.

3.7 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

4. HOURLY POINT RIGHTS
Transporter shall provide defined hourly transportation service at Premium Service Delivery Points pursuant to this Rate Schedule.

4.1 Delivery Points eligible for hourly service must be identified on Transporter's EBB as Premium Service Delivery Points.

4.2 Where deliveries involve service to non-Premium Service Delivery Points, Shipper must take deliveries, or cause deliveries to be taken, at uniform rates of flow and Shipper's hourly rights will be deemed to be 1/24th of daily scheduled quantities at such points.

4.3 A Shipper's total hourly rights at a Delivery Point will be determined by summing Shipper's Hourly Contract Entitlements under all Shipper's TSAs for which gas is scheduled for delivery to such point.

4.4 All nominations are submitted and scheduled in daily quantities. Transporter will apply hourly profiles, pursuant to Shipper's NNTH TSA, to the nominated and confirmed daily quantities to determine Hourly Scheduled Entitlements.

4.5 Gas flows at eligible hourly Delivery Points will be allocated to contracts scheduled to such points in the following order. Within this allocation order, gas flows will be allocated pro rata among all agreements within a category unless the DP Operator designates a different allocation method.

(a) Daily transportation service requiring uniform, 1/24th of scheduled quantity, flow rate, including authorized overruns;

(b) Hourly transportation service providing for Twelve Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

(c) Hourly transportation service providing for Sixteen Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

4. HOURLY POINT RIGHTS (Continued)

4.5 (Continued)

(d) Hourly transportation service providing for Eight Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

(e) Hourly transportation service providing for Three Hour Enhanced Service under Rate Schedule FT-H, including authorized overruns;

(f) Daily no-notice transportation service requiring uniform flow rate under Rate Schedule NNTD, including authorized overruns;

(g) Hourly no-notice transportation service providing for Twelve Hour Enhanced Service under Rate Schedule NNTH, including authorized overruns;

(h) Hourly no-notice transportation service providing for Sixteen Hour Peaking Service under Rate Schedule NNTH, including authorized overruns;

(i) Hourly no-notice transportation service providing for Three Hour Peaking Service under Rate Schedule NNTH, including authorized overruns; and

(j) Interruptible hourly swing service pursuant to Rate Schedule IHSW.

4.6 On any Gas Day, using the nomination process, a Shipper may request to reduce its Hourly Contract Entitlement at a Delivery Point to create additional useable daily capacity in the manner described below:

Sixteen Hour Peaking Service may be reduced to Twelve Hour Peaking Service, Three Hour Enhanced Service, or to a uniform rate of flow, i.e. 1/24th of the daily scheduled quantity;

Twelve Hour Peaking Service may be reduced to Three Hour Enhanced Service, or to a uniform rate of flow, i.e. 1/24th of the daily scheduled quantity;

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

7. CHARGES (Continued)

7.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the NNTH TSA pursuant to Section 2.6 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the daily authorized overrun rate. The daily authorized overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 7.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

7. CHARGES (Continued)
7.2(b) Daily Unauthorized Overrun Transportation (Continued)

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 11.1(a)(viii) and 11.1(i) of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 7.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

8. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's NNTH TSA. Unless otherwise agreed, the Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C.

9. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the NNTH TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the hourly transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for firm transportation service of Section 8.1, the requests for services of Section 4, the Fuel provisions of Section 13, the monthly imbalance procedures of Section 10, Critical Condition procedures of Section 11.1, and reservation charge credit provisions of Section 16 are applicable to this Rate Schedule.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

3. CONDITIONS OF SERVICE

3.1 Shipper's daily scheduled quantity at a Delivery Point will be converted to Hourly Scheduled Entitlements based on the hourly profile described in Shipper's FTH TSA.

3.2 On an alternate basis, Shipper may use its Hourly Contract Entitlements pursuant to its FTH TSA at Premium Service Delivery Points not listed in Shipper's FTH TSA if the distance between the Receipt Point and Delivery Point and the Flow Path are Operationally Equivalent to the points listed in the FTH TSA and service to other Shippers is not adversely affected. If these conditions are not satisfied, Shippers may use the Receipt and/or Delivery Point on an alternate basis at uniform rates of flow pursuant to the requirements of this Tariff.

3.3 A Shipper may request to re-designate a primary point pursuant to Section 20.13 of the GT&C.

(a) A Shipper that re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the original point.

(b) Rate Schedule FT-H capacity will become Rate Schedule FT-1 capacity if the Shipper re-designates a primary delivery point to a non-Premium Service Delivery Point or to a non-Operationally Equivalent Premium Service Delivery Point; however, the Shipper will continue to pay the maximum applicable Rate Schedule FT-H rates for such service until the next general rate proceeding.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)
3.2 (Continued)

(b) Pursuant to Section 3.2(e) of this Rate Schedule, when delivered quantities exceed scheduled quantities (draft) at a primary delivery point, such variance shall be deemed "no-notice draft quantities" and shall not exceed the lower of: 1) 10% of Shipper's MDQ, or 2) the difference between the Shipper's MDQ and the scheduled quantity. Any quantities in excess of the no-notice draft quantities will be an imbalance on Shipper's TSA and subject to Section 10 of the GT&C.

(c) Each Day no-notice pack or draft quantities for all delivery points listed in Exhibit A of Shipper's NNTH TSA will be netted together and the net pack added to, or the net draft subtracted from, the no-notice account balance as long as such netting does not serve to effectuate transportation across persistent system constraints.

(d) In the event a pack no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice pack quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the pack no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with pack no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage pack quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice pack account balance does not go below 10% of Shipper's TCD.

(iii) If after reducing the pack no-notice quantities at the first point, the pack no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the pack no-notice account balance does not go below 10% of Shipper's TCD.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.3 Resolution of NNTH Balance.

(a) An NNTH balance shall be resolved through the use of physical make-up or payback gas quantities.

(b) Any TSA may be used to make-up or payback gas quantities.

(c) Make-up or payback nominations shall be made pursuant to Section 6 of the GT&C.

(d) At the end of the Month, an NNTH balance on an NNTH TSA may be netted with an NNTH balance on another NNTH TSA, as long as such netting does not serve to effectuate transportation across persistent system constraints.

(e) An NNTH balance that has not been eliminated for 30 Days will be cashed out at the end of the next Month pursuant to Section 10 of the GT&C.

3.4 A Shipper may request to re-designate a primary point pursuant to Section 8.1(f) of the GT&C.

(a) A Shipper that re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the original point.

(b) Rate Schedule NNTH capacity will become Rate Schedule FT-1 capacity if the Shipper re-designates a primary delivery point to a non-Premium Service Delivery Point or to a non-Operationally Equivalent Premium Service Delivery Point; however, the Shipper will continue to pay the maximum applicable Rate Schedule NNTH rates for such service until the next general rate proceeding.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

7. CHARGES (Continued)

7.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the FTH TSA pursuant to Section 2.6 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the Daily Authorized Overrun rate. The Daily Authorized Overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 7.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

4. HOURLY POINT RIGHTS
4.6 (Continued)
Three Hour Enhanced Service may be reduced to a uniform rate of flow, i.e. 1/24th of the daily scheduled quantity.

(a) Such requested reduction must take place in the Timely Nomination Cycle (Cycle 1) or the Evening Nomination Cycle (Cycle 2). Once such reduction has been made, it can not be changed until the next available Cycle 1.

(b) Delivery Point and path capacity that become available as a result of such reduction may be used to provide transportation service for others, including another firm Shipper or interruptible Shipper.

(c) A Shipper who has reduced its Hourly Contract Entitlement will be assessed hourly scheduling penalties based on the lower service option the Shipper has selected.

5. RATE
Shipper shall pay to Transporter each Month the charges set forth below under the Executed NNTH TSA.

5.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rates shall not exceed the applicable maximum rate nor shall they be less than the minimum rate set forth on the currently effective Statement of Rates.

5.2 Mainline Reservation Charges: Shipper shall pay the Reservation Charges applicable to the service option contracted for in the NNTH TSA subject to this Rate Schedule. This charge shall be determined by multiplying Shipper's TCD by the reservation rate specified in the NNTH TSA. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the NNTH TSA.

5.3 Usage Charge: Unless otherwise provided in the NNTH TSA, Shipper shall pay the maximum rate per dth applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, and Nevada) in which deliveries are made as set forth from time to time on the applicable Statement of Rates. The usage charges payable under this Rate Schedule will include all applicable usage surcharges, unless otherwise provided in the NNTH TSA.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

7. CHARGES (Continued)
7.2 Overrun Transportation (Continued)
(b) Daily Unauthorized Overrun Transportation.

(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 38 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 7.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 7.2(b)(ii) of this rate schedule.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

7. CHARGES (Continued)

7.2(a) Overrun Transportation

(ii) Because daily overrun service is measured by use of a Shipper's TCD pursuant to Section 7.2(a) above, to the extent a Shipper takes daily deliveries in excess of its Delivery Point MDQ at one Delivery Point but below TCD at all Delivery Points, such quantities will be charged the usage rate and will be treated as imbalance quantities rather than overrun quantities if the quantities have not been scheduled.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

5. RATE (Continued)

5.4 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

6. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Rate Schedule NNTH Shipper when it is unable to schedule such Shipper's nominated and confirmed quantities on a daily basis pursuant to Section 16 of the GT&C, subject to the conditions of this Rate Schedule.

7. CHARGES

7.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.

RATE SCHEDULE FT-H
Hourly Firm Transportation Service
(Continued)

7. CHARGES (Continued)
7.2(b) Daily Unauthorized Overrun Transportation (Continued)

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 33.1(h)(ii) and 33.10 of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 36 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 7.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

7. CHARGES (Continued)
7.2 Overrun Transportation (Continued)
(b) Daily Unauthorized Overrun Transportation.

(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 10.5 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 7.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 7.2(b)(ii) of this rate schedule.

RATE SCHEDULE IT-1
Interruptible Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the transportation of Natural Gas on an interruptible basis by Transporter when Shipper and Transporter have an Executed TSA, in the form contained in this Volume No. 1A Tariff, for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed TSA, provided that:

2.1 Transportation service hereunder shall be interruptible, subject to the provisions of the Executed TSA and to the GT&C incorporated herein by reference.

2.2 Transportation service shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Point(s), the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that Natural Gas, after appropriate reductions, by Transporter to Shipper or for Shipper's account at the Delivery Point(s).

2.3 Transporter has determined that other than such new taps, valves, measurement equipment, and other minor facilities which may be required at the Receipt or Delivery Point(s) to effect receipt or delivery of the gas, it has available or will secure sufficient uncommitted capacity to provide the service requested by Shipper as well as all of its other firm service commitments.

2.4 Shipper has met the creditworthiness requirements of Section 4.16 of the GT&C.

RATE SCHEDULE FDBS
Firm Daily Balancing Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE

2.2 Except as otherwise provided in this Tariff, at each Delivery Point, hourly quantities delivered, or caused to be delivered, for Shipper's account shall not exceed 1/24th of Shipper's daily scheduled quantities at such point.

2.3 Firm daily balancing service hereunder shall consist of:

(a) Transporter retaining nominated and confirmed Natural Gas quantities on Transporter's pipeline system ("Bank") at the Delivery Points specified in the Executed FDBS TSA up to the FDBS TSA MDQ for each point; and

(b) Transporter delivering nominated and confirmed Natural Gas quantities, after appropriate reductions as provided for in this Rate Schedule, to Delivery Points specified in the Executed FDBS TSA ("Draw") up to the FDBS TSA MDQ for each point.

(c) Firm balancing service will be provided on a daily basis up to a Shipper's Maximum Inventory Amount.

(i) Maximum Inventory Amount is the maximum quantity a Shipper can Bank or Draw at a Delivery Point. The Maximum Inventory Amount is calculated as the difference between the FDBS TSA MDQ at a Delivery Point and the sum of the accumulated end-of-day balances at such point.

2.4 Service options pursuant to this Rate Schedule may be purchased as follows:

(a) Winter contract ("FDBS-W"); firm daily balancing service is available for the five consecutive Months during the November through March winter period. FDBS-W contracts may be for a term of multiple Years.

(b) Summer contract ("FDBS-S"); firm daily balancing service is available for the seven consecutive Months during the April through October summer period. FDBS-S contracts may be for a term of multiple Years.

(c) Shippers may contract for firm daily balancing service separately with a summer or winter contract, or jointly to create an annual contract for service ("FDBS-A"). In addition, an annual contract may be for twelve months or longer.

RATE SCHEDULE IT-1
Interruptible Transportation Service (Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 Rates of Flow.

(a) Except as otherwise provided in this Tariff, gas quantities received by Transporter in any hour shall not exceed 1/24th of Shipper's scheduled quantity at such Receipt Points. Except as otherwise provided in this Tariff, gas quantities delivered by Transporter in any hour shall not exceed 1/24th of Shipper's scheduled quantity at such Delivery Points.

(b) Except as otherwise provided in this Tariff, Shipper must balance its daily receipts and daily deliveries at the end of each Gas Day.

(c) To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

3. RATE

3.1 Transporter, at its sole discretion, may from time to time and at any time selectively discount any or all of the rates on the Statement of Rates applicable to any individual Shipper; provided, however, that such discounted rates shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates Sheet.

3.2 Transportation Charges. Shipper shall pay the sum of the following, if applicable:

(a) Mainline Transportation Charges. The rate(s) in effect and reflected from time to time as the maximum "Mainline Transportation Charges," unless otherwise provided, applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, Nevada or California) in which deliveries are made, as set forth on the currently effective Statement of Rates. The Mainline Transportation Charges applicable to a TSA subject to this rate schedule shall be determined by multiplying the quantity of Natural Gas delivered in dth by the rate specified in the TSA. The usage charge payable under this rate schedule shall include all applicable usage surcharges unless otherwise provided in the TSA.

RATE SCHEDULE FDBS
Firm Daily Balancing Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE
2.4 (Continued)

(d) Maximum rate firm daily balancing service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.4(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 20.16 of the GT&C.

2.5 Daily Balancing Quantities

(a) On any Gas Day, Shipper's Bank or Draw quantities for that Day at the Delivery Point plus the previous accumulated end-of-day balance at such Delivery Point may not exceed the Maximum Inventory Amount for such point.

(b) On any Gas Day, if the sum of the Bank or Draw quantities and the related FT TSA scheduled quantities at a Delivery Point exceed the MDQ for that point contained in the FT TSA, the excess quantities will be treated as daily unauthorized overrun quantities on the companion FT TSA.

3. CONDITIONS OF SERVICE

3.1 Notwithstanding the above, Shipper may Bank or Draw gas quantities at a Delivery Point in an amount no greater than the FDBS TSA MDQ for such point. Transporter will not provide daily balancing service when Shipper's total outstanding FDBS end-of-day balance at a Delivery Point equals the FDBS Maximum Inventory Amount.

3.2 Firm daily balancing service quantities must be nominated and confirmed to the FDBS TSA in accordance with the provisions of Section 4 of the GT&C.

3.3 Resolution of FDBS End-of-Day Balances.

(a) An FDBS end-of-day balance shall be resolved through the use of physical make-up or payback gas quantities.

(b) Make-up or payback nominations shall be made pursuant to Section 4 of the GT&C.

RATE SCHEDULE IT-1
Interruptible Transportation Service (Continued)

3. RATE (Continued)
3.2 (Continued)

(b) Willcox Lateral Facilities Charge. This charge is applicable to those TSAs which provide service using the Willcox Lateral. The charge consists of the maximum rate, unless otherwise provided, set forth from time to time on the currently effective Statement of Rates multiplied by Shipper's scheduled quantity. Since this charge pertains only to the Willcox Lateral, upstream rights or alternate point rights as described in this Tariff shall apply only to Receipt and Delivery Points on the Willcox Lateral.

(c) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall: 1) make a one-time 100 percent reimbursement for the cost of facilities or 2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC (where a Shipper agrees to pay for all or part of the facilities) shall be increased by an amount to compensate for the corporate income tax effects thereof.

(d) Other Charges. Transporter shall charge Shipper and Shipper shall pay for any other FERC-approved charges that apply to service under this Rate Schedule.

RATE SCHEDULE IT-1
Interruptible Transportation Service
(Continued)

4. FUEL and L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel and L&U necessary to support the transportation of Natural Gas pursuant to Shipper's Executed TSA. The Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C. The Fuel charge may be discounted by Transporter; provided, however, that the discounted charge shall not be less than actual Fuel incurred for the transaction being discounted.

5. CHARGES

Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.

6. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for interruptible transportation service of Section 8.2, the requests for services of Section 4, the Fuel provisions of Section 13, the monthly imbalance management provisions of Section 10, and the Critical Condition procedures of Section 11.1 are applicable to this Rate Schedule.

Effective Date: 04/01/2010 Status: Effective
FERC Docket: RP10-454-001

Third Revised Sheet No. 146D Third Revised Sheet No. 146D
Superseding: Second Rev First Revised Sheet No. 146D

Reserved for future use.

Effective Date: 04/01/2010 Status: Effective
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Third Revised Sheet No. 146E Third Revised Sheet No. 146E
Superseding: Second Revised Sheet No. 146E

Reserved for future use.

Second Revised Sheet No. 146F Second Revised Sheet No. 146F
Superseding: First Revised Sheet No. 146F

Reserved for future use.

RATE SCHEDULE IHSW
Interruptible Hourly Swing Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for hourly deliveries of Natural Gas on an interruptible basis by Transporter under the following conditions:

1.1 Shipper has met the creditworthiness requirements of this Tariff.

1.2 Shipper and Transporter have executed a TSA for the IHSW service in the form contained in this Tariff ("IHSW TSA").

1.3 Shipper has an Executed TSA(s) under Transporter's Rate Schedules FT-1, FTH-V, FT-H, NNTD, NNTH and/or IT-1 for the transportation of gas ("Transport TSA(s)").

1.4 IHSW service is available only at Delivery Points identified as Premium Service Delivery Points on Transporter's EBB.

1.5 IHSW service is available to any party meeting the requirements of this Rate Schedule including DP Operators.

1.6 A DP Operator shall have the flexibility to apply IHSW service to hourly quantities under one of the pre-determined allocation methods described in Section 10.5 of the GT&C.

(a) If a DP Operator utilizes IHSW service it may choose to associate such service with the Operator Sweep method option pursuant to Section 10.5. In this event, the Operator's OSA shall be defined as a Transport TSA for purposes of this rate schedule only.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas delivered by Transporter for Shipper pursuant to the IHSW TSA.

2.2 Delivery service hereunder shall be interruptible, subject to the provisions of the IHSW TSA and to the GT&C incorporated herein by reference.

2.3 IHSW service is provided to accommodate hourly flow variations above Hourly Scheduled Entitlements, based on total quantities scheduled on Transport TSAs, at each Premium Service Delivery Point.

RATE SCHEDULE IHSW
Interruptible Hourly Swing Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.4 Subject to 2.4(a) and 2.4(b) of this rate schedule, IHSW service consists of Transporter delivering gas quantities at a Delivery Point on Shipper's behalf that are equal to the difference between the total Hourly Scheduled Entitlements at such Delivery Point, as defined by the daily scheduled quantity and specified hourly rights in the Transport TSAs scheduled to the Delivery Point, and the actual hourly gas flows at such point.

(a) In any hour, IHSW service commences once the actual hourly flow at a Delivery Point exceeds the Safe Harbor Tolerance Quantities based on the total of the Hourly Scheduled Entitlements for such point on the applicable Transport TSAs. IHSW rates shall only apply to those quantities in excess of the Safe Harbor Tolerance Quantities.

(b) Transporter will allocate to the IHSW TSA that portion of the difference between Shipper's Hourly Scheduled Entitlement quantities based on its daily scheduled quantity at an eligible Delivery Point and the quantity actually taken at such point that is in excess of the applicable Safe Harbor Tolerance Quantities, up to the limitations set forth in Section 3.4 of this rate schedule.

2.5 IHSW service is an automatic service; it is not nominated. Transporter will apply contracted hourly rights, based on the Transport TSA(s) scheduled to the Delivery Point, to the daily scheduled quantity to determine hourly quantities.

2.6 Should both a firm Shipper and a Rate Schedule IT-1 Shipper each use a separate IHSW TSA for deliveries to the same Delivery Point, the DP Operator shall indicate which hourly service agreement is assumed to be used first. If the DP Operator does not so indicate, the Rate Schedule IT-1 related IHSW agreement ("IT IHSW") shall be used first.

3. CONDITIONS OF SERVICE

3.1 Transporter may, due to operational constraints, suspend the availability of IHSW service on any Day and at any time during the Gas Day prior to the close of the nomination period for Cycle 4.

3.2 A Shipper who acquires capacity subject to the provisions of Section 9 of the GT&C may use IHSW service in conjunction with such capacity for at least one Month at a time.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 The enhanced daily transportation service options available under this Rate Schedule NNTD are as follows:

(a) Winter contract ("NNTD-W"); enhanced daily firm transportation service is available for the five consecutive Months during the November through March winter period. NNTD-W contracts may be for a term of multiple Years.

(b) Summer contract ("NNTD-S"); enhanced daily firm transportation service is available for the seven consecutive Months during the April through October summer period. NNTD-S contracts may be for a term of multiple Years.

(c) Shippers may contract for enhanced daily firm transportation service separately with a summer or winter contract, or jointly to create an annual contract for service ("NNTD-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate enhanced daily firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.5(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 20.16 of the GT&C.

RATE SCHEDULE IHSW
Interruptible Hourly Swing Service
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.3 Shipper may use its IHSW TSA in conjunction with multiple TSA(s). Shipper shall notify Transporter of its election of designated TSAs applicable at a Delivery Point prior to the last Business Day of the Month preceding the effective Month; such election shall be for a period of no less than one Month.

3.4 IHSW service shall not be applicable to the aggregate sum of any hourly variation greater than 160% of 1/24th of each TSA's daily scheduled quantities at a Delivery Point. Actual hourly flow quantities under the related TSA(s) greater than 160% of 1/24th of the sum of the applicable scheduled quantities shall be treated as Hourly Scheduling Penalty Quantities under the applicable Transport TSA(s) and shall not be IHSW quantities.

3.5 Any daily imbalance will remain on the Transport TSA(s).

4. RATE

Shipper shall pay to Transporter each Month the charges set forth below under the executed IHSW TSA.

4.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates.

4.2 Shipper shall pay, unless otherwise provided in the IHSW TSA, the maximum rate(s) per dth applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, Nevada and California at IBlythe, DRN 305261) in which deliveries are made, as set forth from time to time on the applicable Statement of Rates. Each Day, Shipper shall pay an amount obtained by multiplying the IHSW quantity at each Delivery Point by the applicable rate for such Delivery Point.

4.3 The usage charges payable under this rate schedule will include all applicable surcharges, unless otherwise provided in the TSA.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 Rates of Flow.

(a) Except as otherwise provided in this Tariff, at each Receipt Point each Party shall use diligent, good faith efforts to tender, or cause to be tendered, gas at reasonably uniform hourly and daily rates of flow. At each Delivery Point, hourly quantities delivered, or caused to be delivered, for Shipper's account shall not exceed 1/24th of Shipper's daily scheduled quantities at such point.

(b) No-notice service shall not be applicable to any hourly variation greater than 1/24th of the NNTD TSA contract demand, except as provided in Section 6 of this rate schedule. Any such excess quantity shall be treated as Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

2.7 Daily Delivery Transfer. Transporter will provide for (unless Shipper requests otherwise) the daily transfer of any unused daily delivery point entitlements to Shipper's upstream Operationally Equivalent Delivery Point(s) in the same geographic region so that such unused daily entitlements are combined with Shipper's other daily delivery entitlements at such upstream Delivery Point.

(a) Daily delivery transfers will utilize Alternate Capacity only.

(b) Delivery Points eligible for daily delivery transfer are identified on the EBB as: 1) Premium Service Delivery Points, and must be listed as primary delivery points on Exhibit A of Shipper's NNTD TSA or 2) alternate Premium Service Delivery Points located on Shipper's primary receipt-to-delivery Flow Path. Transporter will update the list of eligible Delivery Points as experience and operating conditions allow.

(c) Delivery point entitlements transferred from a delivery point must be equal to, or less than, Shipper's MDQ less daily deliveries to such point resulting from scheduled nominations for delivery to that point.

(d) The transfer of such daily entitlements may not affect service to any other firm Shipper.

2.8 Shipper may submit a HEEN pursuant to Section 25 of the GT&C and in accordance with this rate schedule.

RATE SCHEDULE IHSW
Interruptible Hourly Swing Service
(Continued)

5. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the IHSW TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for interruptible transportation service of Section 8.2, the requests for services of Section 4, and Critical Condition procedures of Section 11.1 are applicable to this Rate Schedule.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.2 On an alternate basis, Shipper may use its NNTD rights at Premium Service Delivery Points not listed in Shipper's NNTD TSA if the distance between the Receipt Point and Delivery Point and the Flow Path are equivalent to the points listed in the NNTD TSA ("Operationally Equivalent") and service to other firm shippers is not adversely affected. If these conditions are not satisfied, Shipper may use the Receipt and/or Delivery Points on a Second Alternate basis pursuant to Section 4.2 of the GT&C at scheduled uniform rates of flow pursuant to the requirements of this Tariff.

(a) Shipper's use of no-notice service at an alternate delivery point is limited to no more than 10% of the scheduled quantity at such alternate point and the availability of no-notice quantities pursuant to Section 3 of this Rate Schedule.

3.3 A Shipper may request to re-designate a primary point pursuant to Section 20.13 of the GT&C.

(a) A Shipper that re-designates a primary delivery point to another Premium Service Delivery Point will retain no-notice service rights at such point if service to the re-designated point is Operationally Equivalent to service at the original point.

(b) Rate Schedule NNTD capacity will become Rate Schedule FT-1 capacity if the Shipper re-designates a primary delivery point to a non-Premium Service Delivery Point or to a non-Operationally Equivalent Premium Service Delivery Point; however, the Shipper will continue to pay the maximum applicable Rate Schedule NNTD rates for such service until the next general rate proceeding.

RATE SCHEDULE ISS
Interruptible Storage Service
(Continued)

3. CONDITIONS OF SERVICE (Continued)
3.2(b) (Continued)

(i) Should Transporter receive a valid nomination complying with a notification to withdraw but be unable to confirm or schedule such nomination, the obligation of Shipper to comply with that notification, but not the obligation to submit nominations, shall be suspended until such time as Transporter's operational conditions permit such nomination to be confirmed and scheduled.

(ii) Unless otherwise agreed by Transporter and Shipper, any storage inventory not nominated for withdrawal within the period of time specified by Transporter shall become the property of Transporter at no cost to Transporter and free and clear of any adverse claims.

4. RATE

Shipper shall pay to Transporter each Month the charges set forth below under the Executed ISS TSA.

4.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates.

4.2 Shipper shall pay, unless otherwise provided in the ISS TSA, the maximum rate(s) per dth set forth from time to time on the applicable Statement of Rates. Shipper shall pay an amount obtained by multiplying the average daily balance of gas stored by Transporter for Shipper's account during the Month by the applicable storage inventory rate.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.6 Flow day diversions, pursuant to Section 4.1(g) of the GT&C, are available to Rate Schedule NNTD Shippers.

3.7 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

4. RATE

Shipper shall pay to Transporter each Month the charges set forth below under the executed NNTD TSA.

4.1 Transporter, at its sole discretion, may from time to time and at any time, selectively discount any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rates shall not exceed the applicable maximum rate nor shall they be less than the minimum rate set forth on the currently effective Statement of Rates sheet.

4.2 Mainline Reservation Charges: Shipper shall pay the Reservation Charges applicable to an NNTD TSA subject to this Rate Schedule. This charge shall be determined by multiplying Shipper's TCD by the reservation rate specified in the NNTD TSA. The Reservation Charges payable under this Rate Schedule will include all applicable reservation surcharges, unless otherwise provided in the NNTD TSA.

4.3 Usage Charge: Unless otherwise provided in the NNTD TSA, Shipper shall pay the maximum rate per dth applicable to the delivery zones (Production Area, Texas, New Mexico, Arizona, Nevada and California) in which deliveries are made as set forth from time to time on the applicable Statement of Rates Sheet. The usage charges payable under this Rate Schedule will include all applicable usage surcharges, unless otherwise provided in the NNTD TSA.

RATE SCHEDULE ISS
Interruptible Storage Service
(Continued)

6. TRANSFER OF GAS IN PLACE

6.1 Transfer of Gas in Place. A Shipper ("Transferor") may sell gas in its storage account to another Party ("Transferee"), pursuant to this Rate Schedule provided:

(a) Transferor has all necessary authority to sell the gas.

(b) Subject to the scheduling provisions of Section 6 of the GT&C, Transferee and Transferor submit a nomination notifying Transporter of the sale of stored quantities.

(c) Transporter verifies that the Transferor has sufficient gas quantity in its storage account to effectuate the transfer.

(d) On the date the transfer is to become effective, the Transferee shall have an Executed ISS TSA to accommodate the quantity being acquired from the Transferor.

(i) Transporter is not obligated to immediately withdraw transferred gas quantities from storage.

(ii) Transferee is not obligated to immediately withdraw transferred gas quantities from storage; however, transferred quantities shall be subject to the terms and conditions of Transferee's ISS TSA.

7. TERMINATION OF STORAGE SERVICE

7.1 Shipper is required to remove all stored quantities no later than the termination date of the ISS TSA. Upon termination of the ISS TSA, any stored quantity not removed shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims. Transporter shall extend the time by one Day for each Day that Shipper submits a valid nomination for the withdrawal of stored quantities that it is unable to confirm or schedule due to operational reasons.

7.2 Shipper is required to remove all stored quantities no later than the termination date of Shipper's Transport TSA. Upon termination of Shipper's Transport TSA, any gas quantity still in storage shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims.

RATE SCHEDULE ISS
Interruptible Storage Service
(Continued)

8. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the ISS TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the operating provisions for interruptible transportation service of Section 8.2, the requests for services of Section 4, the Fuel provisions of Section 13, the imbalance management provisions of Section 10 and Critical Condition procedures of Section 11.1 are applicable to this Rate Schedule.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

6. CHARGES (Continued)
6.2 Overrun Transportation (Continued)
(b) Daily Unauthorized Overrun Transportation.

(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 38 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 6.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 6.2(b)(ii) of this rate schedule.

Fifth Revised Sheet No. 147G Fifth Revised Sheet No. 147G
Superseding: Fourth Revised Sheet No. 147G

Reserved for future use.

Third Revised Sheet No. 147H Third Revised Sheet No. 147H
Superseding: Second Rev First Revised Sheet No. 147H

Reserved for future use.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE

3.1 Transporter will provide Shipper with a no-notice gas account equal to +/- 10% of Shipper's TCD to provide daily no-notice service of up to +/- 10% of Shipper's MDQ at each of the primary delivery points listed on Exhibit A of Shipper's NNTD TSA.

(a) Pursuant to Section 3.1(d) of this Rate Schedule, when delivered quantities are less than scheduled quantities (pack) at a primary delivery point, such variance shall not exceed 10% of Shipper's MDQ and shall be deemed "no-notice pack quantities." Any quantities in excess of the no-notice pack quantities will be an imbalance on Shipper's TSA and subject to Section 32 of the GT&C.

(b) Pursuant to Section 3.1(e) of this Rate Schedule, when delivered quantities exceed scheduled quantities (draft) at a primary delivery point, such variance shall be deemed "no-notice draft quantities" and shall not exceed the lower of: 1) 10% of Shipper's MDQ, or 2) the difference between the Shipper's MDQ and the scheduled quantity. Any quantities in excess of the no-notice draft quantities will be an imbalance on Shipper's TSA and subject to Section 32 of the GT&C.

(c) Each Day no-notice pack or draft quantities for all delivery points listed in Exhibit A of Shipper's NNTD TSA will be netted together and the net pack added to, or the net draft subtracted from, the no-notice account balance as long as such netting does not serve to effectuate transportation across persistent system constraints.

(d) In the event a pack no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice pack quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the pack no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with pack no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage pack quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice pack account balance does not go below 10% of Shipper's TCD.

RATE SCHEDULE ISS
Interruptible Storage Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the storage of Natural Gas on an interruptible basis by Transporter under the following conditions:

1.1 Transporter determines it has sufficient operationally available and uncommitted capacity to perform the interruptible storage service requested;

1.2 Shipper has met the creditworthiness requirements of this Tariff;

1.3 Shipper has an Executed TSA for the interruptible storage service in the form contained in this Tariff ("ISS TSA"); and

1.4 Shipper has an Executed TSA under Transporter's Rate Schedules FT-1, FT-H, NNTD and/or NNTH ("Transport TSA") for the transportation of gas to and from "Pipeline Storage". Such Transport TSA must be for a term equal to or greater than the ISS TSA.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all Natural Gas stored by Transporter for Shipper pursuant to the executed ISS TSA.

2.2 Storage service hereunder shall be interruptible, subject to the provisions of the Executed ISS TSA and to the GT&C incorporated herein by reference.

2.3 Interruptible storage service hereunder shall consist of:

(a) Transporter injecting nominated and confirmed Natural Gas quantities into storage on an interruptible basis;

(b) Transporter storing gas quantities on Shipper's behalf on an interruptible basis; and

(c) Transporter withdrawing nominated and confirmed Natural Gas quantities from storage on an interruptible basis.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.4 Resolution of NNTD Balance.

(a) An NNTD balance shall be resolved through the use of physical make-up or payback gas quantities.

(b) Any TSA may be used to make-up or payback gas quantities.

(c) Make-up or payback nominations shall be made pursuant to Section 4 of the GT&C.

(d) At the end of the Month, an NNTD balance on an NNTD TSA may be netted with an NNTD balance on another NNTD TSA, as long as such netting does not serve to effectuate transportation across persistent system constraints.

(e) An NNTD balance that has not been eliminated for 30 Days will be cashed out at the end of the next Month pursuant to Section 32 of the GT&C.

3.5 Release of Rate Schedule NNTD Capacity.

(a) Shipper may release its Rate Schedule NNTD capacity for service under Rate Schedule NNTD. The Acquiring Shipper must retain the same Delivery Points as provided in the Releasing Shipper's NNTD TSA to retain the no-notice features of this Rate Schedule. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis.

(b) Released Rate Schedule NNTD capacity will become Rate Schedule FT-1 capacity if the Acquiring Shipper re-designates to a non-Premium Service Delivery Point or a non-Operationally Equivalent Premium Service Delivery Point; however, the Acquiring Shipper will continue to pay the maximum applicable Rate Schedule NNTD rates for such service until the next general rate proceeding.

(c) Shipper may not separately release the no-notice (un-nominated) portion of its NNTD TSA.

RATE SCHEDULE ISS
Interruptible Storage Service
(Continued)

4. RATE (Continued)

4.3 In addition to the storage inventory rate provided in Section 4.2 of this rate schedule, Shipper shall pay a commodity charge consisting of the sum of the following components:

(a) Quantity Injection Charge. The Quantity Injection Charge shall be the product of the Quantity Injection Rate multiplied by the quantity scheduled for injection into storage for Shipper's account each Month. Unless otherwise provided in the ISS TSA, the Quantity Injection Rate shall be the maximum rate(s) per dth set forth from time to time on the currently effective Statement of Rates.

(b) Quantity Withdrawal Charge. The Quantity Withdrawal Charge shall be the product of the Quantity Withdrawal Rate multiplied by the quantity delivered from storage for Shipper's account each Month. Unless otherwise provided in the ISS TSA, the Quantity Withdrawal Rate shall be the maximum rate(s) per dth set forth from time to time on the currently effective Statement of Rates.

4.4 No surcharges are applicable to service under this Rate Schedule. Surcharges, where applicable, will be assessed on the downstream component of the transportation service associated with the withdrawal of the gas from storage.

5. FUEL

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for the Fuel necessary to support the injection and storage of Natural Gas pursuant to Shipper's ISS TSA. Fuel will be assessed on the injection quantity. Unless otherwise agreed, the Fuel charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

6. CHARGES (Continued)

6.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the NNTD TSA pursuant to Section 2.6 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the daily authorized overrun rate. The daily authorized overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 6.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

Fourth Revised Sheet No. 147F.01 Fourth Revised Sheet No. 147F.01
Superseding: Third Revised Sheet No. 147F.01

Reserved for future use.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

6. CHARGES (Continued)

6.2(b) Daily Unauthorized Overrun Transportation (Continued)

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 33.1(h)(ii) and 33.10 of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 36 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 6.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

Fifth Revised Sheet No. 147G.01 Fifth Revised Sheet No. 147G.01
Superseding: Fourth Revised Sheet No. 147G.01

Reserved for future use.

RATE SCHEDULE NNTD
No-Notice Transportation Service - Daily
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.1 (d) (iii) If after reducing the pack no-notice quantities at the first point, the pack no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the pack no-notice account balance does not go below 10% of Shipper's TCD.

(iv) Such process will be repeated until the pack no-notice account balance is reduced to equal 10% of Shipper's TCD.

(e) In the event a draft no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice draft quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the draft no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with draft no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage draft quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice draft account balance does not go below 10% of Shipper's TCD.

(iii) If after reducing the draft no-notice quantities at the first point, the draft no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the draft no-notice account balance does not go below 10% of Shipper's TCD.

(iv) Such process will be repeated until the draft no-notice account balance is reduced to equal 10% of Shipper's TCD.

RATE SCHEDULE ISS
Interruptible Storage Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.4 On any Gas Day, any TSA may be used to transport gas to and from storage.

3. CONDITIONS OF SERVICE

3.1 Interruptible storage service must be nominated and confirmed to the ISS TSA in accordance with the provisions of Section 6 of the GT&C.

3.2 Upon issuance of a notice of Critical Condition that affects Transporter's use of pipeline capacity for higher priority services or operational requirements, Transporter may require Shipper to 1) suspend its injections into storage, 2) suspend its withdrawals from storage, or 3) withdraw its storage inventory on an expedited basis. Notification of the required activity shall be made pursuant to the notification procedures of Section 6.1(a)(xii) of the GT&C.

(a) Such notification shall only be made when the required Shipper action is necessary to protect the operational integrity and flexibility of Transporter's pipeline system or to allow Transporter to fulfill higher priority commitments.

(b) Upon notification by Transporter of required expedited storage withdrawals, Shipper will be required to submit a nomination pursuant to Section 6 of the GT&C in the next available nomination cycle to withdraw, no later than the next Gas Day, the greater of ten percent of Shipper's existing interruptible inventory or 5,000 Dth. Withdrawals at the same rate on subsequent Gas Days may also be required by Transporter.

First Revised Sheet No. 147F.02 First Revised Sheet No. 147F.02
Superseding: Original Sheet No. 147F.02

Reserved for future use.

RATE SCHEDULE PAL
Interruptible Parking and Lending Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the short-term parking and lending of Natural Gas on an interruptible, non-discriminatory basis, by Transporter when and to the extent that:

1.1 Transporter has determined, using its reasonable discretion, that capacity is available on its existing facilities and that it has the operational flexibility to provide interruptible Parking and Lending service without detriment or disadvantage to its customers using other transportation services;

1.2 Shipper has entered into a Master Parking and Lending ("PAL") Agreement with Transporter using the form contained in this Tariff;

1.3 Shipper has met the creditworthiness requirements of this Tariff; and

1.4 Shipper has entered into a PAL Service Agreement ("PALSA") (an attachment to the Master PAL Agreement) with Transporter in the form contained in this Tariff, for each PAL transaction between Shipper and Transporter specifying the term, rate, quantity and point(s) of transaction for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all PAL services rendered by Transporter for Shipper.

2.1 All PAL locations eligible for PAL service ("PAL Points") shall be located within the Production Area or within California pools and will be made available to Shipper on a non-discriminatory basis. Currently effective PAL Points shall be listed on Transporter's EBB.

RATE SCHEDULE PAL
Interruptible Parking and Lending Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.2 PAL service under this Rate Schedule is an interruptible service providing for:

(a) Parking Service -- Parking Service shall consist of a Shipper delivering gas quantities to Transporter at a PAL Point for holding and Transporter's subsequent return of parked quantities of gas to Shipper at the PAL Point where Shipper delivered the gas, pursuant to the PALSA and Section 4 of this Rate Schedule.

(b) Lending Service -- Lending Service shall consist of Transporter's advancement of gas quantities to Shipper at a PAL Point and Shipper's subsequent return of such advanced (loaned) quantities to Transporter at the PAL Point where the loan occurred, pursuant to the PALSA and Section 4 of this Rate Schedule.

(c) Gas quantities may be delivered to a PAL Point for parking or payback of a loan under Shipper's PALSA from Receipt Points within the related pooling area, or from Receipt Points not within the related PAL area under a separate TSA.

2.3 Service under this Rate Schedule shall be subject to all applicable provisions of the GT&C, the executed Master PAL Agreement, and the executed PALSA.

2.4 Parking and Lending service rendered under this Rate Schedule shall be provided for a minimum term of one (1) Day.

2.5 In no event shall Transporter be required to provide service under this Rate Schedule that would require Transporter to install, operate or maintain any additional facilities.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.4 (c) No-Notice Transportation Service.

(i) No-notice transportation service shall consist of Transporter providing gas quantities above or below Shipper's scheduled quantities at primary delivery points listed in the NNTH TSA.

(ii) The difference between Shipper's daily scheduled quantity and daily Flowing Gas quantity allocated to Shipper at a Delivery Point shall be deemed the no-notice daily quantity and will be allocated to the NNTH TSA as the NNTH daily balance at such point.

(iii) Subject to the limits described in this rate schedule, the difference between Shipper's Hourly Scheduled Entitlement quantity and the hourly Flowing Gas quantity allocated to Shipper at a Delivery Point shall be deemed the no-notice hourly quantity and will be allocated to the NNTH TSA as the NNTH hourly balance at such point.

(d) On an alternate basis, Shipper may use its Hourly Contract Entitlements pursuant to its NNTH TSA at Premium Service Delivery Points not listed in Shipper's NNTH TSA if the capacity serving the alternate point is Operationally Equivalent and service to other firm shippers is not adversely affected. If these conditions are not satisfied, Shipper may use the Receipt and/or Delivery Points pursuant to Section 4.2 of the GT&C at scheduled uniform rates of flow pursuant to the requirements of this Tariff.

(i) Shipper's use of no-notice service at an alternate delivery point is limited to no more than 10% of the scheduled quantity at such alternate point and the availability of no-notice quantities pursuant to Section 3 of this Rate Schedule.

2.5 The enhanced hourly transportation service options available under this Rate Schedule NNTH are as follows:

(a) Winter contract ("NNTH-W"); enhanced hourly firm transportation service is available for the five consecutive Months during the November through March winter period. NNTH-W contracts may be for a term of multiple Years.

(b) Summer contract ("NNTH-S"); enhanced hourly firm transportation service is available for the seven consecutive Months during the April through October summer period. NNTH-S contracts may be for a term of multiple Years.

RATE SCHEDULE PAL
Interruptible Parking and Lending Service
(Continued)

3. RATES AND CHARGES

3.1 Transporter, at its sole discretion, may from time to time and at any time selectively discount any or all of the rates on the Statement of Rates applicable to any individual Shipper pursuant to Section 4.17 of the GT&C; provided, however, that such discounted rates shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates.

3.2 Shipper shall pay to Transporter each Month the following charges for gas parked or loaned at each PAL Point for Shipper's account as set forth in the PALSA. Daily parked quantities and loaned quantities on the same PALSA shall be netted for daily billing purposes. The PALSA shall be posted on Transporter's EBB.

(a) Parking and Lending Charge: The rate per dth specified in the executed PALSA multiplied by the total quantity of gas parked or loaned at each PAL Point for Shipper's account for each Day service is rendered by Transporter.

(b) Surcharges: No surcharges are applicable to PAL service under this Rate Schedule.

(c) Fuel Charges: Fuel charges are not applicable to service under this Rate Schedule.

3.3 Authorized overrun charges shall be assessed on a daily basis for any nominated and confirmed quantities that exceed the PALSA's Daily PAL Quantity. Authorized overrun charges will be assessed at the rate listed on the Statement of Rates for overrun charges, unless otherwise agreed to in writing by Transporter.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 (c) Shippers may contract for enhanced hourly firm transportation service separately with a summer or winter contract, or jointly to create an annual contract of service ("NNTH-A"). In addition, an annual contract may be for twelve months or longer.

(d) Unless otherwise agreed, Shipper's Delivery Point MDQ for a winter, summer, or annual contract shall remain the same throughout each season, each season within the annual contract, or for the annual period.

(e) Maximum rate enhanced hourly firm transportation service that is contracted for a winter contract or summer contract for a term of more than one Year, or as an annual contract as described in Section 2.5(c) of this rate schedule, is eligible for a regulatory right-of-first-refusal pursuant to Section 20.16 of the GT&C.

2.6 The following enhanced hourly transportation service options are available under this Rate Schedule NNTH. Rate Schedule NNTH service options must be contracted separately.

(a) Three Hour Enhanced Peaking Service "NNTH-3." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the MDQ at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to 150% of 1/24th of the daily scheduled quantity at such point for up to five hours in the Gas Day subject to the limit that no more than three such hours may be consecutive hours in the Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity; and

(ii) up to an average of 130% of 1/24th of the daily scheduled quantity at such point for up to nine hours in the Gas Day subject to the limit that no more than six such hours may be consecutive hours in the Gas Day; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity; and

RATE SCHEDULE PAL
Interruptible Parking and Lending Service
(Continued)

3. RATES AND CHARGES (Continued)

3.4 In circumstances where Transporter is unable to confirm a valid PAL nomination to pay back a loan or to remove parked quantities:

(a) The Parking or Lending charge shall be reduced to $0.0000 on that Day for such quantities.

(b) Transporter and Shipper may mutually agree to extend the term of the PALSA and the rate applicable to the PALSA for an additional amount of time.

4. SCHEDULING PAL SERVICE

4.1 Shipper shall nominate PAL service under this Rate Schedule in accordance with the nomination procedures set forth in the GT&C.

4.2 PAL service may be interrupted at any time. Interruption of PAL service may include decreasing, temporarily suspending, or discontinuing the receipt or delivery of gas if Transporter in its reasonable discretion determines that such decrease, suspension or discontinuance is necessary to maintain system integrity or when a higher priority service so requires.

4.3 If allocations become necessary, scheduling of PAL services will be based on the priorities for parking and lending services established in Section 6.2 of the GT&C.

4.4 Shipper shall not pay back more than the quantity loaned nor withdraw more than the quantity parked under the PALSA.

5. INTERRUPTION OR TERMINATION OF PAL SERVICE

5.1 Shipper may be required, upon notification from Transporter, to remove quantities of gas previously provided to Transporter under the Parking Service, or return quantities of gas previously loaned to Shipper under the Lending Service. Such notification shall only be made when the required Shipper action is necessary to protect the operational integrity of Transporter's pipeline system or to allow Transporter to fulfill higher priority commitments. Such notification shall be made pursuant to the notification procedures of Section 6.1(a)(xii) of the GT&C.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)
2.6 (a) (Continued)
(iii) up to an average of 120% of 1/24th of the daily scheduled quantity at such point for any twelve consecutive hours; however, no one hour in this period may exceed 150% of 1/24th of the daily scheduled quantity.

(iv) Hourly quantities in excess of any one of the Section 2.6 (a)(i) through Section 2.6 (a)(iii) criterion will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

(v) Transporter will provide a minimum pressure commitment of 250 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in the Operator agreement or TSA covering that D-Code.

(b) Twelve Hour Peaking Service "NNTH-12." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the MDQ at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any twelve hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment of 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

(c) Sixteen Hour Peaking Service "NNTH-16." Subject to the limitation that gas quantities taken at a Delivery Point may not exceed the MDQ at such point, on any Gas Day, Shipper may take gas quantities at such point at a rate equivalent to:

RATE SCHEDULE PAL
Interruptible Parking and Lending Service
(Continued)

5. INTERRUPTION OR TERMINATION OF PAL SERVICE (Continued)

5.2 Should Transporter notify Shipper to remove or return quantities of gas pursuant to Section 5.1 of this rate schedule, Transporter's notification shall specify the time by which Parking Service quantities shall be removed, and/or Lending Service quantities shall be returned. The time period in which Shipper must act will be determined based on the necessity to protect and ensure firm service. However, absent a mutual agreement between Transporter and Shipper, in no event shall the specified time be less than three Days from the date of Transporter's notification.

5.3 Unless otherwise agreed by Shipper and Transporter, any Parked quantity not removed as required by Section 5.1 of this rate schedule shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, and, any Loaned quantity not returned as required by Section 5.1 of this rate schedule shall be sold to Shipper at 150% of the Monthly System Cash Out Index Price for the Month in which the gas is retained, calculated pursuant to Section 10.3(c) of the GT&C.

5.4 Should Transporter receive a valid PAL nomination complying with a notification pursuant to Section 5.1 of this rate schedule but be unable to confirm or schedule such nomination, the obligation of Shipper to comply with that notification, but not the obligation to submit nominations, shall be suspended until such time as Transporter's operational conditions permit such nomination to be confirmed and scheduled. Furthermore, under the circumstances described by this Section 5.4, the penalty provision of Section 5.3 of this rate schedule shall not apply until such nomination is able to be confirmed and scheduled. Additionally, Transporter and Shipper may mutually agree to extend the agreed upon term of the PALSA for the amount of time that the transaction was unable to be scheduled.

5.5 Shipper is required to remove all parked quantities and return all loaned quantities no later than the termination date of the PALSA. Upon termination of a PALSA, any Parked quantity not removed shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, and, any Loaned quantity not returned shall be sold to Shipper at 150% of the Monthly System Cash Out Index Price, calculated pursuant to Section 10.3(c) of the GT&C, for the Month in which the PALSA terminates.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.6 (c) (Continued)

(i) up to an average of 150% of 1/24th of the daily scheduled quantity at such point in any hour for up to any sixteen hours in a Gas Day; however, no one hour in the Gas Day may exceed 150% of 1/24th of the daily scheduled quantity. Hourly quantities in excess of an average of 150% of 1/24th of the daily scheduled quantity at a primary delivery point in any hour during the Gas Day will be Hourly Scheduling Penalty Quantities pursuant to Section 43 of the GT&C.

(ii) Transporter will provide a minimum pressure commitment of 400 to 550 p.s.i.g. at Shipper's meters listed in the TSA, unless Shipper agrees to a lower minimum pressure. Pressure obligations at any meter included in a D-Code will be specified in either the Operator agreement or TSA covering that D-Code.

2.7 Hourly Delivery Transfer. Should Shipper elect non-uniform rates of flow pursuant to Section 2.6 of this rate schedule, Transporter will provide for (unless Shipper requests otherwise) the hourly transfer of any unused Hourly Scheduled Entitlements to Shipper's upstream Operationally Equivalent Delivery Point in the same geographic region so that such unused Hourly Scheduled Entitlements are combined with Shipper's other Hourly Scheduled Entitlements at such upstream Delivery Point.

(a) Hourly delivery transfers will utilize Alternate Capacity only.

(b) Delivery Points eligible for hourly delivery transfer are identified on the EBB as: 1) Premium Service Delivery Points, and must be listed as primary delivery points on Exhibit A of Shipper's NNTH TSA or 2) alternate Premium Service Delivery Points located on Shipper's primary receipt-to-delivery Flow Path. Transporter will update the list of eligible Delivery Points as experience and operating conditions allow.

RATE SCHEDULE PAL
Interruptible Parking and Lending Service
(Continued)

5. INTERRUPTION OR TERMINATION OF PAL SERVICE (Continued)

5.5 (Continued)

(a) In the event parked quantities remain in Transporter's system and/or loaned quantities have not been returned to Transporter's system after the expiration of any PALSA executed by Shipper and Transporter, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such PALSA, to permit Shipper to payback and/or return such quantities.

5.6 Shipper or its suppliers shall be responsible for reporting and payment of any royalty, tax, or other burdens on Natural Gas quantities received by Transporter and Transporter shall not be obligated to account for or pay such burdens.

6. CREDITWORTHINESS

PAL service is subject to the creditworthiness provisions of Section 4.16 of the GT&C.

7. EXECUTION OF AGREEMENTS

Upon Shipper's request for PAL service, Transporter will provide one Master PAL Agreement to be electronically executed to each Shipper requesting PAL service, or at Shipper's request in paper form. The Master PAL Agreement will evidence the intent of the parties that the Master PAL Agreement, in combination with information provided on all subsequent PALSAs executed by Shipper, will comprise the contractual agreement of the parties. All provisions of the Master PAL Agreement shall be incorporated into each PALSA unless specifically excepted.

8. GENERAL TERMS AND CONDITIONS

The GT&C contained in this Tariff, except as modified in the PALSA, are made a part of this Rate Schedule. However, for purposes of this Rate Schedule, the term "PALSA" shall be substituted for all references to the term "Transportation Service Agreement" (or "TSA") where such term appears in the GT&C. Any future modifications, additions or deletions to said GT&C are applicable to PAL service rendered under this Rate Schedule and, by this reference, are made a part thereof.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)
   2.7 (Continued)
   (c) Hourly Scheduled Entitlements transferred from a delivery point must be equal to, or less than, Shipper's Hourly Scheduled Entitlement pursuant to Shipper's NNTH TSA, less hourly deliveries to such point resulting from scheduled nominations for delivery to that point.

   (d) Hourly delivery transfers to delivery points shall not exceed the quantity limitations for the time periods specified in Shipper's NNTH TSA.

   (e) The transfer of such Hourly Scheduled Entitlements may not affect service to any other firm Shipper.

   2.8 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

   2.9 Shipper may submit a HEEN pursuant to Section 25 of the GT&C and in accordance with this rate schedule.

3. CONDITIONS OF SERVICE
   3.1 Shipper's daily scheduled quantity at a Delivery Point will be converted to Hourly Scheduled Entitlements based on the hourly profile described in Shipper's NNTH TSA.

   3.2 Transporter will provide Shipper with a no-notice gas account equal to +/- 10% of Shipper's TCD to provide hourly no-notice service of up to +/- 10% of Shipper's MDQ at each of the primary delivery points listed on Exhibit A of Shipper's NNTH TSA.

   (a) Pursuant to Section 3.2(d) of this Rate Schedule, when delivered quantities are less than scheduled quantities (pack) at a primary delivery point, such variance shall not exceed 10% of Shipper's MDQ and shall be deemed "no-notice pack quantities." Any quantities in excess of the no-notice pack quantities will be an imbalance on Shipper's TSA and subject to Section 32 of the GT&C.

Fifth Revised Sheet No. 148F Fifth Revised Sheet No. 148F
Superseding: Fourth Revised Sheet No. 148F

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.3 Reserved for future use.

3.4 Resolution of NNTH Balance.

(a) An NNTH balance shall be resolved through the use of physical make-up or payback gas quantities.

(b) Any TSA may be used to make-up or payback gas quantities.

(c) Make-up or payback nominations shall be made pursuant to Section 4 of the GT&C.

(d) At the end of the Month, an NNTH balance on an NNTH TSA may be netted with an NNTH balance on another NNTH TSA, as long as such netting does not serve to effectuate transportation across persistent system constraints.

(e) An NNTH balance that has not been eliminated for 30 Days will be cashed out at the end of the next Month pursuant to Section 32 of the GT&C.

3.5 A Shipper may request to re-designate a primary point pursuant to Section 20.13 of the GT&C.

(a) A Shipper that re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the original point.

(b) Rate Schedule NNTH capacity will become Rate Schedule FT-1 capacity if the Shipper re-designates a primary delivery point to a non-Premium Service Delivery Point or to a non-Operationally Equivalent Premium Service Delivery Point; however, the Shipper will continue to pay the maximum applicable Rate Schedule NNTH rates for such service until the next general rate proceeding.

Fifth Revised Sheet No. 148G Fifth Revised Sheet No. 148G
Superseding: Fourth Revised Sheet No. 148G

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

4. HOURLY POINT RIGHTS
Transporter shall provide defined hourly transportation service at Premium Service Delivery Points pursuant to this Rate Schedule.

4.1 Delivery Points eligible for hourly service must be identified on Transporter's EBB as Premium Service Delivery Points.

4.2 Where deliveries involve service to non-Premium Service Delivery Points, Shipper must take deliveries, or cause deliveries to be taken, at uniform rates of flow and Shipper's hourly rights will be deemed to be 1/24th of daily scheduled quantities at such points.

4.3 A Shipper's total hourly rights at a Delivery Point will be determined by summing Shipper's Hourly Contract Entitlements under all Shipper's TSAs for which gas is scheduled for delivery to such point.

4.4 All nominations are submitted and scheduled in daily quantities. Transporter will apply hourly profiles, pursuant to Shipper's NNTH TSA, to the nominated and confirmed daily quantities to determine Hourly Scheduled Entitlements.

4.5 Gas flows at eligible hourly Delivery Points will be allocated to contracts scheduled to such points in the following order. Within this allocation order, gas flows will be allocated pro rata among all agreements within a category unless the DP Operator designates a different allocation method.

(a) Daily transportation service requiring uniform, 1/24th of scheduled quantity, flow rate, including authorized overruns;

(b) Hourly transportation service providing for Twelve Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

(c) Hourly transportation service providing for Sixteen Hour Peaking Service under Rate Schedule FT-H, including authorized overruns;

Fourth Revised Sheet No. 148H Fourth Revised Sheet No. 148H
Superseding: Third Revised Sheet No. 148H

Reserved for future use.

Reserved for future use.

Fourth Revised Sheet No. 148J Fourth Revised Sheet No. 148J
Superseding: Third Revised Sheet No. 148J

Reserved for future use.

Fourth Revised Sheet No. 148K Fourth Revised Sheet No. 148K
Superseding: Third Revised Sheet No. 148K

Reserved for future use.

Reserved for future use.

Reserved for future use.

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Third Revised Sheet No. 148N Third Revised Sheet No. 148N
Superseding: Second Rev First Revised Sheet No. 148N

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)
3.2 (Continued)

(b) Pursuant to Section 3.2(e) of this Rate Schedule, when delivered quantities exceed scheduled quantities (draft) at a primary delivery point, such variance shall be deemed "no-notice draft quantities" and shall not exceed the lower of: 1) 10% of Shipper's MDQ, or 2) the difference between the Shipper's MDQ and the scheduled quantity. Any quantities in excess of the no-notice draft quantities will be an imbalance on Shipper's TSA and subject to Section 32 of the GT&C.

(c) Each Day no-notice pack or draft quantities for all delivery points listed in Exhibit A of Shipper's NNTH TSA will be netted together and the net pack added to, or the net draft subtracted from, the no-notice account balance as long as such netting does not serve to effectuate transportation across persistent system constraints.

(d) In the event a pack no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice pack quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the pack no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with pack no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage pack quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice pack account balance does not go below 10% of Shipper's TCD.

(iii) If after reducing the pack no-notice quantities at the first point, the pack no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the pack no-notice account balance does not go below 10% of Shipper's TCD.

Fourth Revised Sheet No. 148F.01 Fourth Revised Sheet No. 148F.01
Superseding: Third Revised Sheet No. 148F.01

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.6 Release of Rate Schedule NNTH Capacity.

(a) Shipper may release its Rate Schedule NNTH capacity for service under Rate Schedule NNTH. The Acquiring Shipper will retain hourly service delivery rights, as defined in the Releasing Shipper's NNTH TSA, at the primary delivery points listed in the Releasing Shipper's NNTH TSA. The Acquiring Shipper may nominate to alternate delivery points on a secondary basis subject to the provisions of Section 2.4(d) of this Rate Schedule.

(b) An Acquiring Shipper who re-designates a primary delivery point to another Premium Service Delivery Point will retain hourly service rights at such point if service to the re-designated point is Operationally Equivalent to service at the primary point.

(c) Released Rate Schedule NNTH capacity will become Rate Schedule FT-1 capacity if the Acquiring Shipper re-designates an acquired Delivery Point to a non-Premium Service Delivery Point or a non-Operationally Equivalent Premium Service Delivery Point; however, the Acquiring Shipper will continue to pay the maximum applicable Rate Schedule NNTH rates for such service until the next general rate proceeding.

(d) Shipper may not separately release the no-notice (un-nominated) portion of its NNTH TSA.

3.7 Flow day diversions, pursuant to Section 4.1(g) of the GT&C, are available to Rate Schedule NNTH Shippers.

3.8 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its Hourly Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits given the Critical Conditions. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

Third Revised Sheet No. 148G.01 Third Revised Sheet No. 148G.01
Superseding: Second Revised Sheet No. 148G.01

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

7. CHARGES (Continued)

7.2 Overrun Transportation

(a) Daily Authorized Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Transporter may deliver gas quantities at any Delivery Point in excess of Shipper's TCD, as specified in the Executed TSA. Such request for authorized overrun service includes the same Hourly Contract Entitlements provided for in the NNTH TSA pursuant to Section 2.6 of this Rate Schedule. All such quantities shall be delivered as authorized overrun gas on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun gas delivered by Transporter to Shipper, or for Shipper's account, at each Delivery Point by the daily authorized overrun rate. The daily authorized overrun rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates.

(i) For purposes of determining a Shipper's daily authorized overrun charges under its invoice and not for determining scheduling priority, authorized overrun quantities will be consolidated for a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), and will be accounted for as if service was provided under a single TSA. However, this consolidation will not cause the Shipper to incur any daily unauthorized overrun quantities that would not have otherwise been assessed under Section 7.2(b) of this rate schedule. In the event the Shipper has requested authorized overrun, the authorized overrun rate will apply. In the event Shipper's quantities have been scheduled and the total scheduled quantities do not exceed TCD, the usage rate will apply. If Shipper incurs a daily authorized overrun quantity on the excess of the aggregated contract total and has executed TSAs pursuant to various rate schedules and/or differing rate levels under the same rate schedule, such daily authorized overrun charge shall be assessed by multiplying the daily authorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

Fourth Revised Sheet No. 148K.01 Fourth Revised Sheet No. 148K.01
Superseding: Third Revised Sheet No. 148K.01

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

7. CHARGES (Continued)
7.2 Overrun Transportation (Continued)
(b) Daily Unauthorized Overrun Transportation.

(i) A Shipper with a single firm TSA shall pay a daily unauthorized overrun penalty for each Day in which gas quantities physically taken at all Delivery Points, as allocated to Shipper at such points pursuant to Section 38 of the GT&C, exceed the Shipper's TCD, as specified in the Executed TSA, plus any authorized overrun quantities. For purposes of calculating the daily unauthorized overrun penalty, such excess quantities shall be deemed to be the daily unauthorized overrun quantity. Authorized overrun quantities are not included in the calculation of an unauthorized overrun penalty.

(ii) For a Shipper with multiple TSAs (inclusive of TSAs under other rate schedules, if applicable), for purposes of determining a Shipper's daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated. Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities.

A. In the event Shipper is subject to a daily unauthorized overrun penalty and has executed TSAs pursuant to various rate schedules, such daily unauthorized overrun penalty shall be assessed by multiplying the daily unauthorized overrun quantity by the highest rate for the applicable zone of delivery under all rate schedules for which service was provided to Shipper on that Day, subject to Footnote 7 of the Statement of Rates.

(iii) The daily unauthorized overrun penalty (non-Critical or Critical, as applicable) shall be assessed based on the application of Safe Harbor Tolerance Quantities as described in Section 7.2(b)(iv) of this rate schedule. Shipper shall pay an amount obtained by multiplying the daily unauthorized overrun penalty quantity (less the Safe Harbor Tolerance Quantities) by the daily unauthorized overrun rate set forth on the Statement of Rates, except as provided in Section 7.2(b)(ii) of this rate schedule.

Fourth Revised Sheet No. 148L.01 Fourth Revised Sheet No. 148L.01
Superseding: Third Revised Sheet No. 148L.01

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

3. CONDITIONS OF SERVICE (Continued)

3.2 (d) (iv) Such process will be repeated until the pack no-notice account balance is reduced to equal 10% of Shipper's TCD.

(e) In the event a draft no-notice account balance were to exceed 10% of Shipper's TCD, points with no-notice draft quantities for that Day will have such no-notice quantities adjusted down by an amount to reduce the draft no-notice account balance to 10% of Shipper's TCD as follows:

(i) The points with draft no-notice quantities for the Day will be ordered from highest to lowest percentage no-notice pack quantity.

(ii) The no-notice percentage at the point with the highest no-notice percentage draft quantity will be reduced to equal the no-notice percentage at the point with the second highest no-notice quantity percentage. Such reduction will be limited so that the no-notice draft account balance does not go below 10% of Shipper's TCD.

(iii) If after reducing the draft no-notice quantities at the first point, the draft no-notice account balance remains in excess of 10% of Shipper's TCD, the no-notice quantities at the first and second points will be reduced by an amount such that the percent no-notice quantity at the first and second points equals the percent no-notice quantity at the third point. Such reduction will be limited so that the draft no-notice account balance does not go below 10% of Shipper's TCD.

(iv) Such process will be repeated until the draft no-notice account balance is reduced to equal 10% of Shipper's TCD.

First Revised Sheet No. 148F.02 First Revised Sheet No. 148F.02
Superseding: Original Sheet No. 148F.02

Reserved for future use.

First Revised Sheet No. 148K.02 First Revised Sheet No. 148K.02
Superseding: Original Sheet No. 148K.02

Reserved for future use.

RATE SCHEDULE NNTH
No-Notice Transportation Service - Hourly
(Continued)

7. CHARGES (Continued)
7.2(b) Daily Unauthorized Overrun Transportation (Continued)

(iv) In non-Critical Conditions, a Shipper is given the benefit of a daily Safe Harbor Tolerance Quantity equal to the greater of 7% of its TCD or 2,000 dth per Day. In Critical Conditions, a Shipper is given the benefit of daily Safe Harbor Tolerance Quantities as determined and applied pursuant to Section 33.1(h)(ii) and 33.10 of the GT&C. Should the daily unauthorized overrun quantity exceed the applicable Safe Harbor Tolerance Quantities, only those quantities taken in excess of such tolerances shall be subject to the daily unauthorized overrun penalty (Critical or non-Critical, as applicable). Should Shipper's overrun quantities not exceed the daily Safe Harbor Tolerance Quantities, such overrun quantities shall be assessed the daily authorized overrun rate in recognition of service rendered.

(v) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 36 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.

(vi) Pursuant to Section 7.2(b)(iii) of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

Fourth Revised Sheet No. 148L.02 Fourth Revised Sheet No. 148L.02
Superseding: Third Revised Sheet No. 148L.02

Reserved for future use.

Reserved Sheet

Original Sheet No. 149 has been reserved.

RATE SCHEDULE OPAS
Operator Point Aggregation Service

1. AVAILABILITY

This Rate Schedule is available to any DP Operator that currently receives or will receive gas from Transporter at multiple individual delivery meters that meet the requirements of Section 30.2 of the GT&C. This rate schedule does not apply to transportation service at a single meter or a collection of meter runs at a single location. This service permits the Transporter to use the aggregation of individual delivery meters into D-Codes provided for under this rate schedule for purposes of nominations, scheduling, allocations and invoicing under TSAs. Operator Point Aggregation Service will be provided by Transporter when:

1.1 Transporter and a DP Operator mutually agree to: (i) the aggregation of individual delivery meters into D-Codes; (ii) an MDO and an MHO at each delivery meter within each such D-Code; and (iii) such other conditions as may be necessary to ensure the reliability of firm service to all Shippers; and

1.2 Transportation service to delivery meters is accomplished through Rate Schedules FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH and IT-1.

1.3 The Operator has executed an Operator Point Aggregation Service Agreement ("OPASA") in the form contained in this Tariff for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all nominating, scheduling, allocation and invoicing activity provided by Transporter under any TSA for transportation service at a D-Code, when that D-Code is covered by an effective OPASA.

2.2 Service hereunder shall be subject to the provisions of the executed OPASA and to the GT&C incorporated herein by reference.

2.3 Service hereunder shall consist of the aggregation by Transporter at the D-Code level, for the purposes of nominating, scheduling, allocation and invoicing, of the quantities of Natural Gas delivered to any of the individual delivery meters within a D-Code on behalf of the DP Operator and/or any other Shipper requesting transportation at such delivery meters/D-Codes pursuant to any TSA. DP Operators shall have the right to deliveries of quantities up to the MDO and the MHO at any individual meter station within an effective D-Code.

2.4 Transporter shall not be obligated to construct, modify or acquire facilities or gas supplies to perform service under this Rate Schedule.

RATE SCHEDULE OPAS
Operator Point Aggregation Service

1. AVAILABILITY

This Rate Schedule is available to any DP Operator that currently receives or will receive gas from Transporter at multiple individual delivery meters that meet the requirements of Section 5.7(b) of the GT&C. This rate schedule does not apply to transportation service at a single meter or a collection of meter runs at a single location. This service permits the Transporter to use the aggregation of individual delivery meters into D-Codes provided for under this rate schedule for purposes of nominations, scheduling, allocations and invoicing under TSAs. Operator Point Aggregation Service will be provided by Transporter when:

1.1 Transporter and a DP Operator mutually agree to: (i) the aggregation of individual delivery meters into D-Codes; (ii) an MDO and an MHO at each delivery meter within each such D-Code; and (iii) such other conditions as may be necessary to ensure the reliability of firm service to all Shippers; and

1.2 Transportation service to delivery meters is accomplished through Rate Schedules FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH and IT-1.

1.3 The Operator has executed an Operator Point Aggregation Service Agreement ("OPASA") in the form contained in this Tariff for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all nominating, scheduling, allocation and invoicing activity provided by Transporter under any TSA for transportation service at a D-Code, when that D-Code is covered by an effective OPASA.

2.2 Service hereunder shall be subject to the provisions of the executed OPASA and to the GT&C incorporated herein by reference.

2.3 Service hereunder shall consist of the aggregation by Transporter at the D-Code level, for the purposes of nominating, scheduling, allocation and invoicing, of the quantities of Natural Gas delivered to any of the individual delivery meters within a D-Code on behalf of the DP Operator and/or any other Shipper requesting transportation at such delivery meters/D-Codes pursuant to any TSA. DP Operators shall have the right to deliveries of quantities up to the MDO and the MHO at any individual meter station within an effective D-Code.

2.4 Transporter shall not be obligated to construct, modify or acquire facilities or gas supplies to perform service under this Rate Schedule.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.5 The OPASA shall identify the subject D-Codes, MDO and MHO at each delivery meter within each such D-Code.

(a) The MDO and the MHO for a delivery meter shall not exceed the meter capacity at that Delivery Point or the upstream capacity available on a firm basis to serve that delivery meter.

(b) DP Operators may utilize different delivery meters within their designated D-Code; however, Transporter shall have no obligation to provide service above the MDO, the MHO, or the applicable MDQ for a D-Code.

(c) Pressure obligations at any meter in a D-Code will be specified in either the OPASA or a TSA covering that D-Code.

(d) In the event that Transporter determines that changes in system operations result in a D-Code, MDO and/or MHO levels that may potentially degrade the firm rights of other Shippers or firm service reliability, Transporter shall promptly notify the affected DP Operator that Transporter deems it necessary to revise that D-Code, MDO and/or MHO levels to protect Shippers on its system. Such revision(s) will be undertaken pursuant to Section 6 of this rate schedule. If the parties agree to the revisions, the OPASA shall be amended or replaced to reflect the change and the revised D-Code designation, MDO and/or MHO levels shall be posted on Transporter's EBB. If the parties fail to agree to the revisions, then either party may terminate the OPASA on fourteen Days notice. Transporter shall provide DP Operator with the operational reasons for termination when such termination is the result of the parties' failure to agree to a revised D-Code or a revised MDO/MHO level.

2.6 All effective D-Codes, together with their associated individual delivery meters and related MDOs will be identified on Transporter's EBB.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.7 To the extent required by Transporter for informational purposes, the DP Operator must designate the individual meter(s) at which alternate firm or any interruptible transportation service will be taken.

2.8 DP Operator shall have the option of electing one alternative set of MDOs/MHOs for meters in a D-Code. The alternative set must be mutually agreed to by Transporter and DP Operator when the OPASA is executed or modified. The alternative set would apply depending on the level of alternate firm or interruptible transportation that the DP Operator confirms at the D-Code. DP Operator shall notify Transporter prior to the Timely Nomination Cycle 1 for the Gas Day that the alternative set of MDOs/MHOs will be used.

2.9 Should the DP Operator take gas on an hourly or daily basis at any individual delivery meter that exceeds the MHO or the MDO, respectively, for that meter, DP Operator will pay an MDO/MHO violation penalty pursuant to Section 4 below.

3. RATE

3.1 Rates. DP Operators shall not be charged any rates by Transporter for service under this Rate Schedule; however, the DP Operator will be subject to the MHO/MDO violation penalties described in Section 4 below.

3.2 Surcharges: No surcharges are applicable to service under this Rate Schedule.

3.3 Fuel Charges: Fuel charges are not applicable to service under this Rate Schedule.

4. MHO or MDO VIOLATION PENALTIES

4.1 On any day, any flowing gas quantity at a delivery meter which exceeds the MDO for that meter is an MDO violation. DP Operator shall pay an amount obtained by multiplying the quantity taken in excess of the MDO by the penalty rate listed on the applicable Statement of Rates for a Critical or non-Critical Condition as appropriate. Such rate shall not be less than the applicable minimum rate or more than the applicable maximum rate, as set forth on the Statement of Rates.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.7 To the extent required by Transporter for informational purposes, the DP Operator must designate the individual meter(s) at which alternate firm or any interruptible transportation service will be taken.

2.8 DP Operator shall have the option of electing one alternative set of MDOs/MHOs for meters in a D-Code. The alternative set must be mutually agreed to by Transporter and DP Operator when the OPASA is executed or modified. The alternative set would apply depending on the level of alternate firm or interruptible transportation that the DP Operator confirms at the D-Code. DP Operator shall notify Transporter prior to the Timely Nomination Cycle 1 for the Gas Day that the alternative set of MDOs/MHOs will be used.

2.9 Should the DP Operator take gas on an hourly or daily basis at any individual delivery meter that exceeds the MHO or the MDO, respectively, for that meter, DP Operator will pay an MDO/MHO violation penalty pursuant to Section 4 of this rate schedule.

3. RATE

3.1 Rates. DP Operators shall not be charged any rates by Transporter for service under this Rate Schedule; however, the DP Operator will be subject to the MHO/MDO violation penalties described in Section 4 of this rate schedule.

3.2 Surcharges: No surcharges are applicable to service under this Rate Schedule.

3.3 Fuel Charges: Fuel charges are not applicable to service under this Rate Schedule.

4. MHO or MDO VIOLATION PENALTIES

4.1 On any Day, any Flowing Gas quantity at a delivery meter which exceeds the MDO for that meter is an MDO violation. Subject to Section 4.6 of this Rate Schedule, DP Operator shall pay an amount obtained by multiplying the quantity taken in excess of the MDO by the penalty rate listed on the applicable Statement of Rates for a Critical or non-Critical Condition as appropriate.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

4. MHO or MDO VIOLATION (Continued)

4.2 In any hour, any Flowing Gas quantity at a delivery meter which exceeds the MHO for that meter is an MHO violation. Subject to Section 4.6 of this Rate Schedule, DP Operator shall pay an amount obtained by multiplying the quantity taken in excess of the MHO by the penalty rate on the applicable Statement of Rates for a Critical or non-Critical Condition as appropriate.

4.3 DP Operator shall pay only one penalty when Shipper's MHO violation penalties result in an MDO violation penalty. DP Operator shall pay the higher of the MDO violation penalty amounts at that point calculated pursuant to Section 4.1 of this rate schedule or the MHO violation penalty amount at that point calculated pursuant to Section 4.2 of this rate schedule.

4.4 If the actions of a Shipper result in the DP Operator being assessed an MHO or an MDO violation penalty, and both Shipper and DP Operator are the same contracted party, only one penalty/charge will be assessed. The Party will pay the highest of the following: 1) the appropriate MHO or MDO violation penalty pursuant to this Section 4, 2) an hourly scheduling penalty pursuant to Section 43 of the GT&C, 3) the daily unauthorized overrun penalty pursuant to the applicable rate schedule, or 4) the Critical Condition (SOC/COC) charge pursuant to Section 33 of the GT&C.

4.5 MDO and MHO violation penalties shall not be assessed at delivery meters that do not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

4.6 During calendar year 2009 through March 31, 2010, Transporter, on a trial basis, shall bill MDO or MHO violation penalties at a zero rate during non-Critical Conditions so long as the Emergency COC provision of Section 33.2(e) of the GT&C remain in effect. No later than February 1, 2010, Transporter shall submit an informational report to the Commission detailing the 2009 MDO/MHO non-critical variance activity and its effects on system operations. On April 1, 2010, the non-Critical Condition MDO/MHO violation penalties will be billed at the rate found in the Statement of Rates, unless Transporter files to remove such penalties from its Tariff.

4.7 Transporter shall post monthly on its EBB, for informational purposes only, MDO and MHO violation quantities applicable to each DP Operator. Such report shall be posted coincident with the issuance of Shipper imbalance statements and shall include information specific to DP Operator's D-Codes, related meters and the associated MDO and MHO violation quantities.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

4. MHO or MDO VIOLATION (Continued)

4.2 In any hour, any Flowing Gas quantity at a delivery meter which exceeds the MHO for that meter is an MHO violation. Subject to Section 4.6 of this Rate Schedule, DP Operator shall pay an amount obtained by multiplying the quantity taken in excess of the MHO by the penalty rate on the applicable Statement of Rates for a Critical or non-Critical Condition as appropriate.

4.3 DP Operator shall pay only one penalty when Shipper's MHO violation penalties result in an MDO violation penalty. DP Operator shall pay the higher of the MDO violation penalty amounts at that point calculated pursuant to Section 4.1 of this rate schedule or the MHO violation penalty amount at that point calculated pursuant to Section 4.2 of this rate schedule.

4.4 If the actions of a Shipper result in the DP Operator being assessed an MHO or an MDO violation penalty, and both Shipper and DP Operator are the same contracted party, only one penalty/charge will be assessed. The Party will pay the highest of the following: 1) the appropriate MHO or MDO violation penalty pursuant to this Section 4, 2) an hourly scheduling penalty pursuant to Section 14.1 of the GT&C, 3) the daily unauthorized overrun penalty pursuant to the applicable rate schedule, or 4) the Critical Condition (SOC/COC) charge pursuant to Section 11.1 of the GT&C.

4.5 MDO and MHO violation penalties shall not be assessed at delivery meters that do not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

4.6 During calendar year 2009 through March 31, 2010, Transporter, on a trial basis, shall bill MDO or MHO violation penalties at a zero rate during non-Critical Conditions so long as the Emergency COC provision of Section 11.1(b)(v) of the GT&C remain in effect. No later than February 1, 2010, Transporter shall submit an informational report to the Commission detailing the 2009 MDO/MHO non-critical variance activity and its effects on system operations. On April 1, 2010, the non-Critical Condition MDO/MHO violation penalties will be billed at the rate found in the Statement of Rates, unless Transporter files to remove such penalties from its Tariff.

4.7 Transporter shall post monthly on its EBB, for informational purposes only, MDO and MHO violation quantities applicable to each DP Operator. Such report shall be posted coincident with the issuance of Shipper imbalance statements and shall include information specific to DP Operator's D-Codes, related meters and the associated MDO and MHO violation quantities.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

5. MDO/MHO Transfer

Transporter will provide for (unless DP Operator requests otherwise) the transfer of any unused MDO/MHO quantities to the next eligible upstream delivery meter(s) so that such unused MDO/MHO quantities are combined with DP Operator's other MDO/MHO quantities at such delivery meter.

5.1 Transfer Conditions

(a) MDO/MHO transfers are limited to meters within a single transfer route in a D-Code.

(b) Mainline meters and taps are excluded from MDO/MHO transfer.

(c) Transporter shall post the eligible MDO/MHO transfer routes on its EBB.

(d) Subject to any specified limitations in the DP Operator's OPASA or the Shipper's TSA, the pressure obligation specified on such OPASA or TSA for each meter shall be applicable to quantities taken at that meter, up to the transferred quantity plus the original MDO/MHO.

(e) Should gas quantities taken by the DP Operator at any meter (after including the transferred MDO/MHO quantity) exceed the adjusted MDO quantity for that meter:

(i) The MDO/MHO violation penalty pursuant to Section 4 of this rate schedule shall be charged on the quantities taken by DP Operator that exceed the adjusted MDO/MHO quantities for that meter within the transfer route.

(ii) MDO/MHO transfers are not applicable to meters upstream of any meter that exceeds its adjusted MDO quantity.

(iii) Transporter shall be relieved of any pressure obligation for meters within the transfer route that were specified in the OPASA or the TSA.

5.2 Daily Obligation Transfer. The MDO quantity (including the transferred MDO quantity) at a delivery meter shall not exceed the lesser of 1) the design capacity of the measurement facility at the delivery location or 2) the D-Code MDQ.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

5. MDO/MHO Transfer (Continued)

5.3 Hourly Obligation Transfer. The MHO quantity (including the transferred MHO quantity) at a delivery meter shall not exceed the lesser of 1) the hourly capacity flow rate of the measurement facility at the delivery location or 2)the firm contracted D-Code hourly entitlement.

(a) MHO quantities associated with transferred MDO quantities will be calculated by dividing the applicable transferred MDO quantity by 24.

5.4 Transporter reserves the right to suspend the transfer of unused MDO or MHO quantities if another party may be harmed by the DP Operator's actions or if the potential MDO/MHO transfer may affect service to any Shipper.

(a) Should Transporter be aware of any event (e.g., maintenance) that would necessitate the suspension of MDO/MHO transfers, Transporter will post a notice of such suspension on its EBB as soon as reasonably possible.

(b) If it becomes necessary to suspend MDO/MHO transfers within the Gas Day, Transporter will post a notice of such suspension on its EBB prior to the close of the nomination period for Cycle 4.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

6. MDO/MHO QUANTITY REDUCTIONS

6.1 Pursuant to Section 2.5(d) of this Rate Schedule, Transporter shall notify the affected DP Operator when MDO/MHO quantities must be reduced. The DP Operator will be notified by telephone and in writing that a change is necessary. Such change will occur using the time period provided for in Section 2.5(d) of this Rate Schedule.

6.2 Transporter may reduce a DP Operator's MDO/MHO quantity to protect the firm rights of new/existing firm Shippers and/or ensure service reliability. Some examples of the circumstances that could prompt an MDO/MHO reduction are listed below:

(a) Reduction of available physical capacity due to the modification, sale, or abandonment of facilities including, without limitation, pipeline, compression, meter, or other facilities pursuant to the appropriate Commission authorization.

(b) A significant change in any Shipper's usage patterns that reduces the ability of the system to operate at the levels of the current MDOs/MHOs.

(c) A Shipper terminates its TSA or reduces its MDQ under its TSA.

(d) A formal service request from a Shipper for new firm service or an amendment to existing firm service.

(e) A formal request from a Shipper to convert to a rate schedule requiring the use of greater system assets (e.g., conversion from FT-1 to FT-H).

(f) Primary D-Code/delivery point re-designations pursuant to Section 8.1(f) of the GT&C.

6.3 MDO/MHO quantity reductions shall be limited to an amount commensurate with the operational factors necessary to ensure the protection of firm service rights and system reliability.

(a) The sum of the adjusted MDO quantities for the DP Operator shall be at least equal to, but never less than, the total contracted D-Code MDQ for transportation service to the related meters.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

6. MDO/MHO QUANTITY REDUCTIONS (Continued)

6.3 (Continued)

(b) The individual MDO quantity shall be at least equal to, but never less than, the total contracted CMQ at such meter.

(c) Downward MDO adjustments will not change existing pressure requirements as specified in Shipper's TSA(s), unless other mutually agreed upon changes in the TSA(s) require a change in the pressure requirements.

6.4 Pursuant to Section 2.5(d) of this Rate Schedule, if Transporter and DP Operator agree to MDO/MHO quantity reductions, the OPASA shall be amended or replaced to reflect the adjusted levels and Transporter will post the new MDO/MHO quantities on its EBB and the new MDO/MHO quantities shall become effective no earlier than the fifth Business Day following the posting.

6.5 Should DP Operator and Transporter be unable to agree on the reduced MDO/MHO quantities, Transporter will make a determination of the MDO/MHO quantities to be reduced, in its best judgment and in a not unduly discriminatory manner. In making such determination, Transporter will consider the operational factors that result in the smallest MDO/MHO adjustment quantity and/or the impact to the fewest meters within the D-Code, and will balance its consideration of such factors with an effort to spread MDO/MHO reductions across multiple DP Operators where feasible, so that reductions are not unduly discriminatory and do not unnecessarily impact a single DP Operator. Where, consistent with prudent operation of the pipeline, the minimized impacts could be distributed to more than one DP Operator, Transporter shall calculate the MDO reduction quantity and allocate the remaining MDO quantities pursuant to Section 6.5(a) of this Rate Schedule.

(a) At the affected DP Operators' locations, Transporter shall determine the excess MDO amount (i.e., total MDO in excess of total CMQ). The excess MDO amount less the MDO reduction quantity shall be allocated pro rata, based on the respective CMQs, among all affected locations, subject to Section 6.3(b) of this Rate Schedule; provided, however, the revised MDOs shall not exceed the pre-existing MDOs, unless matched with new firm contract quantities.

RATE SCHEDULE OPAS
Operator Point Aggregation Service
(Continued)

6. MDO/MHO QUANTITY REDUCTIONS (Continued)

6.5 (a) (Continued)

(i) If the calculation of revised MDO quantities for all affected locations would result in an allocation to one or more meters that exceeds the pre-existing MDO quantities for such meter(s), all quantities exceeding the pre-existing MDO quantities shall be allocated to the meter(s) experiencing the reduction in MDOs. Should two or more meters experience a reduction in MDOs, such excess quantities shall be allocated pro rata, based on the pre-existing MDO amounts associated with meters experiencing a reduction.

(ii) Transporter shall post examples of the reduction methodology set forth in Section 6.5(a) of this Rate Schedule on its EBB and such examples shall remain posted for the duration of the effectiveness of this Section 6.5. The examples provided on the EBB will initially be identical to those submitted as Exhibit A of Transporter's pleading filed on February 29, 2008 in Docket No. RP05-422-024 and will be supplemented as required over time.

(b) Transporter shall: 1) advise each affected DP Operator(s) of the reduced MDO/MHO quantities in writing, 2) provide workpapers detailing the reduction process to the affected DP Operator(s), and 3) post the new MDO/MHO quantities on its EBB. The EBB posting shall be deemed to revise the existing OPASA between each affected DP Operator and Transporter and the new MDO/MHO quantities shall become effective no earlier than the fifth Business Day following the posting.

(c) If DP Operator(s) does not agree to the new MDO/MHO quantities, it may terminate the OPASA upon three Business Days written notification to Transporter and schedule transportation service to individual meters without using the previously effective D-Code, beginning on the first Day of the Month following the termination notification.

7. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the OPASA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to the service rendered under this Rate Schedule and, by this reference, are made a part hereof.

Reserved for future use.

Sheet Nos. 151 - 199 Sheet Nos. 151 - 199 : Effective

Sheet Nos. 151 through 199 are
reserved for future use.

Eleventh Revised Sheet No. 200 Eleventh Revised Sheet No. 200
Superseding: Tenth Revised Sheet No. 200

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS

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Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS

The following terms when used with initial capital letters in this Tariff or in any Service Agreement shall, unless the context otherwise specifically requires, have the meaning ascribed to each as follows:

1.1 "Acquired Capacity Agreement" - An agreement between Transporter and the Acquiring Shipper setting forth rate(s) and the terms and conditions of service for using capacity rights acquired pursuant to Section 9, in the form contained in Section 9.23.

1.2 "Acquiring Shipper" - Any Shipper who acquires released capacity rights from a Releasing Shipper, pursuant to Section 9.

1.3 "Alternate Capacity" - The path rights or point rights nominated under a firm TSA that is other than Primary Capacity, Flow Point Secondary Capacity or Flow Path Secondary Capacity. Alternate Capacity consists of First Alternate and Second Alternate Capacity. Subject to Sections 1.24, 8.1(e)(ii)(F)(4), 8.1(e)(iii)(B) and 8.1(e)(v) through 8.1(e)(ix), First Alternate Capacity is applicable to any firm Shipper using a Virtual Path and/or an alternate point on a Virtual Path. Second Alternate Capacity is applicable to any firm Shipper that is (i) not using any portion of its Primary Receipt-to-Delivery Flow Path; (ii) using service exceeding its Maximum Receipt or Delivery Quantities at Receipt or Delivery Points or its Path Quantity, but not exceeding its TCD; or (iii) using service that is opposite of the direction of its Primary Receipt-to-Delivery Flow Path.

1.4 "Anadarko Basin" - For purposes of the application of rates and the assessment of Fuel charges, service within the Anadarko Basin shall be comprised of gas receipts and deliveries occurring at or north of Dimmitt Station.

1.5 "Bidding Shipper" - Any Shipper who is qualified, pursuant to Section 9.18, to bid for capacity via Transporter's EBB and who submits a bid for such capacity.

1.6 "British Thermal Unit" ("Btu") - One (1) Btu shall mean one British thermal unit and is defined as the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees Fahrenheit (59°F) to sixty degrees Fahrenheit (60°F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Total Btu's shall be determined by multiplying the total volume of Natural Gas delivered times the gas Heating Value expressed in Btu's per cubic foot of gas adjusted on a dry basis.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.7 "Business Day" - Monday through Friday, excluding Federal Banking Holidays.

1.8 "Capacity Release Program" - The administrative process followed by Transporter to allow a Shipper to release all or part of the pipeline transportation capacity held under an Executed TSA, as set forth in Section 28.

1.9 "Clock Time" - An indication that Transporter will adjust its Gas Day to reflect changes for Daylight Savings Time. See Section 1.12 of the GT&C.

1.10 "Critical Condition" - Those periods when a Strained Operating Condition ("SOC") or a Critical Operating Condition ("COC") is declared pursuant to Section 33. When no SOC or COC is declared, it shall be termed a non-Critical Condition.

1.10A "Critical Condition Rate" - The rate used to calculate penalties and charges incurred during a Critical Condition. The Critical Condition Rate shall be the higher of: 1) the Daily Mid-Point Spot Price, or 2) the Monthly System Cash Out Index Price.

1.10B "Daily Mid-Point Spot Price" - Pursuant to Section 33, the Daily Mid-Point Spot Price shall be the highest price reported either as delivered to Transporter's Mainline System at West Texas, Permian or Waha in the Permian Basin or as delivered to Transporter's Mainline System at Ignacio, San Juan, or New Mexico in the San Juan Basin or as delivered to the California border for that Day. For purposes of determining the Daily Mid-Point Spot Price, Transporter will use the following trade publications to determine such prices in each basin and at the California border: Platt's Gas Daily (Daily Price Survey), and Natural Gas Intelligence Daily Gas Price Index (Cash Market Prices).

In the event any of the publications cease publication or to the extent a publication fails to report the applicable spot prices, then Transporter may substitute prices reported in a similar independent publication or continue the pricing formula using the remaining publication. If there is a permanent change in a publication, Transporter will file to revise its Tariff to identify a new publication within 60 Days of the change. Changes in the name, format or other method of reporting by the publications in this Section 1.10B that do not materially affect the content shall not affect their use hereunder.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.7 "Business Day" - Monday through Friday, excluding Federal Banking Holidays.

1.8 "Capacity Release Program" - The administrative process followed by Transporter to allow a Shipper to release all or part of the pipeline transportation capacity held under an Executed TSA, as set forth in Section 9.

1.9 "Clock Time" - An indication that Transporter will adjust its Gas Day to reflect changes for Daylight Savings Time. See Section 1.12 of the GT&C.

1.10 "Critical Condition" - Those periods when a Strained Operating Condition ("SOC") or a Critical Operating Condition ("COC") is declared pursuant to Section 11.1. When no SOC or COC is declared, it shall be termed a non-Critical Condition.

1.10A "Critical Condition Rate" - The rate used to calculate penalties and charges incurred during a Critical Condition. The Critical Condition Rate shall be the higher of: 1) the Daily Mid-Point Spot Price, or 2) the Monthly System Cash Out Index Price.

1.10B "Daily Mid-Point Spot Price" - Pursuant to Section 11.1, the Daily Mid-Point Spot Price shall be the highest price reported either as delivered to Transporter's Mainline System at West Texas, Permian or Waha in the Permian Basin or as delivered to Transporter's Mainline System at Ignacio, San Juan, or New Mexico in the San Juan Basin or as delivered to the California border for that Day. For purposes of determining the Daily Mid-Point Spot Price, Transporter will use the following trade publications to determine such prices in each basin and at the California border: Platt's Gas Daily (Daily Price Survey), and Natural Gas Intelligence Daily Gas Price Index (Cash Market Prices).

In the event any of the publications cease publication or to the extent a publication fails to report the applicable spot prices, then Transporter may substitute prices reported in a similar independent publication or continue the pricing formula using the remaining publication. If there is a permanent change in a publication, Transporter will file to revise its Tariff to identify a new publication within 60 Days of the change. Changes in the name, format or other method of reporting by the publications in this Section 1.10B that do not materially affect the content shall not affect their use hereunder.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.17 "Electronic Bulletin Board" ("EBB") - Transporter's EBB is available at Transporter's designated Internet Website at www.elpaso.com, pursuant to Section 20.

1.18 "El Paso System" - The El Paso System is displayed on the map set forth in this FERC Gas Tariff.

1.19 "Executed TSA" - Any executed TSA, in either paper or electronic form, or any TSA for which service is being nominated and scheduled under Section 6 of the GT&C shall be considered an Executed TSA.

1.20 "Firm Recallable Capacity" - Firm capacity released subject to the Releasing Shipper's right to recall such capacity during the term of the release, pursuant to Section 9.

1.21 "Flowing Gas" - The physical gas quantity received into and/or taken out of Transporter's pipeline system.

1.22 "Flow Path" - The transportation system capacity nominated by a Shipper between the nominated Receipt Point and nominated Delivery Point.

1.23 "Flow Path Secondary Capacity" - Except as noted below, shall mean the capacity status (path rights) assigned to that path portion of a firm transportation nomination for which either or both the Receipt or Delivery Points lie outside the Primary Receipt-to-Delivery Flow Path when at least some part of such nomination passes through Shipper's Primary Receipt-to-Delivery Flow Path. Flow Path Secondary Capacity is limited by the Path Quantity.

1.24 "Flow Point Secondary Capacity" - The applicable point rights to any non-primary point that lies within Shipper's Primary Receipt-to-Delivery Flow Path. Such point shall be designated a Flow Point Secondary point when used by Shipper.

1.25 "Fuel" - The quantity of gas determined to be consumed during the transportation of gas.

1.26 "Gas Day" - A period of 24 consecutive hours commencing and ending at 8:00 a.m., MCT, adjusted for Daylight Savings Time when appropriate. See Section 1.12 of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.27 "GISB or NAESB or NAESB WGQ Standards" (Continued)

3.3.20 through 3.3.26,
3.4.1 through 3.4.4,
4.2.1 through 4.2.20,
4.3.1 through 4.3.3,
4.3.5,
4.3.16 through 4.3.18,
4.3.20,
4.3.22 through 4.3.36
4.3.38 through 4.3.62,
4.3.65 through 4.3.69,
4.3.72 through 4.3.76,
4.3.78 through 4.3.87,
4.3.89 through 4.3.93,
5.2.1,
5.2.3,
5.3.1,
5.3.4,
5.3.7,
5.3.9 through 5.3.15,
5.3.17 through 5.3.21,
5.3.23 through 5.3.33,
5.3.35 through 5.3.43,
5.3.46 through 5.3.50,
5.3.52,
5.3.55,
5.3.57 through 5.3.60,
5.4.1 through 5.4.23,
10.2.1 through 10.2.38,
10.3.1,
10.3.3 through 10.3.25

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.34 "Interconnect" - A point at which any facility, including third-party plants and gathering systems, connects with Transporter's transmission system.

1.35 "L&U" - Lost and unaccounted-for gas.

1.35A "Long-Term Rates" - Rates for firm service applicable to an Executed TSA with a term equal to a winter contract, a summer contract, or an annual contract, as provided for in the applicable rate schedule. Contracts in effect prior to January 1, 2009 shall be subject to Long-Term Rates. See Section 1.63A of the GT&C for Short-Term Rates.

1.36 "Maximum Delivery Obligation" ("MDO") - The maximum daily quantity that Transporter will be obligated to deliver to a meter as specified in Rate Schedule OPAS. The Maximum Hourly Obligation ("MHO") will be no less than the MDO divided by 24 hours and no more than the MDO divided by 24 hours times 300%.

1.37 "Maximum Delivery Quantity" ("MDQ") - The maximum quantity that Transporter is obligated to deliver at a Delivery Point as specified on Exhibit A of the Executed TSA. The sum of a Shipper's MDQs at all Delivery Points shall equal the TCD.

1.38 "Maximum Lending Quantity" - Shipper's Maximum Lending Quantity shall be the total amount permitted to be loaned in Shipper's account, as specified in the executed PALSA.

1.39 "Maximum Parking Quantity" - Shipper's Maximum Parking Quantity shall be the total amount permitted to be parked in Shipper's account as specified in the executed PALSA.

1.40 "Maximum Receipt Quantity" ("MRQ") - The maximum quantity, not including Fuel and L&U, that Transporter is obligated to receive at a Receipt Point as specified on Exhibit A of the Executed TSA. The sum of a Shipper's MRQs at all Receipt Points shall equal the TCD.

1.41 "Month" - A period commencing on the first Day of the corresponding calendar month and ending on the first Day of the next following calendar month.

1.41A "Monthly System Cashout Index Price" - The Monthly System Cash Out Index Price shall be determined pursuant to Section 32.3(c) of the GT&C.

1.42 "Natural Gas" - Any mixture of hydrocarbons or of hydrocarbons and noncombustible gases, in a gaseous state, consisting essentially of methane.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.34 "Interconnect" - A point at which any facility, including third-party plants and gathering systems, connects with Transporter's transmission system.

1.35 "L&U" - Lost and unaccounted-for gas.

1.35A "Long-Term Rates" - Rates for firm service applicable to an Executed TSA with a term equal to a winter contract, a summer contract, or an annual contract, as provided for in the applicable rate schedule. Contracts in effect prior to January 1, 2009 shall be subject to Long-Term Rates. See Section 1.65 of the GT&C for Short-Term Rates.

1.36 "Maximum Delivery Obligation" ("MDO") - The maximum daily quantity that Transporter will be obligated to deliver to a meter as specified in Rate Schedule OPAS. The Maximum Hourly Obligation ("MHO") will be no less than the MDO divided by 24 hours and no more than the MDO divided by 24 hours times 300%.

1.37 "Maximum Delivery Quantity" ("MDQ") - The maximum quantity that Transporter is obligated to deliver at a Delivery Point as specified on Exhibit A of the Executed TSA. The sum of a Shipper's MDQs at all Delivery Points shall equal the TCD.

1.38 "Maximum Lending Quantity" - Shipper's Maximum Lending Quantity shall be the total amount permitted to be loaned in Shipper's account, as specified in the executed PALSA.

1.39 "Maximum Parking Quantity" - Shipper's Maximum Parking Quantity shall be the total amount permitted to be parked in Shipper's account as specified in the executed PALSA.

1.40 "Maximum Receipt Quantity" ("MRQ") - The maximum quantity, not including Fuel and L&U, that Transporter is obligated to receive at a Receipt Point as specified on Exhibit A of the Executed TSA. The sum of a Shipper's MRQs at all Receipt Points shall equal the TCD.

1.41 "Month" - A period commencing on the first Day of the corresponding calendar month and ending on the first Day of the next following calendar month.

1.41A "Monthly System Cashout Index Price" - The Monthly System Cash Out Index Price shall be determined pursuant to Section 10.3(c) of the GT&C.

1.42 "Natural Gas" - Any mixture of hydrocarbons or of hydrocarbons and noncombustible gases, in a gaseous state, consisting essentially of methane.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.43 "North System" - That portion of Transporter's transportation system that is north of Dutch Flat Station on the Havasu crossover and north and/or west of the south discharge of Plains Station. Section 1.66 of the GT&C provides an illustration of the North System.

1.44 "One Thousand Cubic Feet" ("Mcf") - The quantity of Natural Gas occupying a volume of one thousand (1,000) cubic feet at a temperature of sixty degrees Fahrenheit (60°F) and at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia).

1.45 "Operator" - The person or entity that controls the movement of gas through an Interconnect.

1.46 "Operationally Equivalent" - A point is Operationally Equivalent if the following conditions apply: 1) if the distance between the Receipt Point and Delivery Point is sufficient to provide workable linepack, 2) if the delivery lateral, where applicable, has comparable or better diameter, capacity and pressure conditions, and 3) if the Flow Path is equivalent to the points listed in the original agreement.

1.47 "PAL Point" - The transaction point(s) on Transporter's system where parking and lending services are provided to Shipper, as specified in the executed PALSA. PAL points will be associated with the existing Transporter Production Area or California pools.

1.48 "Path Quantity" - The amount of TCD rights available under a Shipper's firm TSA on a physical or Virtual Path on Transporter's pipeline system.

1.49 "Permian to Anadarko Fuel" - The Fuel charge applicable to transport service where gas is received in the Permian Basin and delivered to the Anadarko Basin.

1.50 "Permian Basin" - For purposes of the application of rates and the assessment of Fuel charges, service within the Permian Basin shall be comprised of gas receipts and deliveries occurring south of Roswell Station, east of the suction of Guadalupe Station, east of the suction of Gresham Station, and south of Dimmitt Station.

1.51 "Pool" - The physical or paper Receipt Points determined by Transporter at which supplies may be aggregated and disaggregated. The Pooling areas are identified on Transporter's EBB.

1.52 "Pre-Arranged Shipper" - Any Shipper who is qualified, pursuant to Section 28.20, and seeks to acquire capacity under a pre-arranged release for which notice is given pursuant to Section 28.5.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.43 "North System" - That portion of Transporter's transportation system that is north of Dutch Flat Station on the Havasu crossover and north and/or west of the south discharge of Plains Station. Section 1.66 of the GT&C provides an illustration of the North System.

1.44 "One Thousand Cubic Feet" ("Mcf") - The quantity of Natural Gas occupying a volume of one thousand (1,000) cubic feet at a temperature of sixty degrees Fahrenheit (60°F) and at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia).

1.45 "Operator" - The person or entity that controls the movement of gas through an Interconnect.

1.46 "Operationally Equivalent" - A point is Operationally Equivalent if the following conditions apply: 1) if the distance between the Receipt Point and Delivery Point is sufficient to provide workable linepack, 2) if the delivery lateral, where applicable, has comparable or better diameter, capacity and pressure conditions, and 3) if the Flow Path is equivalent to the points listed in the original agreement.

1.47 "PAL Point" - The transaction point(s) on Transporter's system where parking and lending services are provided to Shipper, as specified in the executed PALSA. PAL points will be associated with the existing Transporter Production Area or California pools.

1.48 "Path Quantity" - The amount of TCD rights available under a Shipper's firm TSA on a physical or Virtual Path on Transporter's pipeline system.

1.49 "Permian to Anadarko Fuel" - The Fuel charge applicable to transport service where gas is received in the Permian Basin and delivered to the Anadarko Basin.

1.50 "Permian Basin" - For purposes of the application of rates and the assessment of Fuel charges, service within the Permian Basin shall be comprised of gas receipts and deliveries occurring south of Roswell Station, east of the suction of Guadalupe Station, east of the suction of Gresham Station, and south of Dimmitt Station.

1.51 "Pool" - The physical or paper Receipt Points determined by Transporter at which supplies may be aggregated and disaggregated. The Pooling areas are identified on Transporter's EBB.

1.52 "Pre-Arranged Shipper" - Any Shipper who is qualified, pursuant to Section 9.18, and seeks to acquire capacity under a pre-arranged release for which notice is given pursuant to Section 9.4.

1. DEFINITIONS (Continued)

1.30 "Premium Service Delivery Point" - A Delivery Point eligible for enhanced firm transportation service, e.g. hourly rights, no-notice, daily balancing and swing service. Premium Service Delivery Points will be identified on Transporter's EBB. Transporter will update the list of Premium Service Delivery Points as experience and operating conditions allow. Transporter's determination of eligibility shall be based on, but may not be limited to, the following:

(a) Except as provided below, the Delivery Point is equipped with physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows; and

(b) The DP Operator agrees to receive variable hourly rates of flow and agrees to operate the Delivery Point under a Predetermined Allocation Agreement ("PDA") or under a mutually agreed upon similar arrangement specifying the allocation of deliveries to individual TSAs.

(c) Should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

1.31 "Primary Capacity" - The transportation system capacity (path rights) that is within any portion of the Primary Receipt-to-Delivery Flow Path used by a Shipper under its firm TSA. In addition, Primary status shall apply to the receipt and Delivery Points specified in the Transportation Service Agreement (point rights). On any pipeline Segment, Primary Capacity is limited by the Maximum Receipt or Delivery Quantity of the receipt point(s) and Delivery Point(s) or the Path Quantity, whichever is less.

1.32 "Primary Receipt-to-Delivery Flow Path" - The primary capacity between the primary receipt point(s) and primary delivery point(s) limited by the Path Quantity listed in a Shipper's TSA. The direction of flow shall be deemed to be from the primary receipt point to the primary delivery point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.53 "Premium Service Delivery Point" - A Delivery Point eligible for enhanced firm transportation service (e.g., hourly rights, no-notice, daily balancing) and/or interruptible swing service. Premium Service Delivery Points will be identified on Transporter's EBB. Transporter will update the list of Premium Service Delivery Points as experience and operating conditions allow. Transporter's determination of eligibility shall be based on, but may not be limited to, the following:

(a) Except as provided below, the Delivery Point is equipped with physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows; and

(b) The DP Operator agrees to receive variable hourly rates of flow and agrees to operate the Delivery Point under a Predetermined Allocation Agreement ("PDA") or under a mutually agreed upon similar arrangement specifying the allocation of deliveries to individual TSAs.

(c) Should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

1.53A "Premium Service Virtual Delivery Point" ("PSVP") - A Delivery Point eligible for firm transportation service within the Permian virtual area, pursuant to Rate Schedule FTH-V. PSVPs will be identified on Transporter's EBB. Transporter will update the list as new eligible points are identified or upon request(s) of Shipper and/or DP Operator. Transporter's determination of eligibility shall be based on, but may not be limited to, the following:

(a) Location, distance from Transporter's mainline, pressure conditions, proximity to other Receipt and Delivery Points, pipeline diameter; and

(b) Except as provided below, the Delivery Point is equipped with physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows; and

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.56 "Production Area" - A rate delivery zone where the receipts and deliveries occur within the same supply area (San Juan, Permian and Anadarko).

1.57 "Receipt Point" - The receipt location (a single meter, a collection of meters runs at a single location, an aggregation of meters at different but specified locations, or a Pool) for which gas quantities are nominated, confirmed and scheduled for receipt to Shipper, or for Shipper's account.

1.58 "Releasing Shipper" - Any Shipper holding firm capacity rights under a TSA, subject to the conditions of the applicable firm rate schedule, of an Acquired Capacity Agreement who desires to release such firm capacity rights to another Shipper, pursuant to Section 28.

1.59 "Safe Harbor Tolerance Percentage" - The applicable percentage set forth in the section of a rate schedule or the GT&C that is intended to be utilized for determining the Safe Harbor Tolerance Quantities in respect of hourly scheduling penalties, daily unauthorized overrun penalties and SOC and COC charges, which percentage depends upon whether a Critical or non-Critical Condition exists.

1.60 "Safe Harbor Tolerance Quantities" - The Safe Harbor Tolerance Quantities represent the quantities that do not incur a penalty even though such quantities exceed the applicable contract or scheduling entitlement.

1.61 Reserved

1.62 "San Juan Basin" - For purposes of the application of rates and the assessment of Fuel charges, service within the San Juan Basin shall be comprised of gas receipts and deliveries defined by the boundaries of Window Rock Station and Bluewater Station.

1.63 "Segment" - A discrete portion of Transporter's pipeline system between two specific locations. Segments may be identified by a Shipper's nomination(s) or by one or more release(s) of capacity.

1.63A "Short-Term Rates" - Rates for firm service applicable to an Executed TSA with a term not equal to a winter contract, a summer contract, or an annual contract, as provided for in the applicable rate schedule. Contracts in effect prior to January 1, 2009 shall be subject to Long-Term Rates. See Section 1.35A of the GT&C for Long-Term Rates.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.56 "Production Area" - A rate delivery zone where the receipts and deliveries occur within the same supply area (San Juan, Permian and Anadarko).

1.57 "Receipt Point" - The receipt location (a single meter, a collection of meters runs at a single location, an aggregation of meters at different but specified locations, or a Pool) for which gas quantities are nominated, confirmed and scheduled for receipt to Shipper, or for Shipper's account.

1.58 "Releasing Shipper" - Any Shipper holding firm capacity rights under a TSA, subject to the conditions of the applicable firm rate schedule, of an Acquired Capacity Agreement who desires to release such firm capacity rights to another Shipper, pursuant to Section 9.

1.59 "RP Operator" - The person or entity that controls or confirms the movement of gas through a Receipt Point.

1.60 "Safe Harbor Tolerance Percentage" - The applicable percentage set forth in the section of a rate schedule or the GT&C that is intended to be utilized for determining the Safe Harbor Tolerance Quantities in respect of hourly scheduling penalties, daily unauthorized overrun penalties and SOC and COC charges, which percentage depends upon whether a Critical or non-Critical Condition exists.

1.61 "Safe Harbor Tolerance Quantities" - The Safe Harbor Tolerance Quantities represent the quantities that do not incur a penalty even though such quantities exceed the applicable contract or scheduling entitlement.

1.62 "San Juan Basin" - For purposes of the application of rates and the assessment of Fuel charges, service within the San Juan Basin shall be comprised of gas receipts and deliveries defined by the boundaries of Window Rock Station and Bluewater Station.

1.63 "Segment" - A discrete portion of Transporter's pipeline system between two specific locations. Segments may be identified by a Shipper's nomination(s) or by one or more release(s) of capacity.

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.67 "Transportation Contract Demand" ("TCD") - A Shipper's TCD shall be the maximum quantity of gas Transporter is obligated to receive (exclusive of Fuel and L&U) and deliver to Shipper under the terms of the TSA. The TCD shall be specified in the Executed TSA.

1.68 "Transporter" - El Paso Natural Gas Company

1.69 "Transportation Service Agreement" ("TSA") - A contract for service in the form contained in the applicable Form of Service Agreement.

1.70 "Virtual Path" - That portion of a nominated Flow Path that lies within one of the areas described in Section 8.1(e)(iii)(A).

1.71 "Visual Integration Systems Application System" ("VISA System") - An information system operated by Transporter that provides real-time operations data.

1.72 "Western Energy Settlement" - For purposes of this tariff, means the settlement between and among El Paso Natural Gas Company, El Paso Merchant Energy Company, El Paso Merchant Energy-Gas, L.P., the Public Utilities Commission of the State of California, Pacific Gas and Electric Company, Southern California Edison Company, and the City of Los Angeles, and approved by the Federal Energy Regulatory Commission in Docket No. RP00-241.

1.73 "Year" - A period of three hundred sixty-five (365) consecutive Days commencing on the date to be specified in the Executed TSA; provided, however, that any such Year which contains the date of February 29 shall consist of three hundred sixty-six (366) consecutive Days.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.11 "Daily PAL Quantity" - The maximum daily quantity that may be parked or loaned at the PAL Point as specified in the executed PALSA.

1.12 "Day" - A period of 24 consecutive hours, except for those Days that are adjusted for Daylight Savings Time, commencing and ending at 8:00 a.m., Mountain Clock Time ("MCT"), or such other period as the parties may agree upon. "Gas Day" shall mean a period of 24 consecutive hours commencing and ending at 8:00 a.m., MCT, adjusted for Daylight Savings Time when appropriate. "Clock time" indicates that Transporter will adjust its Gas Day to reflect changes for Daylight Savings Time.

1.13 "D-Code" - An aggregation of meters as designated in an executed OPASA between Transporter and DP Operator or a single meter. A D-Code is also considered a Delivery Point, as defined in Section 1.15 of the GT&C.

1.14 "Dekatherm" ("dth") - One (1) dth shall mean a quantity of gas containing one million (1,000,000) Btu's.

1.15 "Delivery Point" - The delivery location (a single meter, a collection of meter runs at a single location, or an aggregation of meters at different but specified locations pursuant to Section 30) for which gas quantities are nominated, confirmed and scheduled for delivery to Shipper, or for Shipper's account.

1.16 "DP Operator" - The person or entity that controls or confirms the movement of gas through a Delivery Point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.11 "Daily PAL Quantity" - The maximum daily quantity that may be parked or loaned at the PAL Point as specified in the executed PALSA.

1.12 "Day" - A period of 24 consecutive hours, except for those Days that are adjusted for Daylight Savings Time, commencing and ending at 8:00 a.m., Mountain Clock Time ("MCT"), or such other period as the parties may agree upon. "Gas Day" shall mean a period of 24 consecutive hours commencing and ending at 8:00 a.m., MCT, adjusted for Daylight Savings Time when appropriate. "Clock time" indicates that Transporter will adjust its Gas Day to reflect changes for Daylight Savings Time.

1.13 "D-Code" - An aggregation of meters as designated in an executed OPASA between Transporter and DP Operator or a single meter. A D-Code is also considered a Delivery Point, as defined in Section 1.15 of the GT&C.

1.14 "Dekatherm" ("dth") - One (1) dth shall mean a quantity of gas containing one million (1,000,000) Btu's.

1.15 "Delivery Point" - The delivery location (a single meter, a collection of meter runs at a single location, or an aggregation of meters at different but specified locations pursuant to Section 5.7) for which gas quantities are nominated, confirmed and scheduled for delivery to Shipper, or for Shipper's account.

1.16 "DP Operator" - The person or entity that controls or confirms the movement of gas through a Delivery Point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.27 "GISB or NAESB or NAESB WGQ Standards" - Business practices and electronic communication practices promulgated by the Wholesale Gas Quadrant of the Gas Industry Standards Board ("GISB") also known as "North American Energy Standards Board" ("NAESB") and adopted and codified by the Commission in Section 284.12(a) of the Commission's Regulations. Unless otherwise stated, all NAESB WGQ Standards referenced by or incorporated into this Tariff are Version 1.8. Notwithstanding this Section 1.27, Transporter shall adhere to the NAESB WGQ Standards as modified by Order No. 717. The NAESB WGQ Standards listed below are hereby incorporated into this tariff by reference:

0.2.1 through 0.3.15,
0.4.1,
1.2.1 through 1.2.6,
1.2.8 through 1.2.19,
1.3.3 through 1.3.5,
1.3.6, except as provided in Section 25.3(a),
1.3.7,
1.3.9,
1.3.13 through 1.3.16,
1.3.18 through 1.3.50,
1.3.52 through 1.3.64,
1.3.66 through 1.3.77,
1.3.79,
1.4.1 through 1.4.7,
2.2.1, through 2.2.5,
2.3.1 through 2.3.23,
2.3.25 through 2.3.30,
2.3.32 through 2.3.35,
2.3.40 through 2.3.63,
2.3.65,
2.4.1 through 2.4.18,
3.3.1 through 3.3.13,
3.3.16,
3.3.18,

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.28 "GT&C" - The Transportation General Terms and Conditions of this Tariff.

1.29 "Heating Value" - The quantity of heat, measured in Btu, produced by combustion in air of one (1) cubic foot of anhydrous gas at a temperature of sixty degrees Fahrenheit (60°F) and a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia), the air being at the same temperature and pressure as the gas, after the products of combustion are cooled to the initial temperature of the gas and air, and after condensation of the water formed by combustion.

1.30 "Hourly Entitlement Enhancement Nomination" or "HEEN" - A nomination submitted by a firm Shipper to reserve part or all of its MDQ for the nominated flow day to support non-uniform hourly deliveries at a qualified point. HEEN nominations may only be made by Shippers with TSAs under Rate Schedules FT-1, FTH-V, FT-H, NNTD and NNTH and may only be submitted for the Timely or Evening Nomination Cycles and must involve a HEEN Qualified Delivery Point (or Qualified Delivery Point), pursuant to the specifications of Section 25.

1.31 "Hourly Contract Entitlement" - A Shipper's Hourly Contract Entitlement for firm transportation service is the quantity calculated by multiplying the applicable MDQ times 1/24 times the hourly service rights under the applicable rate schedule (for example, 100% for FT-1, 150% for FTH-12, etc.).

1.32 "Hourly Scheduled Entitlement" - The hourly rights determined by the daily gas quantities nominated by a Shipper and scheduled by Transporter, which is the quantity calculated by multiplying the daily scheduled quantity (up to Shipper's MDQ if applicable) times 1/24 times the hourly service rights under the applicable rate schedule (for example, 100% for FT-1 and IT-1, 150% for FTH-12, etc.). The daily scheduled quantity includes the scheduled Flowing Gas quantities and the HEEN scheduled quantities, if applicable.

1.33 "Hourly Scheduling Penalty Quantity" - The quantity taken at a Delivery Point, as allocated to Shipper pursuant to Section 38, that exceeds the Shipper's Hourly Scheduled Entitlement, and any no-notice quantities, if applicable. The Hourly Scheduling Penalty Quantity consists of two components, a scheduling quantity and an overrun quantity.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.28 "GT&C" - The Transportation General Terms and Conditions of this Tariff.

1.29 "Heating Value" - The quantity of heat, measured in Btu, produced by combustion in air of one (1) cubic foot of anhydrous gas at a temperature of sixty degrees Fahrenheit (60°F) and a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia), the air being at the same temperature and pressure as the gas, after the products of combustion are cooled to the initial temperature of the gas and air, and after condensation of the water formed by combustion.

1.30 "Hourly Entitlement Enhancement Nomination" or "HEEN" - A nomination submitted by a firm Shipper to reserve part or all of its MDQ for the nominated flow day to support non-uniform hourly deliveries at a qualified point. HEEN nominations may only be made by Shippers with TSAs under Rate Schedules FT-1, FTH-V, FT-H, NNTD and NNTH and may only be submitted for the Timely or Evening Nomination Cycles and must involve a HEEN Qualified Delivery Point (or Qualified Delivery Point), pursuant to the specifications of Section 8.1(i).

1.31 "Hourly Contract Entitlement" - A Shipper's Hourly Contract Entitlement for firm transportation service is the quantity calculated by multiplying the applicable MDQ times 1/24 times the hourly service rights under the applicable rate schedule (for example, 100% for FT-1, 150% for FTH-12, etc.).

1.32 "Hourly Scheduled Entitlement" - The hourly rights determined by the daily gas quantities nominated by a Shipper and scheduled by Transporter, which is the quantity calculated by multiplying the daily scheduled quantity (up to Shipper's MDQ if applicable) times 1/24 times the hourly service rights under the applicable rate schedule (for example, 100% for FT-1 and IT-1, 150% for FTH-12, etc.). The daily scheduled quantity includes the scheduled Flowing Gas quantities and the HEEN scheduled quantities, if applicable.

1.33 "Hourly Scheduling Penalty Quantity" - The quantity taken at a Delivery Point, as allocated to Shipper pursuant to Section 10.5, that exceeds the Shipper's Hourly Scheduled Entitlement, and any no-notice quantities, if applicable. The Hourly Scheduling Penalty Quantity consists of two components, a scheduling quantity and an overrun quantity.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.53A "Premium Service Virtual Delivery Point" (Continued)

(c) The DP Operator agrees to receive variable hourly rates of flow and agrees to operate the Delivery Point under a Predetermined Allocation Agreement ("PDA") or under a mutually agreed upon similar arrangement specifying the allocation of deliveries to individual TSAs.

(d) Should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the VISA system on a real time basis.

(e) Should Shipper or DP Operator request the addition of a Delivery Point to the list posted on the EBB and Transporter does not consent to such addition, Transporter shall provide in writing its reasons for not approving such request to Shipper or DP Operator.

1.54 "Primary Capacity" - The transportation system capacity (path rights) that is within any portion of the Primary Receipt-to-Delivery Flow Path used by a Shipper under its firm TSA. In addition, Primary status shall apply to the receipt and Delivery Points specified in the TSA (point rights). On any pipeline Segment, Primary Capacity is limited by the Maximum Receipt or Delivery Quantity of the Receipt Point(s) and Delivery Point(s) or the Path Quantity, whichever is less.

1.55 "Primary Receipt-to-Delivery Flow Path" - The Primary Capacity between the primary receipt point(s) and primary delivery point(s) limited by the Path Quantity listed in a Shipper's TSA. The direction of flow shall be deemed to be from the primary receipt point to the primary delivery point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.63A "Segmentation" - The ability of a Shipper holding a firm TSA to subdivide such capacity into Segments and to use those Segments for different capacity transactions. A Shipper may effectuate Segmentation by designating a Segment or Segment(s) by means of nomination(s), or through capacity release(s), in either case, a Shipper may designate a number of discrete transportation combinations (involving Receipt and Delivery Points), so long as the total quantity of such transaction(s) on any Segment is equal to or less than Shipper's TCD.

1.64 "Shipper" - The party contracting with Transporter for services pursuant to any of the rate schedules found in this tariff.

1.65 "Short-Term Rates" - Rates for firm service applicable to an Executed TSA with a term not equal to a winter contract, a summer contract, or an annual contract, as provided for in the applicable rate schedule. Contracts in effect prior to January 1, 2009 shall be subject to Long-Term Rates. See Section 1.35A of the GT&C for Long-Term Rates.

1.66 "South System" - That portion of Transporter's transportation system that is south of Dutch Flat Station on the Havasu crossover, south and east of the south discharge of Plains Station, and the Maricopa line. Section 1.66 provides an illustration of the South System.

Reserved for future use.

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT

2.1 Unit of Measurement and Metering Base. The volumetric measurement base shall be 1 cubic foot of gas at a pressure base of 14.73 pounds per square inch absolute, at a temperature base of 60 degrees Fahrenheit, and without adjustment for water vapor.

2.2 Atmospheric Pressure. For the purpose of measurement, calculation and meter calibration, the average absolute atmospheric (barometric) pressure shall be based on the actual altitude of each point of measurement irrespective of variations in natural atmospheric pressure from time to time.

2.3 Temperature. The temperature of the gas shall be determined at the points of measurement by means of acceptable measurement equipment of standard manufacture as determined by Transporter in exercise of its reasonable judgment, which shall be installed in accordance with the recommendations contained in ANSI/API 2530 First Edition (Orifice Metering of Natural Gas). The arithmetic average of Hourly temperatures for each Day shall be used in computing temperatures of the gas during such Day. In the event electronic computer measurement is used, average hourly temperature will be computed as a running average of data determined during each computer scan.

2.4 Determination of Heating Value and Specific Gravity. The Gross Heating Value and specific gravity of the gas may be determined by gas chromatographic analysis. This shall be done by either a gas sample or by an on-line gas chromatograph. In the event a continuous Gas sampling device is used, the analysis shall be performed monthly. The determination of Gross Heating Value and specific gravity from an on-line chromatograph shall input continuously into the computer for quantity calculations. In the event a continuous gas sampler is installed, then the Gross Heating Value and specific gravity shall be determined in the laboratory by chromatograph. Such determinations shall be considered as the Gross Heating Value and specific gravity of all gas delivered during the applicable period of sampling. All Gross Heating Value and specific gravity determinations made with a chromatograph shall use physical gas constants for gas compounds as outlined in ANSI/API 2530 with any subsequent amendments or revisions to which the Parties may mutually agree.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT (Continued)

2.5 Compressibility and Supercompressibility. The measurement hereunder shall be corrected for deviation from Boyle's law in accordance with AGA Report No. 8.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT (Continued)

2.6 Measurement Equipment

(a) Unless otherwise agreed, Transporter will install, maintain, and operate or cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the volumes of gas received and delivered hereunder shall be determined. Shipper may install check-measuring equipment at its own cost and expense, provided such equipment shall be so installed as not to interfere with the operations of Transporter. The calibrating and adjusting of electronic computer components and/or mechanical recording instruments thereof shall be done only by the equipment owner or such owner's representative, unless otherwise agreed upon. Both Transporter and Shipper shall have the right to be present at the time of any installing, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment; provided, however, failure of either Transporter or Shipper to witness such an operation shall not affect the validity of such operation in any way. The records from such measuring equipment shall remain the property of their owner, but upon request, each will submit within 10 Days to the other its records, together with calculations therefrom, for inspection, subject to return within 30 Days after receipt thereof. The measurement equipment of Shipper shall be for check purposes except as otherwise provided.

(b) Orifice Meters. Orifice meters shall be installed and gas volumes computed in accordance with the standards prescribed in AGA Report No. 3 "Orifice Metering of Natural Gas."

(c) Ultrasonic Meters. Ultrasonic meters shall be installed and gas volumes computed in accordance with the standards prescribed in AGA Report No. 9 "Measurement of Gas by Multipath Ultrasonic Meters".

(d) Positive Displacement Meters. Positive displacement meters shall be installed and gas volumes computed in accordance with generally accepted industry practices.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT (Continued)

2.6 Measurement Equipment (Continued)

(e) New Measurement Techniques. If, at any time during the term hereof, a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted by Transporter in exercise of its reasonable judgment. Transporter shall promptly inform all Shippers of any new technique adopted.

(f) Calibration and Test of Meters. The accuracy of all measuring equipment shall be verified by Transporter at reasonable intervals, and if requested, in the presence of representatives of Shipper, but neither Shipper nor Transporter shall be required to verify the accuracy of such equipment more frequently than once in any 30-Day period. If either Party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the Parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.

(g) Correction of Metering Errors. If, upon test, the measuring equipment is found to be in error by not more than one percent (1%), previous recordings of such equipment shall be considered accurate in computing deliveries, but such equipment shall be adjusted at once to record accurately. If, upon test, the measuring equipment shall be found to be inaccurate by an amount exceeding one percent (1%), at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period that is known definitely or agreed upon. In case the period is not known or agreed upon, such correction shall be for a period equal to the lesser of one-half of the time elapsed since the date of the last test or sixteen Days.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT (Continued)

2.6 Measurement Equipment

(h) Failure of Measuring Equipment. In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the Parties upon the first of the following methods which is feasible:

(i) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation.

(ii) By using the registration of any check meter or meters, if installed and accurately registering.

(iii) By estimating the quantity of gas received or delivered based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

(i) Preservation of Records. Shipper and Transporter shall preserve for a period of at least 3 Years, or for such longer period as may be required by appropriate authority, all test data and other similar records.

(j) Right-of-Way and Rural Consumers. Transporter shall install, maintain and operate at its own expense, all main line taps and high-pressure regulators necessary for the delivery of Natural Gas by Transporter to Shipper for resale to right-of-way consumers as well as to rural consumers situated remotely from Shipper's general distribution system. For measurement of gas delivered by Transporter to Shipper for resale to such right-of-way consumers, Shipper may install, maintain and operate at Shipper's own expense, adjacent to Transporter's pipeline, the meters, low-pressure regulators and other equipment required.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT (Continued)

2.6 Measurement Equipment

(j) Right-of-Way and Rural Consumers (Continued)

For measurement of gas delivered by Transporter to Shipper for resale to such rural consumers, Transporter may, at its option, require Shipper to install, maintain and operate at Shipper's own expense, adjacent to Transporter's high-pressure regulators, the meters, low-pressure regulators and other equipment required.

Notwithstanding the other provisions of these General Terms and Conditions and unless other operating arrangements mutually agreeable to Shipper and Transporter are employed, the following arrangements shall apply to deliveries of gas by Transporter to Shipper for resale to right-of-way consumers as well as to deliveries of gas by Transporter to Shipper for resale to rural consumers where, pursuant to the immediately preceding paragraphs, Shipper installs meters, low-pressure regulators and other equipment.

Shipper will service all equipment installed by it and the consumers served by use thereof, including handling of all complaints and/or service calls. The reading of said meters shall be performed by the party most conveniently able to do so as mutually agreed upon by Transporter and Shipper. If the meters are read by Shipper, then Shipper shall furnish a copy of the meter readings to Transporter, all without expense to Transporter; provided, however, that Transporter shall have the right to read said meters at any reasonable time upon giving notice to Shipper. All pipe, meters and other equipment shall remain the property of the person or corporation paying for same. Shipper at its own expense will from time to time check the accuracy of the meters measuring said gas and shall give Transporter reasonable notice in writing of its intention to do so. The provisions of Sections 2.6(g) and 2.6(h) hereof shall apply to the accuracy of Shipper's measuring equipment. Transporter may at its option have a representative present at such test.

The frequency of meter reading and the billing for gas delivered by Transporter to Shipper for resale to such right-of-way and rural consumers shall be in accordance with such operating arrangements as may be mutually satisfactory to Transporter and Shipper.

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY

3.1 General Specifications. Unless otherwise provided in Sections 3.2 and/or 3.4 of the GT&C, Shipper warrants that all Natural Gas received by Transporter at any mainline Receipt Point(s) shall conform to the following specifications and must be, in Transporter's reasonable judgment, otherwise merchantable:

(a) Liquids - The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received. The gas shall in no event contain water vapor in excess of seven (7) pounds per million standard cubic feet.

(b) Hydrocarbon Dew Point - The hydrocarbon dew point of the gas received shall not exceed twenty degrees Fahrenheit (20°F) at normal pipeline operating pressures.

(c) Total Sulfur - The gas shall not contain more than five (5) grains of total sulfur, which includes hydrogen sulfide, carbonyl sulfide, carbon disulfide, mercaptans, and mono-, di- and poly-sulfides, per one hundred (100) standard cubic feet. The gas shall also meet the following individual specifications for hydrogen sulfide, mercaptan sulfur or organic sulfur:

(i) Hydrogen Sulfide - The gas shall not contain more than one-quarter (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet.

(ii) Mercaptan Sulfur - The mercaptan sulfur content shall not exceed more than three-quarters (0.75) grain per one hundred (100) standard cubic feet.

(iii) Organic Sulfur - The organic sulfur content shall not exceed one and one-quarter (1.25) grains per one hundred (100) standard cubic feet, which includes mercaptans, mono-, di- and poly-sulfides, but it does not include hydrogen sulfide, carbonyl sulfide or carbon disulfide.

(d) Oxygen - The oxygen content shall not exceed two-tenths of one percent (0.2%) by volume and every reasonable effort shall be made to keep the gas delivered free of oxygen.

4. SCHEDULING AND CAPACITY ALLOCATION (Continued)

4.1 Scheduling of Receipts and Deliveries (Continued)

(a) (Continued)
Flow Day - Shippers shall cause the Operators to tender the scheduled quantities of natural gas to El Paso at Receipt Points, plus volumes to be retained by El Paso for fuel and shrinkage as provided for in the applicable transportation rate schedule, and El Paso shall deliver the scheduled quantities of natural gas, for Shippers' accounts, at Delivery Points.

Intra-day Scheduling - Shippers may each day submit one intra-day scheduling request per agreement up to four hours prior to the beginning of gas flow. Intra-day scheduling requests may be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. El Paso will schedule such requests at least once per day using the allocation priorities established in Section 4.2.

Where additional capacity exists, Shippers may submit an intra-day request for transportation of additional quantities of gas. Shippers shall cause the Operator to make corresponding confirmations of supply or downstream capacity. Such scheduling shall apply only to the additional capacity and shall not cause any change in the prior sequencing of deliveries. El Paso shall communicate electronically or via facsimile the final scheduling of additional quantities of gas to Shippers and Operators prior to the end of flow day.

In addition, Shippers may reduce previously scheduled quantities of gas. Shippers shall cause the Operator to make corresponding confirmations of reduced supply or downstream capacity. El Paso shall communicate electronically or via facsimile the reduction of scheduled quantities to Shippers and Operators prior to the end of flow day.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.1 General Specifications (Continued)

(e) Carbon Dioxide - The gas shall not have a carbon dioxide content in excess of two percent (2%) by volume, except for gas acceptable under Sections 3.2 and 3.4 of the GT&C.

(f) Diluents - The gas shall not at any time contain in excess of three percent (3%) total diluents (the total combined carbon dioxide, nitrogen, helium, oxygen, and any other diluent compound) by volume, except for gas acceptable under Sections 3.2 and 3.4 of the GT&C.

(g) Dust, Gums and Solid Matter - The gas shall be commercially free of dust, gums and other solid matter.

(h) Heating Value - The gas shall have a Heating Value of not less than 967 Btu per cubic foot.

(i) Temperature - The gas received by Transporter shall be at temperatures not in excess of one hundred twenty degrees Fahrenheit (120°F) nor less than fifty degrees Fahrenheit (50°F). Any party tendering gas at a temperature standard less than fifty degrees Fahrenheit (50°F) shall receive a waiver of such standard only if a test has been conducted in accordance with procedures set forth in Section 3.10(b) hereof and the results from such test demonstrate that the particular segment of the pipeline tested can be safely operated below the fifty degrees Fahrenheit (50°F) temperature standard.

(j) Deleterious Substances - The gas shall not contain deleterious substances in concentrations that are hazardous to health, injurious to pipeline facilities or adversely affect merchantability.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.2 Grandfathered Receipts. Transporter agrees that at certain grandfathered plant Receipt Points and Interconnects on Transporter's system described below, where gas does not conform to the carbon dioxide and/or the total diluent specification set forth in Sections 3.1(e) and (f) of the GT&C, gas shall be received according to the provisions of this Section 3.2 which are based on the highest non-conforming monthly average percentages of carbon dioxide and total diluents for a Month during the twelve (12) Month base period ended July 31, 1990. Under this Section 3.2:

(a) Transporter shall accept gas with carbon dioxide and/or total diluents at percentages up to the non-conforming specifications at volumes up to the residue volume at the plant design capacity or historical Interconnect volumes, as such existed on July 31, 1990, provided, however, that to the extent Transporter must curtail non-conforming volumes to meet Transporter's Delivery Point specifications for carbon dioxide and/or total diluents, Transporter shall curtail volumes at these plants down to 125% of historical volumes.

(b) Historical volumes for non-conforming plants shall be deemed to be the daily average for the highest monthly tailgate volume delivered to Transporter during the twelve (12) Month base period ended July 31, 1990 and in the event a non-conforming plant or plants are closed, Transporter shall transfer the applicable historical volumes to another plant owned by the same party.

(c) The identification of the non-conforming plants, the grandfathered specifications and the historical volumes are set forth on the table below.

NON-CONFORMING PLANTS

LOCATION	METER CODE	GRANDFATHERED SPECIFICATIONS CO2 MOL %	TOTAL DILUENTS MOL%	HISTORICAL VOLUME (MCF/D)
Slaughter Plant (IAMSLAUG)	77-039	-	11.89	6,915
Puckett Plant (IPUCKETT)	14-261	3.55	4.09	37,390

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.2(c) (Continued)

NON-CONFORMING PLANTS
(CONTINUED)

GRANDFATHERED SPECIFICATIONS

LOCATION	METER CODE	CO2 MOL %	TOTAL DILUENTS MOL%	HISTORICAL VOLUME (MCF/D)
Jal Complex (IJALCPLX)	01-814	-	4.31	28,518
Jameson Plant (ISUNJAME)	77-078	-	7.02	2,823
Midkiff Plant (IMIDKIFF)	01-079	-	4.95	39,371
Goldsmith Plant (IPHGOLDS)	02-381	-	5.23	62,267
Lee Plant (IPHLEE)	77-025	-	7.34	27,484
Eunice Plant (IPHEUNIC)	77-287	-	5.15	57,672
Fullerton Plant (IPHFULTN)	77-289	-	6.18	28,200
Spraberry Plant (IPHSPBRY)	77-248	-	4.64	11,277
San Juan River Plant (ISJRVPLT)	01-125	-	4.35	32,827
TXL Plant (ISHTXL)	77-029	-	6.17	12,054
Terrell Plant (ITERRELL)	01-596	2.89	4.53	102,708
Denton Plant (IDENTON)	77-001	-	5.02	2,554
Perkins Plant (IUTPERKN)	77-068	-	10.19	9,178
Val Verde Plant (IMOITRKA)	14-136	2.13	-	195,985
Monument Plant (IWARMONU)	77-045	-	4.04	31,576
Saunders Plant (IWARSAUD)	77-046	-	5.75	12,421

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. SCHEDULING AND CAPACITY ALLOCATION (Continued)
4.1 Scheduling of Receipts and Deliveries (Continued)
(a) (Continued)

(xii) Notice Procedures: Transportation Service Providers should provide affected parties with notification of intraday bumps, operational flow orders and other critical notices through the affected party's choice of Electronic Notice Delivery mechanism(s) (NAESB Standard 5.3.34). Electronic Notice Delivery is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM (NAESB Standard 5.2.2).

(xiii) Flow Day -- Shippers shall cause the Operators to tender the scheduled quantities of Natural Gas to Transporter at Receipt Points, plus quantities to be retained by Transporter for Fuel and L&U as provided for in the applicable transportation rate schedule, and Transporter shall deliver the scheduled quantities of Natural Gas, for Shippers' accounts, at Delivery Points. Transporter may elect to construct, install, and/or operate flow control equipment at any location on its pipeline system whenever it determines in its reasonable judgment that such equipment will contribute to the safe, reliable, efficient, and orderly operation of its system in a manner that is consistent with its service obligations under all of its rate schedules. In the event Transporter utilizes such option, Transporter, in a not unduly discriminatory manner, may set the rate of flow at a Delivery Point at a level no less than the sum of the daily scheduled quantities for all Shippers at such point, taking into account any hourly services.

(xiv) If a confirmation from an interconnect operator is received after quantities are scheduled, the resulting imbalance will be carried on the shipper's TSA unless the interconnect operator agrees to accept the scheduled quantities on its operational balancing agreement.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.2 (d) The identification of the non-conforming Interconnects, the grandfathered specifications and the historical volumes are set forth on the table below.

NON-CONFORMING INTERCONNECTS

LOCATION	TOTAL METER CODE	HISTORICAL CO2 MOL %	DILUENTS MOL%	VOLUME (MCF/D)
Big Blue Receipt Point (IBIGBLUE)	14-091	-	9.50	11,900
Ignacio Dry Gas (ICOLODRY)	01-127	3.13	3.22	37,595
Northern Natural Plains (INN30PLA)	40-018	-	4.22	111,072
Plains Compressor (Westar-Felmac) (IW40-043)	40-043	-	4.50	8,464

(e) In addition, Transporter agrees to accept, on a grandfathered basis, gas that does not conform to the sulfur specifications set forth in Section 3.1(c) of the GT&C for Natural Gas received at the tailgate of the Terrell Plant, based on the actual monthly highest non-conforming concentrations during the twelve (12) Month base period ending July 31, 1990. The sulfur specification Transporter shall accept for Natural Gas at volumes up to the residue volume at plant design capacity received at the tailgate of the plant is identified below.

Grandfathered Non-conforming Sulfur Specifications
(grains per 100 standard cubic feet)

	HYDROGEN SULFIDE	HISTORICAL VOLUME (MCF/D)
Terrell Plant	0.45	102,708

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. SCHEDULING AND CAPACITY ALLOCATION (Continued)

4.1 Scheduling of Receipts and Deliveries (Continued)

(b) Operating conditions may, from time to time, cause a temporary and unintentional imbalance between the quantities (in dth's) of Natural Gas that Transporter receives and the quantities of Natural Gas that Shipper takes under the Executed TSA. Transporter shall schedule gas attributable to imbalances when, in its reasonable discretion and in a not unduly discriminatory manner, it determines that it can practicably receive or deliver such imbalance quantities without affecting other service. In the event make-up or payback gas to resolve an imbalance is nominated and confirmed, the scheduling priority of such make-up or payback transaction, if capacity is available, shall be based on the priority of the underlying TSA.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.3 Delivery Specifications. Except as otherwise provided below, all Natural Gas delivered by Transporter shall conform to the following specifications:

(a) Liquids - The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered. The gas shall in no event contain water vapor in excess of seven (7) pounds per million standard cubic feet.

(b) Hydrocarbon Dew Point - The hydrocarbon dew point of the gas delivered shall not exceed twenty degrees Fahrenheit (20°F) at a pressure of 600 psig.

(c) Total Sulfur - The gas shall not contain more than three-quarters (0.75) grain of total sulfur per one hundred (100) standard cubic feet, which includes hydrogen sulfide, carbonyl sulfide, carbon disulfide, mercaptans, and mono-, di- and poly-sulfides. The gas shall also meet the following individual specifications for hydrogen sulfide, mercaptan sulfur or organic sulfur:

(i) Hydrogen Sulfide - The gas shall not contain more than one-quarter (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet.

(ii) Mercaptan Sulfur - The mercaptan sulfur content shall not exceed more than three-tenths (0.3) grain per one hundred (100) standard cubic feet.

(iii) Organic Sulfur - The organic sulfur content shall not exceed five-tenths (0.5) grain per one hundred (100) standard cubic feet, which includes mercaptans, mono-, di- and poly-sulfides, but it does not include hydrogen sulfide, carbonyl sulfide or carbon disulfide.

(d) Oxygen - The oxygen content shall not exceed two-tenths of one percent (0.2%) by volume and every reasonable effort shall be made to keep the gas delivered free of oxygen.

(e) Carbon Dioxide - The gas shall not have a carbon dioxide content in excess of three percent (3%) by volume.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. SCHEDULING AND CAPACITY ALLOCATION (Continued)

4.1 Scheduling of Receipts and Deliveries (Continued)

(c) Transporter shall not be obligated to accept, for the account of Shipper, from any Receipt Point, a quantity of gas that is less than fifteen (15) dth per Day, so as to avoid measurement problems relative to small quantities and disproportionate administrative burdens.

(d) RESERVED

(e) In the event that, for any Gas Day, a Shipper's initial nomination for transportation on Transporter's system is unsuccessful due to lack of access to downstream transportation at any Delivery Point, which Transporter shall confirm by contacting the downstream Operator, such condition shall have no adverse effect on the scheduling of other Shipper's rights at Receipt or Delivery Points.

(f) In the event of any occurrence which prevents Transporter from utilizing the process set forth above (e.g., computer failure), for the duration of such occurrence, Transporter shall schedule the lesser of the last new request received and confirmed or the previously scheduled quantities. Notice of the commencement and termination of any such occurrence shall be posted on Transporter's EBB. The provisions of Section 4.2(d) of the GT&C shall not apply to occurrences subject to this Section 4.1(f).

(g) Flow Day Diversion. Subject to any other limitations set forth in each rate schedule, during the Gas Day a Shipper moving gas pursuant to Rate Schedules FT-1, FTH-V, FT-H, NNTD and/or NNTH of this Volume No. 1A Tariff may divert scheduled quantities to a point that is within the same rate zone or in an upstream zone. A Releasing Shipper, as a term of release, may utilize such flow day diversion as a means of recalling capacity on an expeditious basis. Additionally, an Acquiring Shipper may utilize flow day diversion for the same Day return of such recalled capacity. Any diversion pursuant to this Section 4.1(g) is subject to the following conditions:

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)
   3.3 Delivery Specifications (Continued)
   (f) Diluents - The gas shall not at any time contain in excess of four percent (4%) total diluents (the total combined carbon dioxide, nitrogen, helium, oxygen, and any other diluent compound) by volume.

   (g) Dust, Gums and Solid Matter - The gas shall be commercially free from solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose or merchantability of the gas, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow.

   (h) Heating Value - The gas shall have a Heating Value of not less than 967 Btu per cubic foot. For Natural Gas delivered at the border between the States of Arizona and California, the gas shall have a Heating Value of not less than 995 Btu per cubic foot.

   (i) Temperature - The gas shall be delivered at temperatures not in excess of one hundred twenty degrees Fahrenheit (120°F) nor less than fifty degrees Fahrenheit (50°F) except during those times when due to normal operating conditions and/or seasonal ambient temperatures on or near the pipeline system the temperature may drop below such lower limit.

   (j) Deleterious Substances - The gas shall not contain any toxic or hazardous substance, in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities or be a limit to merchantability.

   (k) If, at any time, gas delivered by Transporter shall fail to substantially conform to the specifications set forth in this Section 3.3 (a) - (j) of the GT&C, Shipper or its designee agrees to notify Transporter of such deficiency. Shipper, or its designee, may agree to waive Transporter's compliance with its delivery specifications or, if Transporter fails to promptly remedy any such deficiency within a reasonable time, then Shipper or its designee may, at its option, refuse to accept delivery pending correction of the deficiency by Transporter or continue to accept delivery and make such changes as necessary to cause the gas to conform to such specifications, in which event Transporter shall reimburse Shipper or its designee for all reasonable expenses incurred by Shipper or its designee in effecting such changes.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.4 Specification Exemptions. Transporter, in its reasonable discretion and judgment, exercised on a not unduly discriminatory basis, may accept gas that does not conform to the quality specifications in Section 3.1 or 3.2 of the GT&C but meets the conditions set forth below, provided that Transporter determines that such acceptance will not interfere with its ability to: (1) maintain an acceptable gas quality in its pipeline through prudent and safe operation of Transporter's pipeline system and any related storage facility;(2) ensure that such gas does not adversely affect Transporter's ability to operate its system and to provide adequate service to its customers consistent with the applicable Rate Schedule and the GT&C; and (3) ensure that such gas does not adversely affect Transporter's ability to deliver gas at its Delivery Points.

(a) Transporter may accept gas that exceeds the total diluents specifications as set forth in Section 3.1(f) in Lea, Chaves, and San Juan Counties, New Mexico provided that: (i) the maximum quantity received is no greater than 6,000 Mcf/day; (ii) total diluents are no greater that 6.0%; (iii) the gas meets all other gas quality specifications set forth in Section 3.1; (iv) received volumes will not impact the merchantability of the commingled gas stream; and (v) the Shipper or Operator has provided Transporter with written notice of its intent to deliver gas pursuant to this exemption.

(b) Transporter may accept gas with total diluents not exceeding 4% (four percent)for receipts in the Keystone, Plains and Waha areas, provided (i)the Btu content of such gas is not less than 1000 Btu/cubic feet; (ii) the gas meets the other gas quality specifications set forth in Section 3.1 of the GT&C; (iii) that the Shipper or Operator has installed an online chromatograph and any required appurtenances to monitor the gas quality; and (iv) the Shipper or Operator has provided Transporter with written notice of its intent to deliver gas pursuant to this exemption.

(c) Transporter may accept any gas that does not meet the specifications set forth in Sections 3.1 or 3.2 of the GT&C on a short-term basis for operational reasons which may include plant start-ups, plant upsets, or line freeze-offs.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.5 Waiver of Quality Specifications. Transporter, in its reasonable discretion and judgment, exercised on a not unduly discriminatory basis, may waive one or more of its gas quality specifications at any Receipt Point to accept gas that does not conform to the quality specifications set forth in Section 3.1 or 3.2 of the GT&C, if Transporter determines that such acceptance will not interfere with its ability to: (1) maintain an acceptable gas quality in its pipeline through prudent and safe operation of Transporter's pipeline system and any related storage facility;(2) ensure that such gas does not adversely affect Transporter's ability to operate its system and to provide adequate service to its customers consistent with the applicable Rate Schedule and the GT&C; and (3) ensure that such gas does not adversely affect Transporter's ability to deliver gas at its Delivery Points.

3.6 Upon mutual agreement between Transporter and the downstream Interconnect party, Transporter may temporarily deliver gas that does not conform to the quality specifications set forth in Sections 3.1 or 3.2 of the GT&C, if Transporter, in its reasonable operational judgment and in a not unduly discriminatory manner, determines that such delivery will not interfere with its ability to: (1) maintain an acceptable gas quality in its pipeline through prudent and safe operation of Transporter's pipeline system and any related storage facility; (2) ensure that such agreement does not adversely affect Transporter's ability to operate its system and to provide adequate service to its customers consistent with the applicable Rate Schedule and the GT&C; (3) ensure that such agreement does not adversely affect Transporter's ability to deliver gas at its Delivery Points; and (4) ensure that such agreement only affects consenting parties to this Section 3.6. Such agreement shall be made in writing between Transporter and DP Operator and shall be posted on the EBB.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. SCHEDULING AND CAPACITY ALLOCATION (Continued)

4.2 Capacity Allocation Procedure. If, on any Day, Transporter determines that the capacity of its pipeline system, or any portion of such system, is insufficient to serve all requests for transportation for that nomination cycle, then Transporter will schedule transportation in accordance with the sequencing procedures set forth below until all available capacity at the constrained location is allocated.

Firm Allocation. Firm service shall be scheduled based on confirmed quantities not to exceed the capacity of the facility to receive or deliver gas and not to exceed any Shipper's maximum contract quantities. Capacity rights shall be determined based on point rights first and path rights second.

(a) Shippers receiving service under Rate Schedule FT-2 for delivery to primary delivery point(s) shall receive their full requirements, up to a maximum of 10,000 dth per Day, before all other Shippers, subject to the requirements of Section 2.4 of Rate Schedule FT-2. FT-2 capacity shall be scheduled on an FT-2 primary basis and an FT-2 alternate basis (as applicable) if the conditions of Rate Schedule FT-2 Section 2.4 are satisfied. If the conditions of Rate Schedule FT-2 Section 2.4 are not satisfied, FT-2 capacity will be scheduled pursuant to Section 4.2(c) of the GT&C.

(b) All other firm transportation Shippers using Primary Capacity.

(c) All other firm transportation Shippers utilizing Flow Point Secondary, Flow Path Secondary or Alternate Capacity (including Segmentation) in the order listed below. Capacity within each category shall be scheduled within each group first to those shippers paying the maximum tariff rates for any rate zone. For scheduling priority purposes only, Short-Term Rates that exceed the related maximum Long-Term Rates will be deemed equivalent to maximum Long-Term Rates. If allocations are required among the maximum rate shippers, they will be performed on a pro rata basis using contract MDQ. Service will be scheduled next to those shippers paying discounted rates with the highest reservation rates being scheduled first. If allocations are required among discounted rate shippers paying the same discounted rate, they will be performed on a pro rata basis using contract MDQ.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.7 Failure to Meet Specifications. If, at any time, gas tendered by Shipper for transportation shall fail to conform to any of the applicable quality specifications set forth in Sections 3.1 or 3.2 of the GT&C and Transporter notifies Shipper of such deficiency and Shipper fails to remedy any such deficiency within a reasonable period of time (immediately in those situations which threaten the integrity of Transporter's system), Transporter may, at its option, refuse to accept such gas pending correction of the deficiency by Shipper or, Transporter may continue to accept the receipt of such gas and make such changes as are necessary to cause the gas to conform to such specifications, in which event Shipper shall reimburse Transporter for all reasonable expenses incurred by Transporter in effecting such changes, including operational and gas costs associated with purging and/or venting the pipeline. Failure by Shipper to tender quantities that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the obligations of Shipper existing under any other provisions of the Executed TSA. In the event Natural Gas is delivered into Transporter's system that would cause the Natural Gas in a portion of Transporter's pipeline to become unmerchantable, then Transporter is permitted to act expediently to make the gas merchantable again by any and all reasonable methods, including, without limitation, venting the pipeline of whatever quantity of Natural Gas is necessary to achieve a merchantable stream of gas. Shipper shall reimburse Transporter for all reasonable expenses incurred by Transporter to obtain merchantable Natural Gas again, including operational and gas costs associated with venting the pipeline. In such cases, Transporter shall promptly notify Shipper of the non-conforming supply and any steps taken to protect the merchantability of the gas.

3.8 Gas Quality Monitoring Equipment. After giving sufficient notice to a Shipper, Transporter shall have the right to collect from all Shippers delivering gas to Transporter at a common Receipt Point their volumetric pro rata share of the cost of any additional gas quality equipment including hydrogen sulfide analysis and/or water vapor analysis equipment which Transporter, at its reasonable discretion, determines is required to be installed at such Receipt Point to monitor the quality of gas delivered.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.9 The quality specifications set forth in Section 3.3 of the GT&C shall not apply to Natural Gas delivered by Transporter at any Delivery Point in production areas receiving gas delivered by Transporter on July 31, 1990 that did not meet the quality specifications set forth in Section 3.3 of the GT&C. Gas so designated shall be of such quality as may exist in the delivering pipeline from time to time at such Delivery Points and Transporter makes no warranty of merchantability or fitness for any purpose with respect to such gas.

3.10 Testing Procedures - The following test procedures shall be utilized by Transporter.

(a) To determine whether specified sulfur compound limitations are being met as stated under Section 3.1(c), 3.2(e) and 3.3(c) hereof, Transporter shall use the appropriate American Society for Testing Materials Procedures (as revised) Volume 05.05 Gaseous Fuels; Coal and Coke and/or accepted industry practices such as sulfur analyzers and chromatographs.

(b) To determine whether specific points on Transporter's system can operate below the fifty degree Fahrenheit (50°F) tolerance as stated in Sections 3.1(i) and 3.3(i) of the GT&C, Transporter shall use the Charpy impact and drop-weight tear tests in accordance with API-5L Supplemental Requirements 5 and 6, respectively. Inasmuch as this test requires the shutdown of the specific segment of the system being tested, Transporter shall conduct such test only at a time when operations on such segments are not affected or the safety of the system is not put in jeopardy.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.11 Odorization. As between Transporter and Shipper, Transporter shall have no obligation whatsoever to odorize the Natural Gas delivered, nor to maintain any odorant levels in such Natural Gas. Notwithstanding Section 25.1 of the GT&C, Shipper agrees to indemnify and hold harmless Transporter, its officers, agents, employees and contractors against any liability, loss or damage, including litigation expenses, court costs and attorneys' fees, whether or not such liability, loss or damage arises out of any demand, claim, action, cause of action, and/or suit brought by Shipper or by any person, association or entity, public or private, that is not a party to the Executed TSA, where such liability, loss or damage is suffered by Transporter, its officers, agents, employees and/or contractors as a direct or indirect result of any actual or alleged sole or concurrent negligent failure by Transporter or any actual or alleged act or omission of any nature by Shipper to odorize the Natural Gas or product delivered under the Executed TSA or to maintain any odorant levels in such Natural Gas or product.

Reserved for future use.

Fourth Revised Sheet No. 215C Fourth Revised Sheet No. 215C
Superseding: Third Revised Sheet No. 215C

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES

4.1 Request for Service. A valid request for service shall be in accordance with, and contain the data required by the provisions contained in this Section 4.

4.2 Prospective Sale of Available Capacity

(a) New Service Requests. Transporter may grant requests for firm service on a not unduly discriminatory basis within the following time periods and subject to the below listed conditions:

(i) For service with a term of one Year or longer, the service must be requested to begin no later than three months from the date the request is granted;

(ii) For service with a term greater than three Months but less than one year, the service must be requested to begin no later than one Month from the date the request is granted;

(iii) For service with a term of three Months or less, the service must be requested to begin no later than ten Business Days from the date the request is granted.

(b) Transporter will consider, on a not unduly discriminatory basis, requests for firm service outside of the above specified time periods if the request involves any of the following conditions:

(i) The request is associated with an open season;

(ii) The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract; or

(iii) The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES

4.2 Prospective Sale of Available Capacity (Continued)

(c) If Transporter sells firm capacity pursuant to Section 4.2(b)(i), capacity will be made available to other shippers on an interim basis up to the commencement date of the prospective TSA. Where the requested start date of the prospective capacity extends more than one Year into the future, the interim capacity would otherwise be eligible for the right-of-first-refusal ("ROFR") if it is acquired at the maximum applicable tariff rate. Transporter will limit the ROFR rights of such interim capacity using the following procedures for the sale of prospective and interim capacity.

(i) A pre-arranged transaction for any such prospective capacity shall be posted for competitive bidding pursuant to the requirements of Sections 4.4 and 4.5.

(ii) The bid evaluation methodology for the award of such capacity will be Net Present Value as defined in Section 9.9(b)(iii).

(iii) If, after the award of the prospective capacity, Transporter sells any related interim capacity that would otherwise be eligible for ROFR rights, the interim capacity will be posted for competitive bidding pursuant to the requirements of Sections 4.4 and 4.5 and the posting will indicate that such capacity is not eligible for ROFR rights.

(d) If Transporter sells firm capacity pursuant to Section 4.2(b)(iii) that involves the reservation of capacity for a future expansion project, the requirements of Section 4.7 will also be followed.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. SCHEDULING AND CAPACITY ALLOCATION (Continued)

4.4 Pooling (Continued)

(i) there will be no account-to-account transfers in the same layer of pools;

(ii) there will be no transfers from a downstream account to an upstream account; and

(iii) gas may not be transferred from a downstream Transportation Service Agreement into a pooling account.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES

4.3 Availability of Firm Service

If Transporter determines that it has any uncommitted firm capacity on its system, it shall use the following procedures when selling that capacity.

(a) If the firm capacity is to be sold within the time periods specified in the capacity sales timeline of Section 4.2(a), the procedures of Section 4.4 shall be followed except when Transporter elects to use Section 4.5.

(b) If the firm capacity is to be sold outside the time periods specified in the capacity sales timeline of Section 4.2(a), the competitive bidding procedures of Section 4.5 shall be followed.

4.4 Obtaining Firm Service Within the Sales Timeline

(a) For firm posted capacity to be sold within the timeline of Section 4.2(a), Shipper must submit a valid request for service using the EBB. Transporter will evaluate Shipper's request and post its acceptance of the request on the EBB. If Transporter is unable to accept the service request, it will notify the Shipper in writing.

(b) Transporter will respond to such service requests within 30 Days. Transporter shall award such capacity on a first/come-first/served basis; however, Transporter reserves its right to refuse service if the rate offered by Shipper is less than the maximum rate for the service set forth on the Statement of Rates of this Tariff.

(c) If Transporter accepts Shipper's request for service, the TSA will be deemed electronically executed pursuant to Section 4.11.

4.5 Obtaining Firm Service Outside the Sales Timeline

(a) For firm capacity to be sold outside the timeline of Section 4.2(a) or where Transporter elects to conduct competitive bidding, Transporter will post such capacity on its EBB for competitive bidding. The capacity shall be awarded using the procedures specified by Sections 9.7 and 9.9.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES

4.5 Obtaining Firm Service Outside the Sales Timeline (Continued)

(b) Pre-arranged Shippers are permitted to match tied bids pursuant to Section 9.9(g). Transporter shall not be obligated to accept any bid for uncommitted capacity that is for less than the applicable maximum reservation charge and reservation surcharge.

(c) Transporter and Shipper may negotiate rates that exceed the maximum reservation or usage rates pursuant to Section 4.18. For purposes of evaluating bids, Transporter will award capacity pursuant to the evaluation criteria of Section 9.10(b) and will include any contractual usage revenue commitments in the application of such criteria.

(d) For proposed system expansions where an open season has been held through a notice posted on the EBB, the open season procedures will be deemed to satisfy the competitive bidding requirements of this section.

4.6 Upon receipt of all of the information required in Section 4 for a valid request for transportation service, Transporter shall prepare and tender to Shipper for execution a TSA in the form contained in this Volume No. 1A Tariff. If Shipper fails to execute the TSA or any amendment thereto within thirty (30) Days of the date tendered, Shipper's request shall be deemed null and void.

4.7 Capacity Reserved for Future Expansion Projects. Transporter may elect to reserve for future expansion projects, any unsubscribed capacity or capacity under expiring or terminating TSAs where such TSAs do not have a right-of-first-refusal or Shipper does not exercise its right-of-first-refusal.

(a) Capacity may be reserved up to one Year prior to Transporter filing for certificate authority for construction of proposed expansion facilities, and thereafter until all expansion facilities related to the certificate filing are placed into service.

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FERC Docket: RP05-422-000

Second Revised Sheet No. 219A Second Revised Sheet No. 219A : Suspended
Superseding: First Revised Sheet No. 219A

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES

4.7 Capacity Reserved for Future Expansion Projects (Continued)

(b) Transporter may only reserve capacity for a future expansion project for which an open season has been or will be held within one Year of the date that Transporter posts such capacity as being reserved. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section 4.7.

(c) If Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its EBB. Transporter's posting for reserved capacity for future expansion projects shall include the following information: (i) a description of the project for which the capacity will be reserved; (ii) the total quantity of capacity to be reserved; (iii) the location of the proposed reserved capacity on the pipeline system; (iv) whether, and if so when, Transporter anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (v) the projected in-service date of the new facilities; and (vi) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a right-of-first-refusal. The posting for reserved capacity shall also include a non-binding solicitation for turnback capacity to serve the expansion project, provided that Transporter shall post the non-binding solicitation for turnback capacity no later than 90 Days after the close of the expansion project open season, specifying the minimum term for a response to the solicitation. Transporter shall make reasonable efforts to update the posting up to the in-service date of the project to reflect any material changes in the scope of the project.

(d) When reserving capacity for future expansion projects, Transporter shall first post for bid all of its available capacity prior to the reservation period. Transporter shall post and award available capacity in accordance with Sections 9.7 and 9.9 except for the open season posting period which shall be at least five Business Days for all capacity posted under this Section 4.7(d).

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Superseding: Original Sheet No. 219B

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(CONTINUED)

4. REQUESTS FOR SERVICES

4.8 Obtaining Interruptible Service.

(a) Requests for interruptible transportation shall be invalid and shall not be considered if service is requested to commence later than six Months after the information specified in Section 4 is provided to Transporter.

(b) After receiving a valid request for interruptible service, Transporter will evaluate Shipper's request for service and post its acceptance of the request on the EBB. If Transporter is unable to accept the service request, it shall notify the Shipper in writing.

(c) If Transporter accepts the Shipper's request for service, the TSA shall be deemed electronically executed pursuant to Section 4.11.

4.9 Off-System Capacity. Transporter may enter into transportation and/or storage agreements with upstream or downstream entities, including other interstate and intrastate pipeline and storage providers ("off-system capacity"). In the event that Transporter acquires off-system capacity, Transporter will use such capacity for operational reasons or to render service for its Shippers on the acquired capacity, pursuant to Transporter's Tariff and subject to Transporter's currently approved rates. For purposes of transactions entered into subject to this section, the "Shipper must hold title" requirement shall not be applicable to the acquired capacity.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES

4.10 Transportation Service Request Form

EL PASO NATURAL GAS COMPANY

TRANSPORTATION SERVICE REQUEST FORM

Shippers may request transportation service using the electronic execution of agreements procedures of this Tariff. Alternatively, Shippers may submit a request for service in writing by furnishing El Paso the following information.

Return this completed FORM to:

Marketing Department
El Paso Natural Gas Company
Post Office Box 1087
Colorado Springs, CO 80944
Telecopy: (719)520-4878

(PLEASE TYPE OR PRINT)

SHIPPER INFORMATION

1. Legal Name of Shipper: _____

2. Shipper's Address: P.O. Box/Zip _____
   Street/Zip _____
   City/State _____

3. Shipper's State of Incorporation: _____

4. Duns Number: _____

5. Name of Requesting Party: _____
   Title: _____
   Phone: _____

   If employed by other than Shipper, please specify Requesting Party's:
   Company Name _____
   P.O. Box/Zip _____
   Street/Zip _____
   City/State _____

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
   4.10 Transportation Service Request Form (Continued)

6. Shipper is (check one of the following):

a.	___Interstate Pipeline	e.	___End-User
b.	___Intrastate Pipeline*	f.	___Producer
c.	___Local Distribution Company*	g.	___Marketer
d.	___ Hinshaw Pipeline*	h.	___Other (Specify)

   *State(s) in which Shipper's natural gas system facilities are located:
   _____

7. This request is for (check one): _____ New Service
   _____ Amended Service Under
   Contract #_____

   If the request is for new service, please skip the Amended Service Request section.

   If the request is for amended service, please complete the Affiliate Information and Amended Service Request sections only.

SERVICE/CONTRACT INFORMATION

1. Type of Transportation Service Requested (check one):

   ___Firm Transportation (Rate Schedule FT-1)
   ___Hourly Firm Transportation - Virtual Area (Rate Schedule FTH-V)
   ___Hourly Firm Transportation (Rate Schedule FT-H)
   ___Firm Daily Balancing (Rate Schedule FDBS)
   ___Daily No-Notice Firm Transportation (Rate Schedule NNT-D)
   ___Hourly No-Notice Firm Transportation (Rate Schedule NNT-H)
   ___Interruptible Transportation (Rate Schedule IT-1)
   ___Interruptible Hourly Swing Service (Rate Schedule IHSW)
      (complete only 2, 6 & 7 below)
   ___Interruptible Storage Service (Rate Schedule ISS)
      (complete only 2, 6 & 7 below)
   ___Parking and Lending Service (Rate Schedule PAL)
      (complete only 2, 6 & 7 below)
   ___Delivery Point Operator Aggregation Service (Rate Schedule OPAS)
   ___Other

2. Date service is requested to commence: _____
   Date service is requested to terminate: _____

   Evergreen term requested: _____ Yes _____ No

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
   4.10 Transportation Service Request Form (Continued)

3. Maximum daily contract quantity requested: _____ Dth/d

   Maximum parking contract quantity requested: _____ Dth

   Maximum lending contract quantity requested: _____ Dth

   Daily PAL contract quantity requested: _____ Dth

4. Requested Receipt and Delivery Point(s) for service. Please list on attached Exhibit A.

5. Requested Transportation Path. Please list on attached Exhibit A.

6. Notices to: _____
   Street or P.O. Box: _____
   City, State, Zip: _____
   Attention of: _____
   Telephone: _____
   Telecopy: _____

   Invoices to: _____
   Street or P.O. Box: _____
   City, State, Zip: _____
   Attention of: _____
   Telephone: _____
   Telecopy: _____

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
   4.10 Transportation Service Request Form (Continued)

7. Name of Shipper's dispatcher for 24-hour contact: _____

   Phone: _____ Telecopy: _____

RATE INFORMATION

Contact your Representative in the Marketing Department for discount requests.

FINANCIAL INFORMATION

El Paso requires each Shipper to establish creditworthiness according to the provisions of Section 4.16 of the General Terms and Conditions.

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TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
4.10 Transportation Service Request Form (Continued)

The FERC Gas Tariff of El Paso does not require the pipeline to provide transportation service on behalf of any Shipper who fails to demonstrate creditworthiness.

El Paso will treat the financial statements provided by Shipper as confidential.

AFFILIATE INFORMATION

1. Is Shipper affiliated with El Paso: _____ Yes _____ No

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
   4.10 Transportation Service Request Form (Continued)

 2. Is the Requesting Party (if other than Shipper) affiliated with El Paso:
   _____ Yes _____ No

AMENDED SERVICE REQUEST

1. Addition of Receipt and Delivery Point(s) and Flow Path(s) -- Add the Receipt and Delivery Point(s) and Flow Path(s) identified on Exhibit A to Contract #_____.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
   4.10 Transportation Service Request Form (Continued)

2. Increase the maximum delivery contract quantity under Contract #_____
   to: _____ Dth/d.

3. Does Shipper request that service under Contract #_____ be
   converted from Subpart B to Subpart G service (check one):

   _____Yes _____No

4. Other requested service change(s): _____
   _____
   _____
   _____
   _____
   _____
   _____

* * *

Shipper hereby certifies that it has title or the right to ship the gas delivered to El Paso for transportation and has entered into or will enter into arrangements necessary to assure all upstream and downstream transportation will be in place prior to commencement of service.

Shipper also certifies that the information herein is complete and accurate to the best of Shipper's knowledge, information and belief.

Legal Name of Shipper: _____

By: _____
(Name and Title)

Date: _____

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
4.10 Transportation Service Request Form (Continued)

EL PASO NATURAL GAS COMPANY

TRANSPORTATION SERVICE REQUEST FORM

EXHIBIT A

Requested Receipt Point(s)*	Requested Delivery Point(s)	Requested Flow Path	Maximum Daily Quantity
_____	_____	_____	_____Dth/d
_____	_____	_____	_____Dth/d
_____	_____	_____	_____Dth/d
_____	_____	_____	_____Dth/d
_____	_____	_____	_____Dth/d
_____	_____	_____	_____Dth/d

* Use NAESB WGQ Common Code.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.11 Electronic Execution of Agreements - For all Master Park & Loan Service Agreements, Park & Loan Service Agreements, TSAs, exhibits, and amendments thereto ("Service Agreements" or "Agreements") entered on or after the effective date of this tariff provision, Transporter and Shipper shall electronically execute such Service Agreements which shall be deemed to be in the form of the Form of Service Agreement for the applicable rate schedule, unless the Shipper specifically requests a written Agreement and submits no nomination for service while the written Agreement is pending. Electronic execution of non-conforming Service Agreements shall be followed up with a written Service Agreement which shall be executed and filed for Commission review.

(a) The Service Agreement shall be deemed to be executed by Shipper when the Shipper accepts the service request electronically via Transporter's EBB. The Service Agreement shall be deemed to be executed by Transporter when Transporter accepts the Shipper's request for capacity using the EBB. A Service Agreement that is executed in this manner shall be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records.

(b) Notwithstanding the above, if the Shipper and Transporter electronically execute an Agreement and the Shipper later requests a written Agreement, the electronic Service Agreement shall be deemed the original until the written Agreement is executed by both parties.

(c) If the Service Agreement contains provisions that must be reviewed by the Commission, it will be stated in written form and executed by the parties. In such case, a facsimile may be deemed an executed original until such time as the Shipper returns the executed original Agreement. However, such provisions will not become effective until reviewed and accepted by the Commission.

4.12 Transporter and Shipper may mutually agree to include an evergreen provision in the TSA that would allow the agreement to continue in effect beyond its primary term with the mutual consent of the parties. For purposes of this provision, if the parties elect to continue the agreement into an evergreen period, the right-of-first-refusal requirements of Section 4.14 and the contract procedures of Section 4 will only apply when the TSA reaches the end of such evergreen period.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.13 Subject to available capacity and this Section 4, a Shipper with an Executed TSA pursuant to Rate Schedules FT-H, NNTD and NNTH may re-contract to a higher level of such service at any time for the remainder of the term of its contract.

4.14 Right-of-First-Refusal

(a) Upon expiration of the term of a TSA providing for service for 12 Months or more at the applicable maximum tariff rate, or a TSA that was in effect on March 26, 2000, providing for service for 12 Months or more at a discounted rate, a "right-of-first-refusal" as prescribed in this Section 4.14 shall be available. In order to avail itself of its right-of-first-refusal, the Shipper must give Transporter its written notice of intent to exercise such right-of-first-refusal not later than (i) the date of the notice period provided for in Shipper's contract; or (ii) six Months prior to the expiration of the term of the contract, whichever shall first occur.

(b) Transporter shall post on its EBB the terms and conditions of the available capacity under the expiring contract as follows:

(i) firm daily quantities stated in dth/d;
(ii) the Flow Path, Receipt and Delivery Points at which capacity is available identified by NAESB Common Code and the firm quantities at such point(s);
(iii) effective date;
(iv) term;
(v) the rate (i.e., Reservation Charge(s) and Usage Charge(s) applicable to each Delivery Point);
(vi) minimum conditions; and
(vii) the criteria by which bids are to be evaluated.

Shippers exercising right-of-first-refusal for a portion of their TCD will not be required to retain primary rights on a geographic proportionate basis.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.14 Right-of-First-Refusal (Continued)

(c) Capacity will be made available on a not unduly discriminatory basis and will be assigned on the basis of an open season for a period of not less than 20 Business Days' duration. Capacity that is sold on an interim basis in accordance with Section 4.7 of the GT&C, Capacity Reserved for Expansion Projects, shall not be eligible for a right-of-first-refusal unless Transporter and Shipper agree to a conditional contractual right-of-first-refusal that would take effect upon a determination that the proposed project will not go forward. Capacity that is sold on an interim basis pursuant to Section 4.2(c) of the GT&C, Prospective Sale of Available Capacity, shall not be eligible for a right-of-first-refusal.

(i) Shipper(s) desiring to acquire such available capacity shall notify Transporter, via its EBB, during the open season. Such bidding shall be conducted in conformance with the requirements of Section 9.8(b) of the GT&C.

(ii) Shipper's bid must include:

(a) Shipper's legal name, DUNS number and, if applicable, the contract number under which it desires to acquire capacity;

(b) the quantity of capacity to be acquired at each Flow Path, Receipt and Delivery Points;

(c) the term of the acquisition; and

(d) the maximum rate Shipper is willing to pay for the capacity.

(iii) The potential Shipper must satisfy the other provisions of this Tariff applicable to requests for firm transportation.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.14 Right-of-First-Refusal (Continued)

(d) Transporter shall not be obligated to accept any offer for such capacity at less than the maximum applicable tariff rate. For purposes of (1) determining best bids, (2) awarding capacity and (3) applying matching procedures, Transporter will utilize the evaluation criteria of Section 9.9(b), and will include any contractual usage revenue commitments in the application of such criteria. In the event Transporter accepts an offer, however, Transporter shall inform the existing Shipper of the terms of such offer. The existing Shipper shall have 5 Business Days in which to inform Transporter that it agrees to match such offer as to the entire quantity or any partial quantity. Such agreement shall be irrevocable. The existing Shipper or the offering Shipper, as appropriate, shall execute a TSA containing the terms offered or matched. If the existing Shipper matches and retains only a partial quantity of one or more of the acceptable offer(s), the remainder of the capacity shall be allocated to the winning offering Shipper(s). If Transporter accepts an offer which is a negotiated rate, the highest rate that the existing Shipper must match if it desires to retain all or a portion of its existing capacity is the maximum applicable tariff rate.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.14 Right-of-First-Refusal (Continued)

(e) Transporter will notify the existing Shipper if there are no competing offers or if no acceptable bid was received for all or a portion of the contract quantity, pursuant to Section 4.14(d). Following such notification, the existing Shipper and Transporter shall have ten Business Days in which to mutually agree to acceptable terms for a new firm TSA.

(i) The existing Shipper is entitled to transportation service under a new TSA upon the expiration of its contract, if such Shipper agrees to pay the maximum applicable tariff rate for all or a portion of the contract quantity for which no acceptable bid was received; however, to obtain a right-of-first-refusal, Shipper must agree to a new TSA for all or a portion of the contract quantity for which no acceptable bid was received for a term of at least one Year. In the alternative, Shipper may continue to receive service under a new TSA if Transporter and Shipper mutually agree within the ten Business Days to a discounted rate and term. Transporter is not required to accept any rate less than the maximum applicable tariff rate.

(ii) Should existing Shipper and Transporter fail to agree within the ten Business Days, Shipper's right-of-first-refusal shall terminate and Transporter will post the capacity as available on its EBB.

(f) If a Shipper's TSA does not qualify for the right-of-first-refusal under this Section 4.14, Transporter and any such Shipper may mutually agree to include a right-of-first-refusal clause in their agreement. To the extent Transporter agrees to any such provision, it will do so on a not unduly discriminatory basis. The contractual right-of-first-refusal clause would allow the Shipper to exercise a right-of-first-refusal using the procedures of this Section 4.

(g) In accordance with Section 8.1(k), no right-of-first-refusal will apply to the firm capacity subject to the re-purchase option associated with the East Valley Lateral described in Docket No. CP06-57-000.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.15 Extension of Executed TSAs

(a) Transporter and Shipper may mutually agree to the early termination of one or more Executed TSAs in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's EBB as unsubscribed, available capacity prior to the extension.

(b) Prior to the expiration of the term of an Executed TSA, Transporter and Shipper may mutually agree to an extension of the term of the Executed TSA with respect to all or part of the underlying capacity (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner). If an existing TSA has either a contractual or a regulatory right-of-first-refusal, the mutual agreement of the parties to extend the existing TSA must be reached prior to the receipt of an acceptable bid submitted pursuant to the right-of-first-refusal procedures described in Section 4.14.

(c) When an existing TSA is subject to a regulatory right-of-first-refusal, or contains a contractual right-of-first-refusal, or a rollover clause, the extension rights described in this Section 4 will apply to each portion of capacity that expires in increments (i.e., on a step-down basis) during the term of the Executed TSA.

4.16 Creditworthiness Requirement. A Shipper wishing to obtain service must first comply with the creditworthiness requirements of this Section 4.16.

(a) Transporter shall not be required to perform or to continue service under this FERC Gas Tariff on behalf of any Shipper who is or has become insolvent, or fails to meet payment obligations in accordance with Sections 12.2 or 12.3 of the GT&C, or who, at Transporter's request, fails, within a reasonable period to demonstrate creditworthiness or fails to provide adequate assurances of performance as such are defined in the Colorado version of the Uniform Commercial

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES

4.7 Capacity Reserved for Future Expansion Projects (Continued)

(e) When an open season is held prior to the expansion project open season, Transporter shall have the right to state in the open season posting minimum terms and conditions for bids that would be acceptable for consideration that are the same as the minimum terms and conditions anticipated for the future expansion project open season. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the previous capacity open season, Transporter shall hold another open season for the capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the capacity open season, Transporter shall use the same minimum terms and conditions as used for the expansion project open season.

(f) Any capacity reserved under this Section 4.7 shall be made available for transportation service pursuant to the GT&C on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term TSAs, Transporter reserves the right to limit any term extension rights provided in the TSA and pursuant to Section 4.14 commensurate with the proposed in-service date of the expansion project. Transporter will indicate in any open season posting of the capacity any limitations on term extension rights that will apply to such limited-term transportation service.

(g) Any capacity reserved for a project that does not go forward for any reason shall be reposted as generally available capacity within 30 Days of the date that the project terminates, with the exception of capacity committed to in contracts entered into on an interim limited-term basis until the in-service date of any expansion facilities during the period the capacity was reserved.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)
4.16 (a) (Continued)

However, such Shipper may receive service under this FERC Gas Tariff if Shipper prepays for such service or furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, an amount equal to the cost of performing the service requested by Shipper for a three (3) Month period to include the cost of gas for permissible imbalance quantities. For purposes of this FERC Gas Tariff, the insolvency of a Shipper shall be evidenced by the filing by such Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive Days. Notwithstanding the above and Sections 12.4 and 12.5 of the GT&C, Transporter shall not suspend service to any Shipper, who is or has become insolvent, in a manner that is inconsistent with the Federal Bankruptcy Code.

Based on the amount of creditworthiness demonstrated by a Shipper, a daily tender limit shall be established for IT TSAs stating the maximum quantity available to be scheduled. Existing IT TSAs shall use their previous MDQ to establish creditworthiness.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.17 Discounted Rates

(a) Transporter, upon mutual agreement with Shipper, may from time to time and at any time agree to adjust any or all of the rates applicable to any individual TSA on a non-discriminatory basis; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on Statement of Rates for the applicable Rate Schedule. Discounts granted pursuant to this Section 4.17 will not constitute a material deviation from Transporter's Form of Service Agreement.

Transporter and Shipper may agree that a specified discounted rate will apply under the following conditions:

1) to specified quantities under the TSA;

2) to specified quantities achieving or not exceeding a certain level;

3) in a specified relationship to quantities actually transported;

4) to specified quantities during specified periods of time or during specified periods of the Year;

5) to specified quantities at specific Receipt or Delivery Points or other geographical locations;

6) to production or reserves committed or dedicated to Transporter;

7) that a specified discounted rate is based on a formula including, but not limited to, published index prices for specific Receipt and/or Delivery Points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted (i.e., reservation charge or usage charge or both) and any formula will provide a reservation rate per unit of contract demand. To the extent the firm reservation charge is discounted, the index price differential rate formula shall be calculated to state a rate per MDQ. Furthermore, such discount shall not change the underlying rate design or include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.17(a) Discounted Rates (Continued)

8) that provides for increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the rate for a separate service provided under another rate schedule;

9) where the rate provision incorporates a mutually agreeable marketing fee pursuant to Section 9.15; and/or

10) that includes a provision that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff provisions. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

(b) Comparable Discounts: If Transporter agrees to provide its affiliate with marketing function employees a discount for any pipeline service, Transporter shall make such discounted rate contemporaneously available to similarly situated unaffiliated Shippers.

(c) In the event Transporter discounts the total rate under Shipper's firm or interruptible TSA, it will discount the components of such total rate in the following order: 1) reservation charge, if applicable, and 2) PIP Surcharge.

(i) The minimum usage charge and the ACA Surcharge (pursuant to Section 17.1) are not discountable rate components.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.18 Negotiated Rate Authority

(a) Authority and Conditions. Notwithstanding anything to the contrary contained in this Tariff, including the rate schedules contained herein, Transporter and Shipper may agree to a rate or rates to be charged for service pursuant to any rate schedule contained in this Tariff (including rates derived from a formula) that may vary in form or level from the maximum-to-minimum ranges set forth on Statement of Rates of this Tariff ("Negotiated Rate"). This provision does not allow Transporter and Shipper to negotiate terms and conditions of service.

(i) Transporter's maximum applicable rates (plus all applicable surcharges) for service under any such rate schedule are available as recourse rates for any Shipper that elects not to negotiate a Negotiated Rate.

(ii) Negotiated Rates shall be mutually agreed to and set forth in writing.

(iii) Transporter and Shipper may agree to a Negotiated Rate for the entire term of a TSA, or may agree to a Negotiated Rate for some portion of the term of a TSA. Transporter and Shipper may agree to apply the Negotiated Rate to all or a portion of capacity under Shipper's TSA.

(iv) During the period a Negotiated Rate is in place, the Negotiated Rate shall govern and apply to Transporter's service under the TSA and the otherwise applicable rate, rate component, charge or credit shall not apply or be available to the Shipper. Only those rates, components, charges or credits which are superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established, or imposed by this Tariff shall remain in effect. At the end of the period during which Negotiated Rates are in effect, the otherwise applicable Tariff rates or charges shall govern any service provided to Shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.18 Negotiated Rate Authority

(a) Authority and Conditions. (Continued)

(v) Prior to or on the same Day as commencing service at such Negotiated Rate, Transporter shall file either: (i) the Negotiated Rate agreement; or (ii) a tariff provision advising the Commission of such Negotiated Rate agreement, stating the exact legal name of Shipper and specifying the actual Negotiated Rate or rate formula included in such agreement.

(b) Impact on Other Provisions. A Shipper paying for service under a Negotiated Rate that is higher than the maximum rate for such service stated on the Statement of Rates is deemed to have paid the maximum rate for purposes of scheduling and capacity allocation pursuant to Section 6 of the GT&C, for purposes of evaluating right-of-first-refusal bids pursuant to Section 4.14, and for purposes of selling capacity pursuant to Section 4. The highest rate the Shipper must match for right-of-first-refusal matching purposes is the maximum rate set forth in this Tariff.

(c) Accounting for Costs and Revenues. Transporter will maintain accounting records so that revenues can be tracked to each Negotiated Rate transaction.

(d) Discount-Type Adjustment. In situations where Transporter has granted a market justified discount to the recourse rate and subsequently converted the service agreement to a negotiated rate service agreement, Transporter may seek a discount type adjustment. Such adjustment would be based on the greater of: (i) the negotiated rate revenues received or (ii) the discounted recourse rate revenues which otherwise would have been received.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.18 Negotiated Rate Authority

(d) Discount-Type Adjustment (Continued)

(i) A discount adjustment to recourse rates shall only be allowed to the extent that Transporter can meet the standards required of an affiliate discount-type adjustment, including requiring that Transporter shall have the burden of proving that any discount granted is required to meet competition.

Transporter shall be required to demonstrate that any discount-type adjustment does not have an adverse impact on recourse rate Shippers by:

(A) Demonstrating that, in the absence of Transporter's entering into such non-conforming Negotiated Rate agreement providing for such discount, Transporter would not have been able to contract for such capacity at any higher rate, and that recourse rates would otherwise be as high or higher than recourse rates which result after applying the discount adjustment; or

(B) Making another comparable showing that the non-conforming Negotiated Rate discount contributes more fixed costs to the system than could have been achieved without the discount.

(ii) Transporter may also seek to include in a discount-type adjustment non-conforming Negotiated Rate TSAs that were converted from pre-existing discounted Part 284 TSAs to non-conforming Negotiated Rate TSAs.

4.19 Statutory Regulation. The respective obligations of Transporter and Shipper under the Executed TSA are subject to the laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICES (Continued)

4.20 Assignments

(a) Assignable Parties. A Shipper may assign its TSA to:

(i) any person, firm, or corporation acquiring all, or substantially all, of the natural gas business of said Party;

(ii) a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities; but it may not be otherwise assigned without the consent of the other Party hereto. Whenever any corporation is referred to herein, such reference shall be deemed to include the successors and assignees of such corporation.

(b) If a Shipper wishes to assign a portion or all of its firm capacity under a TSA to a party not described above, it must do so using the capacity release provisions of this Tariff.

4.21 As a condition to providing service under Section 284.102(d) of the Commission's Regulations for any Shipper under this Volume No. 1A Tariff, Shipper shall provide certification including sufficient information to verify that its services qualify under said section. Prior to commencing transportation service described in Section 284.102(d)(3) of the Commission's Regulations, Transporter must receive the certification required from a local distribution company or an intrastate pipeline pursuant to Section 284.102(e)(3).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICE (Continued)

4.22 Heating Values

(a) Effective January 1, 2006, the TCD of Transporter's TSAs will be converted from Mcf to dth using the following procedures. Using the Receipt and Delivery Points underlying the path rights assigned in Docket No. RP04-248, Transporter shall convert Mcf quantities to dth quantities by multiplying the number of Mcf by the Heating Value conversion factor specified in the table below for the basin and area pertaining to the primary rights indicated in the TSA.

BASIN/AREA	CONVERSION FACTOR
Permian Basin	
Plains Area	1.018
Monument Area	1.007
Eunice Area	1.012
Pecos Area	1.051
Keystone Area	1.031
Midkiff Area	1.029
Waha Area	1.025
Salt Flat Area	1.041
Snyder Area	0.970
Anadarko Basin	
Dumas South	1.043
Amarillo South	1.038
San Juan Basin	
Bondad North	1.002
Bondad South	1.000
Blanco Area	1.009
Rio Vista Area	1.024

(b) Unless the applicable TSA reflects a dth conversion factor, the factors listed below shall be used to convert Mcf to dth quantities at the following locations.

Daggett Compressor Station	1.044
Washington Ranch	1.022

(c) After January 1, 2006, the availability of capacity at any point or path will be determined on a dth basis using the most recently available and reliable data concerning the prospective Heating Value of the gas flowing at that point or on that path.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

4. REQUESTS FOR SERVICE (Continued)

4.23 Arbitration - Transporter agrees to include an arbitration provision in Shipper's TSA detailing the requirements of this section if the following conditions are met: (1) if Shipper is a foreign government, an agency of a foreign government, or an entity created by them to conduct business and, (2) prior to execution of such agreement, requests binding arbitration of any dispute arising under a TSA not subject to the Commission's exclusive jurisdiction. Unless the parties agree otherwise, such arbitration shall be conducted using the Rules of Arbitration of the International Chamber of Commerce of Paris, France.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

5. QUALITY (Continued)

5.4 Waiver of Quality Specifications. Transporter, in its reasonable discretion and judgment, exercised on a not unduly discriminatory basis, may waive one or more of its gas quality specifications at any Receipt Point to accept gas that does not conform to the quality specifications set forth in Section 5.1 or 5.2 of the GT&C, if Transporter determines that such acceptance will not interfere with its ability to: (1) maintain an acceptable gas quality in its pipeline through prudent and safe operation of Transporter's pipeline system and any related storage facility;(2) ensure that such gas does not adversely affect Transporter's ability to operate its system and to provide adequate service to its customers consistent with the applicable Rate Schedule and the GT&C; and (3) ensure that such gas does not adversely affect Transporter's ability to deliver gas at its Delivery Points.

5.5 Upon mutual agreement between Transporter and the downstream Interconnect, Transporter may temporarily deliver gas that does not conform to the quality specifications set forth in Sections 5.1 or 5.2 of the GT&C, if Transporter, in its operational judgment, determines that such delivery will not interfere with its ability to: (1) maintain an acceptable gas quality in its pipeline through prudent and safe operation of Transporter's pipeline system and any related storage facility; (2) ensure that such gas does not adversely affect Transporter's ability to operate its system and to provide adequate service to its customers consistent with the applicable Rate Schedule and the GT&C; and (3) ensure that such gas does not adversely affect Transporter's ability to deliver gas at its Delivery Points. Such agreement shall be posted on the EBB.

5.6 This Section reserved.

5.7 This Section reserved.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

5. SERVICE CONDITIONS

5.1 Transporter and Shipper acknowledge that the Executed TSA does not prohibit either party from selling or transferring its own facilities; therefore, neither Transporter nor Shipper shall have any obligation to provide services under the Executed TSA that requires the use of any facilities sold or transferred; provided, however, Transporter first shall seek abandonment authorization for any jurisdictional facilities or jurisdictional services and Shipper shall have the right to protest such abandonment as inconsistent with the present or future public convenience and necessity.

5.2 Unless otherwise provided in the Executed TSA, in the event Transporter and Shipper agree in writing that additional facilities are necessary in order to implement the service provided under the Executed TSA, Shipper agrees to reimburse Transporter for all expenditures associated with the construction and installation of such facilities which shall be owned, operated and maintained by Transporter.

5.3 Unless otherwise agreed to in writing, Transporter shall only be responsible for the maintenance and operation of its own properties and facilities and shall not be responsible for the maintenance or operation of any other properties or facilities connected in any way with the transportation of Natural Gas.

5.4 Transporter shall have the right to interrupt the transportation of Natural Gas when necessary to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, the El Paso System, or otherwise related to the operation thereof. Transporter shall endeavor to cause a minimum of inconvenience to Shipper and, except in cases of emergency, shall give Shipper advance notice of its intention to so interrupt the transportation of gas and of the expected magnitude of such interruptions.

5.5 Transporter shall construct, replace, or recondition laterals (at its own expense) to comply with contractual commitments, or to conform to Department of Transportation Regulations or other safety related requirements. Transporter shall also construct laterals, as requested by a Shipper, when that Shipper has agreed to reimburse Transporter for the construction and related costs. For purposes of this Section 5.5, "laterals" mean any pipeline extension (other than mainline extension) built from an existing pipeline facility to deliver gas to one or more customers, including new Delivery Points and enlargements or replacements of existing laterals.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

5. SERVICE CONDITIONS (Continued)

5.6 Pressure Commitment. If mutually agreed upon in the TSA or Operator agreement, Transporter may commit to maximum and minimum receipt and delivery pressure levels to Shippers on a not unduly discriminatory basis, and where necessary, upon specified conditions, to ensure that such commitments do not have any adverse effects on Transporter's system. If such commitment involves service under Rate Schedules FT-H or NNTH the agreed upon pressure commitment shall be consistent with the provisions of the rate schedule. Such conditions may include quantity limitations or other operational requirements to ensure the quality of service. Transporter will post on its EBB agreed-upon maximum and minimum receipt and delivery pressure commitments and any applicable operating conditions. Transporter will not agree to a maximum or minimum receipt or delivery pressure that will render it unable to meet its existing firm obligations and, upon request, will provide a written explanation to the Shipper explaining the operational basis for rejecting any request for a maximum or minimum pressure.

5.7 Delivery Codes

(a) Scheduling and contracting will be conducted at the meter level for all TSAs except where there exists an effective Operator Point Aggregation Service Agreement ("OPASA") with the DP Operator under Rate Schedule OPAS.

(b) Should a Shipper elect to contract and schedule using the D-Code arrangement described in this Section 5.7, the Shipper's TSA shall list the MDQs for the individual meters aggregated into the D-Code arrangement. The contracted maximum delivery meter quantity, as defined in the Shipper's TSA, will be termed the meter "CMQ".

(i) The CMQ identifies the fully contracted MDQ level below which the related MDOs may not be reduced.

(ii) The sum of the individual meter CMQs will be equal to the D-Code MDQ.

(iii) Physical path rights pursuant to Section 8.1 of this Tariff are not provided for by CMQs.

(iv) Upon termination of an OPASA, the D-Code MDQ will no longer be applicable. In that event, the meter CMQ will be deemed to be the MDQ for each meter and Transporter will revise the TSA accordingly.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

5. SERVICE CONDITIONS (Continued)

5.7 Delivery Codes (Continued)

(c) Where an OPASA has been executed by a DP Operator, any other Shipper may request service to the Delivery Points included in that OPASA and use the D-Code arrangement described here, provided that all the other conditions of this Section 5.7 have been met. Delivery meters identified in an OPASA may be grouped into multi-meter D-Codes; however, the use of multi-meter D-Codes may not adversely affect the firm rights of other Shippers or firm service reliability.

(i) Transporter shall assign multi-meter D-Codes to DP Operators based on the following criteria:
A. Multi-meter D-Codes must have a similar operational impact on Transporter's system;
B. Multi-meter D-Codes may not traverse a persistent system constraint point; and
C. No Shipper or other Interconnecting Party shall be disadvantaged as a result of a multi-meter D-Code.
D. Multi-meter D-Code locations must be operated by the same party.

(ii) Transporter shall grant requests for multi-meter D-Codes in a not unduly discriminatory manner.

(d) The OPASA identified in Section 5.7(a) shall identify an MDO and an MHO at each delivery meter aggregated in the OPASA providing service to that DP Operator and such other conditions as necessary to ensure the reliability of firm service to all shippers.

(i) The MDO and the MHO for a Delivery Point shall not exceed the meter capacity at that point or the upstream capacity available on a firm basis to serve that DP Operator.

(ii) Operators may utilize different delivery meters within their designated D-Code; however, Transporter shall have no obligation to provide service above the MDO or MHO at any individual meter or the applicable MDQ for that D-Code.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES

This Section 6 applies to the operation of Transporter's system and sets forth the procedures for scheduling of receipts and deliveries and allocation of pipeline system capacity or any portion thereof among Shippers receiving transportation service from Transporter under Executed TSAs pursuant to this Tariff and transportation arrangements included in Transporter's FERC Gas Tariff, Volume No. 2.

6.1 Scheduling of Receipts and Deliveries

(a) Except as provided below for certain nominations, Transporter will support the NAESB WGQ Standard 1.3.2 nomination cycles, as modified for the extension of the deadline for nominations to leave control of the nominating party (nomination deadlines) for an additional fifteen minutes. An additional three cycles, Late Day Nomination Cycle 5, Late Day Nomination Cycle 6 and Late Day Nomination Cycle 7, will be supported pursuant to Sections 6.1(a)(v), 6.1(a)(vi) and 6.1(a)(vii) of the GT&C.

All shipper nominations requiring Transporter to use acquired off-system capacity and resulting in the coordination of nominations across multiple pipelines shall be submitted in accordance with NAESB WGQ Standard 1.3.2. deadlines.

(i) The Timely Nomination Cycle: 11:45 a.m. for nominations leaving control of the nominating party; 12:00 p.m. for receipt of nominations by the transporter (including from Title Transfer Tracking Service Providers ("TTTSPs")); noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

(ii) The Evening Nomination Cycle: 6:15 p.m. for nominations leaving control of the nominating party; 6:30 p.m. for receipt of nominations by the transporter (including from TTTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Day prior to flow). Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on Transporter's system to receive notice that it is being bumped should be effective at 9:00 a.m. on Gas Day; and when an Evening Nomination causes another Service Requester on Transporter's system to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on Gas Day.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES(Continued)

6.1 Scheduling of Receipts and Deliveries (Continued)

(a) (Continued)

(iii) The Intraday 1 Nomination Cycle: 10:15 a.m. for nominations leaving control of the nominating party; 10:30 a.m. for receipt of nominations by the Transporter (including from TTTSPs); 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Gas Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on Gas Day.

(iv) The Intraday 2 Nomination Cycle: 5:15 p.m. for nominations leaving control of the nominating party; 5:30 p.m. for receipt of nominations by the Transporter (including from TTTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators (central clock time on the Gas Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on Gas Day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

(v) The Late Day Nomination Cycle 5: 11:00 p.m. for receipt of nominations and completed confirmations from upstream and downstream connected parties by the transporter; 12:00 a.m. for Transporter to provide scheduled quantities to affected shippers and point operators (central clock time on the Gas Day). Scheduled quantities resulting from this cycle should be effective at 1:00 a.m. on Gas Day. Bumping is not allowed during this cycle.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)
6.1 Scheduling of Receipts and Deliveries (Continued)
(a) (Continued)

(vi) The Late Day Nomination Cycle 6: 1:00 a.m. for receipt of nominations and completed confirmations from upstream and downstream connected parties by the Transporter; 2:00 a.m. for Transporter to provide scheduled quantities to affected shippers and point operators (central clock time on the Gas Day). Scheduled quantities resulting from this cycle should be effective at 3:00 a.m. on Gas Day. Bumping is not allowed during this cycle.

(vii) The Late Day Nomination Cycle 7: 3:00 a.m. for receipt of nominations and completed confirmations from upstream and downstream connected parties by the Transporter; 4:00 a.m. for Transporter to provide scheduled quantities to affected shippers and point operators (central clock time on the Gas Day). Scheduled quantities resulting from this cycle should be effective at 5:00 a.m. on Gas Day. Bumping is not allowed during this cycle.

(viii) For purposes of Sections 6.1(a)(ii), (iii), (iv), (v), (vi) and (vii) of the GT&C, "provide" shall mean, for transmittals pursuant to Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

(ix) The Timely Nomination/Intraday Nomination Model of NAESB Standard 1.3.2(vi), as modified for the extension of the nomination periods for an additional fifteen minutes, is incorporated by reference. The Timely Nomination/Intraday Nomination Model is also modified for the Late Day Nomination Cycles 5, 6 and 7.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.1 Scheduling of Receipts and Deliveries (Continued)

(a) (Continued)

(x) Intra-day Requests: Shippers may submit intra-day requests which address either a single or multiple Receipt/Delivery Point(s). Transporter will schedule such requests using the allocation priorities established in Section 6.2 of the GT&C with the additional requirements that 1) intra-day nominations submitted by firm shippers have scheduling priority over nominated and scheduled interruptible quantities during all nomination cycles prior to the Intra-day 2 Nomination Cycle, 2) requests for firm primary service will have priority over previously scheduled Flow Point Secondary, Flow Path Secondary, First Alternate, Second Alternate and interruptible service, and Flow Point Secondary, Flow Path Secondary, First Alternate and Second Alternate service will have priority over previously scheduled interruptible service during the evening nomination cycle, and 3) a Releasing Shipper's request to recall released capacity may result in the reduction of an Acquiring Shipper's previously scheduled quantities.

(xi) Section 284.12(b)(1)(i): In compliance with the Commission's Regulations, Transporter will 1) give scheduling priority to an intra-day nomination submitted by a firm Shipper over nominated and scheduled quantities for interruptible Shippers (as further clarified by Section 6.1(a)(x) of the GT&C), 2) provide the bumped Shipper with advance notice of any reduction resulting from an intra-day nomination, and 3) indicate whether daily penalties will apply for the Gas Day for which quantities are reduced (NAESB Standard 1.3.51). Nominations submitted on the Day prior to gas flow will take effect at the start of the Gas Day at 9:00 a.m. (central clock time).

(1) Nominations submitted by a firm Shipper will have priority over interruptible nominations submitted in the same cycle pursuant to Sections 6.1(a)(i), (ii), (iii), (iv), (v), (vi) and (vii).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES(Continued)

6.1 Scheduling of Receipts and Deliveries (Continued)
(a) (Continued)

(xii) Notice Procedures: Transportation Service Providers should provide affected parties with notification of intraday bumps, operational flow orders and other critical notices through the affected party's choice of Electronic Notice Delivery mechanism(s) (NAESB Standard 5.3.34). Electronic Notice Delivery is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM (NAESB Standard 5.2.2).

(xiii) Flow Day -- Shippers shall cause the Operators to tender the scheduled quantities of Natural Gas to Transporter at Receipt Points, plus quantities to be retained by Transporter for Fuel and L&U as provided for in the applicable transportation rate schedule, and Transporter shall deliver the scheduled quantities of Natural Gas, for Shippers' accounts, at Delivery Points.

(xiv) If a confirmation from an interconnect operator is received after quantities are scheduled, the resulting imbalance will be carried on the shipper's TSA unless the interconnect operator agrees to accept the scheduled quantities on its operational balancing agreement.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES(Continued)

6.1 Scheduling of Receipts and Deliveries (Continued)

(b) Operating conditions may, from time to time, cause a temporary and unintentional imbalance between the quantities (in dth's) of Natural Gas that Transporter receives and the quantities of Natural Gas that Shipper takes under the Executed TSA. Transporter shall schedule gas attributable to imbalances when, in its reasonable discretion and in a not unduly discriminatory manner, it determines that it can practicably receive or deliver such imbalance quantities without affecting other service. In the event make-up or payback gas to resolve an imbalance is nominated and confirmed, the scheduling priority of such make-up or payback transaction, if capacity is available, shall be based on the priority of the underlying TSA.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.1 Scheduling of Receipts and Deliveries (Continued)

(c) Transporter shall not be obligated to accept, for the account of Shipper, from any Receipt Point, a quantity of gas that is less than fifteen (15) dth per Day, so as to avoid measurement problems relative to small quantities and disproportionate administrative burdens.

(d) In the event that, for any Gas Day, a Shipper's initial nomination for transportation on Transporter's system is unsuccessful due to lack of access to downstream transportation at any Delivery Point, which Transporter shall confirm by contacting the downstream Operator, such condition shall have no adverse effect on the scheduling of other Shipper's rights at Receipt or Delivery Points.

(e) In the event of any occurrence which prevents Transporter from utilizing the process set forth above (e.g., computer failure), for the duration of such occurrence, Transporter shall schedule the lesser of the last new request received and confirmed or the previously scheduled quantities. Notice of the commencement and termination of any such occurrence shall be posted on Transporter's EBB. The provisions of Section 6.2(a)(iv) of the GT&C shall not apply to occurrences subject to this Section 6.1(e).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.1 Scheduling of Receipts and Deliveries (Continued)

(f) Point rights will be scheduled in the following order: 1) primary points, 2) non-primary points within the Primary Receipt-to-Delivery Flow Path, and 3) non-primary points outside the Primary Receipt-to-Delivery Flow Path.

(g) Path rights will be scheduled in the following order: 1) Primary Receipt-to-Delivery Flow Paths, 2) that portion of a Flow Path that is outside the Primary Receipt-to-Delivery Flow Path when the remaining portion of the Flow Path is inside, 3) Flow Paths in the virtual area using an alternate point, and 4) Flow Paths where no portion of the path uses the Primary Receipt-to-Delivery Flow Path.

(h) Shippers do not nominate and Transporter does not schedule hourly quantities. All nominations and confirmations are for daily quantities. Transporter shall determine equivalent hourly nominations/confirmations for any daily nominations/confirmations received, including a HEEN nomination, based on an hourly profile of the daily scheduled quantity or an hourly profile of the daily MDQ, as specified in the applicable rate schedule.

(i) Nominations for storage service shall use the transportation nomination procedures of this section.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.2 Capacity Allocation Procedure. If, on any Day, Transporter determines that the capacity of its pipeline system, or any portion of such system, is insufficient to serve all requests for transportation for that nomination cycle, then Transporter will schedule transportation in accordance with the sequencing procedures set forth below until all available capacity at the constrained location is allocated.

All firm requirements shall be served first pursuant to Section 6.2(a) of the GT&C. Interruptible capacity shall be allocated after firm capacity, pursuant to Section 6.2(b) of the GT&C.

(a) Firm Allocation. Firm service shall be scheduled based on confirmed quantities not to exceed the capacity of the facility to receive or deliver gas and not to exceed any Shipper's maximum contract quantities. Capacity rights shall be determined based on point rights first and path rights second. For scheduling priority purposes only, capacity released at a rate that exceeds the maximum Reservation Rate shall be deemed equivalent to the maximum Reservation Rate.

(i) Shippers receiving service under Rate Schedule FT-2 for delivery to primary delivery point(s) shall receive their full requirements, up to a maximum of 10,000 dth per Day, before all other Shippers, subject to the requirements of Section 2.4 of Rate Schedule FT-2. FT-2 capacity shall be scheduled on an FT-2 primary basis and an FT-2 alternate basis (as applicable) if the conditions of Rate Schedule FT-2 Section 2.4 are satisfied. If the conditions of Rate Schedule FT-2 Section 2.4 are not satisfied, FT-2 capacity will be scheduled pursuant to Section 6.2(a)(iii) of the GT&C.

(ii) All other firm transportation Shippers using Primary Capacity.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. BILLING AND PAYMENT (Continued)

6.4 Failure to Pay Bills. Should Shipper fail to pay all of the amount of any bill for gas delivered under the Executed TSA when such amount is due, as herein provided, Shipper shall pay Transporter interest on the unpaid balance that shall accrue on each Day beginning on the Day such payment was due at a rate of interest equal to, and compounded in accordance with, the provisions of 18 CFR Section 154.501(d). Shipper shall submit supporting documentation and Transporter shall apply payment per the supporting documentation supplied by Shipper, except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date (NAESB WGQ Standard 3.3.17). If payment differs from the amount invoiced, Shipper shall provide remittance detail with the payment. However, unless Shipper provides documentation specifying otherwise, if either principal or interest are due, any payments thereafter received shall first be applied to the interest due, then to the previously outstanding principal due and, lastly, to the most current principal due. Shipper shall not be required to pay interest of less than $100.

6.5 Termination of service. Subject to requirements of regulatory bodies having jurisdiction and without prejudice to any other rights and remedies available to Transporter under the law and the Executed TSA, Transporter shall have the right to terminate transportation service using the following notification procedures without obtaining additional prior approval from the Commission if any amount billed to Shipper remains unpaid for more than thirty (30) Days after the due date thereof. If the defaulting Shipper has released a portion of its capacity, then Transporter shall also comply with the requirements of Section 28.26.

TRANSPORTATION GENERAL TERMS AND CONDITIONS (Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.2 Capacity Allocation Procedure (Continued)

(a) Firm Allocation (Continued)

(iii) All other firm transportation Shippers utilizing Flow Point Secondary, Flow Path Secondary or Alternate Capacity (including Segmentation) in the order listed below. Capacity within each category shall be scheduled within each group first to those shippers paying the maximum tariff rates for any rate zone. For scheduling priority purposes only, Short-Term Rates that exceed the related maximum Long-Term Rates will be deemed equivalent to maximum Long-Term Rates. If allocations are required among the maximum rate shippers, they will be performed on a pro rata basis using contract MDQ. Service will be scheduled next to those shippers paying discounted rates with the highest reservation rates being scheduled first. If allocations are required among discounted rate shippers paying the same discounted rate, they will be performed on a pro rata basis using contract MDQ.

(A) Firm Shippers using Flow Point Secondary Capacity.

(B) Firm Shippers using Flow Path Secondary Capacity.

(C) Firm Shippers using First Alternate Capacity.

(D) Firm Shippers using Second Alternate Capacity.

(iv) Service using Flow Point Secondary, Flow Path Secondary, First Alternate, or Second Alternate Capacity will be scheduled within each group for capacity allocations at Delivery Points or along a Flow Path. For purposes of allocating such capacity, the following shall apply:

(A) Confirmed nominations shall be used to determine capacity allocations, if any, at Flow Point Secondary, First Alternate, and Second Alternate points.

(B) When there is a constraint along a Flow Path, the confirmed nominated quantity at or through the constraint shall be used to determine capacity allocations at or through such constraint when the Flow Path scheduling priority assigned at the constraint location is Flow Path Secondary, First Alternate or Second Alternate.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.2 Capacity Allocation Procedure (Continued)
(a) Firm Allocation (Continued)

(v) If, on flow day, an interruption of service occurs which requires a reallocation of previously scheduled capacity, Transporter shall allocate pursuant to this Section 6.2, but shall treat categories (a)(ii) and (a)(iii) above equally for allocation purposes. Interruptions of service under this Section 6.2(a)(v) shall not include any such interruptions that may result from intra-day scheduling pursuant to Section 6.1 of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. BILLING AND PAYMENT (Continued)

6.6 In the event of a bona fide dispute between the parties concerning the amount of an invoice submitted to a Shipper, Transporter shall not terminate transportation service under the notification procedure outlined above when Shipper acts in a timely manner to provide additional information and security for Transporter in accordance with the following procedures.

(a) Identify Dispute: Within fifteen (15) Days after the due date of any payment, Shipper shall notify Transporter by written correspondence of the amount billed that is in bona fide dispute and of all reasons and supporting statements as to why Shipper believes full payment is not now appropriate; and

(b) Payment Security: Within thirty (30) Days after the due date of any payment, Shipper shall either pay in full the total amount billed without prejudice to Shipper's rights to dispute all or part of said amount and subject to return by Transporter of funds paid which are part of the disputed amount so identified, with interest calculated in accordance with Section 6.4 of the GT&C, after resolution of that dispute in favor of Shipper, or pay the undisputed portion of the amount billed in full and furnish documentation identifying the basis for the dispute. Shipper shall furnish good and sufficient payment security, acceptable to Transporter, of all amounts ultimately found due after resolution of the dispute, including the amount now in dispute plus the estimated interest calculated in accordance with Section 6.4 of the GT&C that accrues until resolution of the dispute, which may be reached either by agreement or judgment of a court of competent jurisdiction; provided, however, neither Transporter nor Shipper shall

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)
6.2 Capacity Allocation Procedure (Continued)
(a) Firm Allocation (Continued)
(vi) If any firm Shipper notifies Transporter that it is experiencing a bona fide emergency that would result in irreparable injury to life or property or to provide minimum plant protection absent availability of additional pipeline capacity, Transporter shall treat the confirmed request for additional capacity to meet the requirements of the emergency in the same manner as it treats confirmed requests for capacity made by Shippers identified in Section 6.2(a)(i) of the GT&C. A Shipper with a TCD shall not be entitled to emergency service in excess of its TCD. The emergency capacity available to a Shipper with a Rate Schedule FT-2 full requirements TSA shall be determined as that capacity required to serve a verifiable emergency in excess of the quantity initially scheduled by Transporter for said Shipper. The total service provided to such Rate Schedule FT-2 Shipper shall not be entitled to emergency service to exceed 10,000 Dth per Day. The Shipper shall not use this provision to take advantage of price differences between production basins. Transporter shall provide service under this provision at a Receipt Point causing the least amount of interruption among its Shippers. An authorized representative of the Shipper must provide a sworn statement to Transporter by facsimile, within 24 hours of the original notification, that states: (1) the details and estimated length of the emergency; (2) that all sources of gas available to Shipper are being used; (3) that all interruptible services are unavailable; and (4) that no alternate fuel can be used. Shipper shall notify Transporter immediately upon cessation of the emergency. Allocation of capacity pursuant to this provision is not an authorization to confiscate or divert any shipper's supplies. Transporter shall have no responsibility hereunder to furnish gas supplies for such emergency nor shall Transporter have any liability if Shipper fails to make adequate gas supplies available for such purpose. In the event such Shipper does not arrange for adequate supplies during the emergency, then any overpulls attributable to the emergency shall be billed at the Critical Condition Daily Imbalance Charge specified in Section 11.1 and all amounts received shall be credited pursuant to Section 14.2(a).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.2 Capacity Allocation Procedure (Continued)
(a) Firm Allocation (Continued)

(vii) In the event a firm Shipper requests and receives an emergency exemption as provided in Section 6.2(a)(vi) of the GT&C, Transporter shall charge the Shipper receiving emergency service ("Emergency Shipper") all usage rates, surcharges and Fuel and L&U under the applicable rate schedule for the quantities of gas scheduled or delivered to or for the account of that Shipper. If an Emergency Shipper receives emergency service and, as a result, another Shipper receives less than its capacity scheduled that Day, then the Emergency Shipper will also be charged an additional reservation charge equivalent to the highest firm rate (on a daily equivalent basis) multiplied by the quantity by which the Emergency Shipper exceeded its scheduled capacity and the number of applicable Days.

(b) Interruptible Allocation. Interruptible capacity shall be allocated based on the usage rate being paid with the highest rate being scheduled first. Shippers paying the same usage rate shall be allocated on a pro rata basis based on nominated and confirmed quantities. Interruptible capacity shall be allocated in the following order:

(i) First, among Shippers receiving firm authorized overrun transportation service.

(ii) Second, among Shippers receiving interruptible transportation service up to the Shipper's scheduled quantity and pooling service.

(iii) Third, among Shippers utilizing Transporter's Rate Schedule PAL and Rate Schedule ISS service. Interruptible storage capacity shall be allocated based on the storage inventory rate being paid with the highest rate being scheduled first. Shippers paying the same usage rate shall be allocated on a pro rata basis based on the daily scheduled quantity.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.3 Adjustments to Confirmations due to Supply Underperformance

(a) If, on any Day, Transporter determines in its reasonable discretion that underdelivery of Natural Gas into Transporter's system (supply underperformance), if allowed to continue, could adversely affect system integrity, Transporter shall have the right, after providing as much advance notice as possible, to make adjustments at such point to Operators' confirmations to reflect more accurately such Operators' previous actual deliveries of supply into Transporter's system. The provisions of this Section 6.3 shall apply either until the underdelivery is eliminated or until this threat to system integrity no longer exists.

(b) Transporter shall identify potential threats to system integrity by utilizing criteria such as: weather forecast for the market area and producing area; system conditions, including outages, maintenance, equipment availability and linepack; overall projected pressures at various locations and meters; and storage conditions.

(c) When supply underperformance occurs and the deficient source of supply is immediately identifiable, Transporter shall make adjustments to that Operator's confirmed quantities. Those supplies that are independently verifiable by Transporter and which match the Operator's confirmation shall not be subject to the provisions of this Section 6.3. When the deficient source of supply is not immediately identifiable, the smallest affected area shall be identified and these procedures apply only to that portion of the system.

The following procedures shall be used to adjust Operators' confirmed quantities of Natural Gas in the event of supply underperformance.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.3 Adjustments to Confirmation Quantities Received by Transporter in the Event of Supply Underperformance (Continued)

(c) (i) Receipts from Interconnects shall be monitored by Transporter on a daily basis where real time data is available. When actual receipts are less than confirmed quantities and the shortfall in receipts threatens the integrity of Transporter's system, Transporter shall notify the Operator and request the Operator to increase deliveries or reduce confirmed quantities prospectively.

(ii) In the event an Operator fails to make adjustments, Transporter shall limit, on a pro rata basis, prospective confirmed quantities to actual receipts of supply on the Day in question. Higher confirmations shall be allowed prospectively only when the Operator increases quantities of gas into Transporter's system.

6.4 Capacity Allocation in the Event of Force Majeure or Required Maintenance. If Transporter determines that its available capacity is reduced due to force majeure or required maintenance, Transporter shall allocate all available capacity first to all primary service on a proportionate basis and then to all alternate service on a proportionate basis. Contract maximum Receipt or Delivery Point quantities shall be used to determine capacity allocations, if any, at a primary receipt or primary delivery point. When there is a constraint along a Flow Path, the contract Path Quantity at or through the constraint shall be used to determine primary capacity allocations at or through such constraint.

(a) Should multiple simultaneous events occur requiring Transporter to allocate available capacity, Transporter will schedule all available capacity by resolving the most constrained point (defined as the largest difference between confirmed nominations and operational available capacity) first. If further allocations are necessary, Transporter will continue to resolve the most constrained point until all constraints are resolved.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.5 Flow Day Diversion. Subject to any other limitations set forth in each rate schedule, during the Gas Day a Shipper moving gas pursuant to Rate Schedules FT-1, FTH-V, FT-H, NNTD and/or NNTH of this Volume No. 1A Tariff may divert scheduled quantities to a point that is within the same rate zone or in an upstream zone. A Releasing Shipper, as a term of release, may utilize such flow day diversion as a means of recalling capacity on an expeditious basis. Additionally, an Acquiring Shipper may utilize flow day diversion for the same Day return of such recalled capacity. Any diversion pursuant to this Section 6.5 is subject to the following conditions:

(a) The Shipper who desires to divert gas to an alternate delivery point must:

(i) Contact the Operator of the Delivery Point to which the gas was originally scheduled and arrange for that Operator to decrease the quantity to be received from Transporter, and

(ii) Arrange with the Operator of the alternate delivery point to receive the gas.

(b) The Operator of the Delivery Point from which the gas is to be diverted must notify Transporter, via Transporter's electronic scheduling system, which Shipper's gas is to be diverted and to whom and where it is to be diverted.

(c) The Operator of the alternate delivery point must notify Transporter, via Transporter's electronic scheduling system, that said Operator has agreed to receive the diverted gas and must specify the quantities to be diverted to each Delivery Point.

(d) Transporter shall compare the notifications to verify that the transactions correspond and shall determine if all or part of the requested transaction can be accommodated given the current and anticipated pipeline loading and operating conditions. A flow day diversion shall not have the effect of bumping a Shipper moving gas under Rate Schedules IT-1 or IHSW of this Volume No. 1A Tariff.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.5 Flow Day Diversion (Continued)

(e) If all or part of the transaction can be accommodated, Transporter shall notify the Shipper and Operators involved what portion of the transaction has been accepted.

(f) The quantities scheduled to be diverted shall be assumed to have flowed such that no daily imbalance exists as a result of the diversion transactions at the end of the Day of flow. Any imbalance resulting from the difference between the total scheduled quantities (including diversion quantities) and the actual measured quantities shall be accounted for at the Delivery Point or on a TSA,

(g) As a result of the diversion, Shipper shall not experience any change to the originally scheduled quantities and shall be invoiced as though the gas had been delivered to the originally scheduled point.

(h) If a Flow Day Diversion results in hourly Delivery Point takes in excess of Shipper's Hourly Contract Entitlements, the Hourly Scheduling Penalty Quantity shall be reduced by the quantity diverted and such hourly diverted quantity shall be billed the IT rate if an hourly scheduling penalty would otherwise apply.

(i) Upon the request of Shipper, Transporter shall provide Shipper with information pertaining to the utilization of Flow Day Diversion points that are Operationally Equivalent and the theoretical hourly equivalent service quantities available at each such point prior to Transporter and Shipper entering into a TSA.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.6 Pooling - Transporter shall provide one or more pooling areas in each of the production basins accessed by its system for purposes of facilitating the aggregation and disaggregation of gas received into its system within each such area. The process of aggregating and disaggregating gas receipts shall be deemed pooling. Pooling shall be subject to the following conditions:

(a) Transporter shall follow the priority rankings of poolers while providing such poolers at least two opportunities to make upstream transfers prior to gas being delivered to a downstream TSA;

(b) Quantities transferred into each pooling account must equal quantities transferred out of such account during each scheduling cycle;

(c) Transporter shall not be obligated to schedule pooling transactions involving more than ten layers of Pools; and

(d) In order to honor previously scheduled quantities for TSAs, all pooling transactions must be reprocessed during each of the scheduling cycles. This may change the quantities reported on prior cycles.

(e) At a minimum, Transporter should be responsible for accommodating Title Transfer Tracking ("TTT") services at all points identified by Transporter as pooling points, where TTT services are requested. In absence of existing pooling points or in addition to existing pooling points where access to TTT activity is not reasonably accessible for supply receipt locations covered by an OBA, Transporter should be responsible for accommodating TTT at no less than one location. (NAESB Standard 1.3.64)

The Title Transfer Tracking services should be supported by means of the nominations, quick responses and scheduled quantities processes. At Transporter's election, the confirmation process may also be utilized with Title Transfer Tracking Service Providers within Transporter's system. (NAESB Standard 1.3.65)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

6. NOMINATIONS AND SCHEDULING PROCEDURES (Continued)

6.6 Pooling (Continued)

(f) Transporter shall provide service as a Title Transfer Tracking Provider ("TTTSP") at its designated pooling points. Parties wishing to transfer title to other parties using Transporter's TTT services must hold a pooling account with Transporter. Third Party Account Administrators ("3PADS") must hold a pooling account with Transporter and must follow the procedures and requirements for nominations, quick responses and scheduled quantities.

(g) Shippers may request a physical Receipt Point as a primary receipt point in lieu of a Pool. If a Shipper selects a Receipt Point rather than a Pool, the Shipper's primary receipt point rights will be at the Receipt Point and rights to the Pool containing that Receipt Point will be on an alternate basis.

6.7 A Shipper paying a discounted rate may agree to pay a higher rate on a Day to Day basis, up to the applicable maximum rate, to improve its scheduling priority for an alternate firm or interruptible transaction prior to the beginning of the scheduling cycle for which the rate charge is applicable.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

12. WAIVERS

12.1 Waivers of Past or Future Defaults

(a) Transporter may, from time to time and on a not unduly discriminatory basis, waive any of its rights hereunder and compliance with the provisions of this Tariff. All such waivers shall be limited to past defaults or other past occurrences or case-by-case in advance waivers addressing specific, short-term operational problems.

(b) Transporter shall record any such waivers in a log, which shall be posted for public inspection on its website in accordance with Part 358 of the Commission's Regulations.

12.2 Non-Waiver of Future Defaults

Failure to exercise any rights under this Tariff shall not be considered a waiver of such right or of any rights in the future. No waiver of any one or more defaults by the other party in the performance of any of the provisions of this Tariff, or the provisions of the service agreement incorporating the provisions of this Tariff, shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.

12.3 Waiver Due to Force Majeure

Transporter may waive its obligations within this Second Revised Volume No. 1A Tariff in order to maintain safe and reliable operations and/or commitments during a specified force majeure event, as described in Section 7 of the GT&C. Such actions may include, but will not be limited to, changes to deadlines related to scheduling, contract request and amendment procedures, capacity release, point redesignation, capacity sales timelines, and imbalance resolution procedures that would help Transporter better manage the force majeure event and continue firm service to its Shippers. Transporter shall use its reasonable discretion in a not unduly discriminatory manner when making such determinations and utilization of this provision shall not impose new obligations on Shippers. Any such waiver and the reasoning behind the waiver shall be posted on Transporter's EBB. Subsequent to the waiver, Transporter shall file with FERC an informational report detailing waiver action taken. Notwithstanding the above, this provision does not authorize the waiver of the reservation charge crediting obligations pursuant to Section 39 of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

7. RESPONSIBILITY FOR GAS AND PRODUCTS

7.1 Transporter shall have no responsibility for Shipper's gas prior to its acceptance of such gas at the Receipt Point(s) and after delivery at the Delivery Point(s), and Shipper shall have sole responsibility for all arrangements necessary for delivery of Natural Gas to Transporter at the Receipt Point(s) for transportation, and for all arrangements necessary for receipt of Natural Gas for the account of Shipper at the Delivery Point(s), which arrangements otherwise meet the provisions set forth in the GT&C.

7.2 As between Transporter and Shipper, Transporter shall be deemed to be in control and possession of the Natural Gas from the time it is delivered to Transporter at the Receipt Point(s) until it is redelivered to Shipper at the Delivery Point(s), and Shipper shall be deemed to be in control and possession of the Natural Gas at all other times.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE

Firm transportation service under this FERC Gas Tariff shall be provided when, and to the extent that, Transporter determines that firm capacity is available in Transporter's existing facilities or facilities to be constructed pursuant to Section 4.7, which firm capacity is not subject to a prior claim by another customer or another class of service. The provisions of this Section 8.1 shall also be applicable to firm service under special rate schedules contained in Transporter's Volume No. 2 Tariff.

(a) A valid request for firm transportation service under this FERC Gas Tariff shall be in accordance with the procedures contained in Section 4.

(b) Transporter shall not be required to perform or continue service on behalf of any Shipper that fails to comply with the terms contained in the GT&C, in particular, but without limitation, in Sections 8.1, 4 and 5.7 and any and all terms of the applicable rate schedule and/or the terms of Shipper's TSA with Transporter.

(c) Upon request of Transporter, Shipper shall from time to time submit estimates of hourly, daily, monthly and annual quantities of gas to be transported, including peak hour and day requirements.

(d) Shipper shall deliver and receive Natural Gas in uniform hourly quantities during any Day with operating variations to be kept to the minimum feasible, except when specific hourly services are being provided.

(e) Segmentation and Pathing. Shippers taking service pursuant to Rate Schedules FT-1, FTH-V, FT-H, NNTD and/or NNTH are entitled to receive firm primary transportation from a primary receipt point to a primary delivery point using their Primary Receipt-to-Delivery Flow Path. To the extent operationally feasible, a Shipper may make use of its firm Primary Capacity by segmenting that capacity into separate parts for its own use or for the purpose of releasing that capacity to the secondary market.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(e) Segmentation and Pathing (Continued)

(i) Transporter will use a "Walk the Pipe" process to determine a Shipper's priority on all Segments of a Shipper's nominated Flow Path. The nominated Flow Path originates at the nominated Receipt Point and ends at the nominated Delivery Point. The Shipper's priority on each Segment of the nominated receipt to delivery Flow Path will be determined by the Shipper's use of its primary point(s) and Primary Receipt-to-Delivery Flow Path(s) and its use of alternate point(s) and alternate paths.

(A) A Shipper using its primary points and Primary Receipt-to-Delivery Flow Path will be assigned a primary priority on each Segment of the Flow Path from the primary receipt point to the primary delivery point.

1. When primary points are used, such primary points have priority over points assigned a Flow Point Secondary, First Alternate or Second Alternate scheduling priority, in that order.

2. A Shipper's Primary Receipt-to-Delivery Flow Path rights have priority over Flow Paths assigned a Flow Path Secondary, First Alternate or Second Alternate scheduling priority, in that order.

(B) Point rights have priority over path rights.

(C) A Shipper may use its firm transportation rights to nominate to alternate points. If a Shipper uses its alternate rights, each Segment from the nominated Receipt Point to the nominated Delivery Point will be assigned an individual priority as further described below.

However, Shipper may request to acquire primary rights at the Receipt and/or Delivery Point from Transporter, pursuant to Section 8.1(f)(iii).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)

(e) (i) "Walk the Pipe" (Continued)

(D) A higher priority status is assigned to alternate points that are located on a Shipper's Primary Receipt-to-Delivery Flow Path; these points are "within-the-path". A lower priority status is assigned to alternate points that are not located on a Shipper's Primary Receipt-to-Delivery Flow Path; these points are "outside-the-path". Alternate points nominated by a Rate Schedule FT-1 Shipper will be assigned a lower priority based upon the alternate point's within-the-path or outside-the-path status in the "Walk the Pipe" process.

(E) A higher priority status is assigned to that portion of a nominated Flow Path that is located on the Shipper's Primary Receipt-to-Delivery Flow Path. A lower priority status is assigned to that portion of a nominated Flow Path that is located outside the Shipper's Primary Receipt-to-Delivery Flow Path.

(F) A Shipper's use of an alternate receipt point and an alternate delivery point located on its Primary Receipt-to-Delivery Flow Path will have within-the-path rights at such alternate receipt and delivery points. The nominated path that is using the Shipper's Primary Receipt-to-Delivery Flow Path will have a primary within-the path priority status.

(G) A Shipper's use of an alternate receipt point within-the-path of its Primary Receipt-to-Delivery Flow Path and an alternate delivery point outside its Primary Receipt-to-Delivery Flow Path will have within-the-path rights on the portion of the path that is within the Primary Receipt-to-Delivery Flow Path and outside-the-path rights on the portion of the path that is outside the Primary Receipt-to-Delivery Flow Path.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)

(e) (i) "Walk the Pipe" (Continued)

(H) A Shipper's use of an alternate receipt point outside-the-path of its Primary Receipt-to-Delivery Flow Path and an alternate delivery point within-the-path of its Primary Receipt-to-Delivery Flow Path will have outside-the-path rights on the portion of the path that is outside the Primary Receipt-to-Delivery Flow Path and within-the-path rights on the portion of the path that is within the Primary Receipt-to-Delivery Flow Path.

(I) A Shipper nominating an alternate receipt point and an alternate delivery point both of which are located outside its Primary Receipt-to-Delivery Flow Path and not using any of its Primary Receipt-to-Delivery Flow Path will have lower outside-the-path rights at the nominated alternate receipt and delivery points and on the Flow Path than a Shipper using a portion of its Primary Receipt-to-Delivery Flow Path and/or its primary points.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)

(e) Segmentation and Pathing (Continued)

(ii) Pathing - Path rights are available to and at, and all points in between, the mainline locations on the following portions of Transporter's mainline system, as limited by each Shipper's Primary Receipt-to-Delivery Flow Path.

(A) The assignment of a Shipper's Primary Receipt-to-Delivery Flow Path is only for the purposes of capacity Segmentation and the implementation of this Section 8.1(e).

(B) All firm Shippers will be allocated within-the-path rights through the assignment of a Flow Path, as described below, to be designated in their TSAs. These path rights, and related Segmentation and flexible point rights, are defined below.

(C) North and South Designations

Points north of Dutch Flat Station on the Havasu crossover and north and west of the south discharge of Plains Station are considered "North Points" and for purposes of this Section 8.1(e) are designated "NPT." All points south of these locations, and all points on the Maricopa line, are considered "South Points" and for purposes of this Section 8.1(e) are designated "SPT." TSAs with North Receipt Points and South Delivery Points are considered to have North-to-South path rights in the amount of the total MRQs/MDQs for all such Receipt and Delivery Points. TSAs with South Receipt Points and North Delivery Points are considered to have South-to-North path rights in the amount of the total MRQs/MDQs for all such Receipt and Delivery Points.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(e) (ii) Pathing (Continued)

(D) North-to-North Path Rights

1. N/N1 Flow Path rights are assigned to Shippers with primary NPT receipt points north of Valve City and primary NPT delivery points. The identified Flow Path for N/N1 Path rights includes the San Juan Triangle to Valve City and from Valve City west towards the Topock area using the North System.

2. N/N2 Flow Path rights are assigned to Shippers with primary NPT receipt points in the Plains pooling area and primary NPT delivery points. The identified Flow Path for N/N2 Path rights is from Plains west towards the Topock area using the North System.

3. N/N3 Flow Path rights are assigned to Shippers with primary NPT receipt points in the San Juan area and primary NPT delivery points in the Anadarko area. The identified Flow Path for N/N3 Path rights is from the NPT Receipt Point to Plains using the Permian-San Juan Crossover.

(E) South-to-South Path Rights

1. S/S1 Flow Path rights are assigned to Shippers with primary SPT receipt points and primary SPT delivery points. The identified Flow Path for S/S1 Path rights is from the Cornudas Station west towards the Ehrenberg area using the South System.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(e) (ii) Pathing (Continued)

(F) North-to-South Path Rights

1. N/S1 Flow Path rights are assigned to Shippers with primary NPT receipt points and primary SPT delivery points. The identified Flow Path for N/S1 Path rights is from the primary NPT receipt point to the primary SPT delivery point using the Permian-San Juan Crossover, and, as necessary, south flow capacity out of Plains, and capacity from the Cornudas Station west towards the Ehrenberg area using the South System.

2. N/S2 Flow Path rights are assigned to Shippers with primary NPT receipt points and primary delivery points on the Maricopa Line. The identified Flow Path for N/S2 Path rights includes 1) from the primary NPT receipt point to Valve City, 2) from Valve City to the Maricopa Line using the North System, and 3) the Maricopa Line to the Shipper's Delivery Point.

3. N/S3 Flow Path rights are assigned to Shippers with primary NPT receipt points and primary SPT delivery points. The identified Flow Path for N/S3 Path rights includes 1) from the NPT primary receipt point to Valve City, 2) from Valve City to Franconia using the North System, and 3) from Franconia to the Shipper's Delivery Point(s) west of Cornudas on the South System using the Havasu crossover.

4. N/SV Flow Path Rights - A portion of the service involving the North to South Path Rights described above requires the use of displacement capacity. N/SV capacity is deemed Primary Capacity except when a Shipper uses alternate points located on the Havasu Crossover at which time the capacity will be assigned a First Alternate scheduling priority. The percentage of N/SV capacity is determined by the amount of South-to-North flow capacity required to meet the service requirements of firm North-to-South Shippers on the effective date of this provision.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(e) (ii) Pathing (Continued)

(G) South-to-North Path Rights

1. S/N1 Flow Path rights are assigned to Shippers with primary SPT receipt points and primary NPT delivery points. The identified Flow Path for S/N1 Path rights is between the Cornudas Station and Wenden Station using the South System, north on the Havasu crossover to Franconia Junction and as far west as the Topock area using the North System.

2. S/N2 Flow Path rights are assigned to Shippers with primary SPT receipt points and primary NPT delivery points. The identified Flow Path for S/N2 Path rights is from the primary receipt point towards Valve City using the Permian-San Juan Crossover and from Valve City west towards the Topock area using the North System.

3. S/N3 Flow Path rights are assigned to Shippers with primary SPT receipt points and primary NPT delivery points in the Anadarko area. The identified Flow Path for S/N3 Path rights is from the primary receipt point towards Plains and from Plains north towards the Anadarko area.

(H) Permian-San Juan Crossover Path Rights

1. X/O1 Flow Path rights are assigned to Shippers with primary SPT receipt points and primary delivery points along the Permian-San Juan Crossover. The identified Flow Path for X/O1 Path rights is from the Plains Station to the Delivery Point along the Permian-San Juan Crossover.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continue)
(e) (ii) Pathing (Continued)

(I) Line No. 1903 Path Rights

1. C/C1 Flow Path rights are assigned to Shippers with primary NPT receipt points and primary SPT delivery points west of Cornudas. The identified Flow Path for C/C1 Path rights is from the primary receipt point west to the Mojave Topock Compressor Station using the North Mainline, from the Mojave Topock Compressor Station to the Cadiz Crossover on the Mojave Pipeline using Transporter's capacity, south to Ehrenberg using the Cadiz Crossover and Line No. 1903 and, if applicable, east towards Cornudas using the South Mainline.
2. C/C2 Flow Path rights are assigned to Shippers with a primary receipt point at Daggett using Transporter's capacity on the Mojave Pipeline System and primary SPT delivery points west of Cornudas. The identified Flow Path for C/C2 Path rights is from Daggett to the Cadiz Crossover on the Mojave Pipeline System, south to Ehrenberg using the Cadiz Crossover and Line No. 1903 and, if applicable, east towards Cornudas using the South Mainline.

(J) Anadarko Designation - The Anadarko area is defined as that portion of Transporter's mainline system extending north from Plains Station to Dumas Station and east from Dumas Station to the terminus of El Paso's pipeline system near Elk City, Oklahoma. These paths may be used in conjunction with other assigned path rights.

1. A/N1 Flow Path rights are assigned to Shippers with primary NPT or SPT receipt points and primary delivery points in the Anadarko area. The identified Flow Path is north from Plains Station to the primary delivery point in the Anadarko area.
2. A/N2 Flow Path rights are assigned to Shippers with primary receipt points in the Anadarko area and primary NPT or SPT delivery points. The identified Flow Path is south from the primary receipt point in the Anadarko area to Plains Station.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(e) (iii) Virtual Path Rights

(A) Virtual path rights are assigned for any portion of a nominated Flow Path for transportation service involving the areas listed below.

1. All transportation service within the Permian Basin, including transportation from Permian Receipt Points through Plains to NPT Delivery Points, except as provided for in Sections 8.1(e)(v) through 8.1(e)(ix).

2. Transportation service utilizing the N/SV Path as defined in Section 8.1(e)(ii)(F)(4).

(B) A Shipper with Virtual Path rights will continue to have Primary Capacity rights to and at its primary receipt and delivery points when using such points.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(e) (iii) Virtual Path Rights (Continued)

(C) Virtual Path rights are assigned a First Alternate scheduling priority when a Shipper is not using its primary receipt and primary delivery points but is using a portion of its Primary Receipt-to-Delivery Flow Path, except as provided in Sections 8.1(e)(v) through 8.1(e)(ix).

(iv) Delivery Laterals

(A) A Shipper using a primary delivery point on a delivery lateral will be assigned a primary scheduling priority at its primary delivery point and along the Primary Receipt-to-Delivery Flow Path situated on that lateral.

(B) A Shipper nominating an alternate delivery point on a delivery lateral on which the Shipper also has a primary point under any firm TSA will be assigned a First Alternate scheduling priority at the nominated alternate delivery point and along the delivery lateral Flow Path to that alternate point.

(C) A Shipper nominating an alternate delivery point on a delivery lateral on which the Shipper does not have a primary point under any firm TSA will be assigned a Second Alternate scheduling priority at the nominated alternate delivery point and along the delivery lateral Flow Path to that alternate point.

(v) Primary Flow Path Flexibility for N/S1 Shippers

(A) Shippers with an N/S1 Primary Receipt-to-Delivery Flow Path will be assigned a primary scheduling status on the portion of the nominated Flow Path between Plains and Cornudas when nominating an alternate NPT receipt point to a primary SPT delivery point.

(B) Shippers with an N/S1 Primary Receipt-to-Delivery Flow Path will be assigned a primary scheduling status on the portion of the nominated Flow Path between Plains and Cornudas when nominating a primary NPT receipt point to an alternate SPT delivery point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)

(e) Segmentation and Pathing (Continued)

(vi) Primary Flow Path Flexibility for S/S1 Shippers - Shippers with an S/S1 Primary Receipt-to-Delivery Flow Path will be assigned a primary scheduling status on the portion of the nominated Flow Path between a nominated primary SPT receipt point and Cornudas when nominating to an alternate SPT delivery point west of Cornudas.

(vii) Primary Flow Path Flexibility for S/N1 Shippers - Shippers with an S/N1 Primary Receipt-to-Delivery Flow Path will be assigned a primary scheduling status on the portion of the nominated Flow Path between a nominated primary SPT receipt point and Cornudas when nominating to an alternate NPT delivery point.

(viii) Primary Flow Path Flexibility for Shippers with Primary Receipt or Primary Delivery Points in the Permian Area - A Shipper with a primary receipt point in the Keystone Station area or primary receipt or delivery points in the Waha plant area may nominate from an alternate Keystone/Waha receipt or to an alternate Waha delivery point and retain its primary Flow Path scheduling priority if the following conditions are met:

(A) Nominated quantities at the alternate Keystone/Waha receipt or Waha delivery point must be within the MRQ/MDQ for the original primary Keystone/Waha receipt or Waha delivery point.

(B) The nominated alternate Keystone/Waha receipt or Waha delivery point must be in the immediate vicinity and have a similar operational impact as the Shipper's original primary Keystone/Waha receipt or Waha delivery point.

(C) Gas flow at the nominated alternate Keystone/Waha receipt point must be of similar quality and pressure of the gas flow at Shipper's original primary Keystone/Waha receipt point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(e) Segmentation and Pathing (Continued)

(viii) (Continued)

(D) If the above conditions are met, the receipt points eligible for this Flow Path flexibility within the Keystone area are the Keystone Pool point (Scheduling DRN 216750), INNKEYST (Scheduling DRN 42599), IKEYSTOR (Scheduling DRN 337906) and ISIDRICH (Scheduling DRN 38828). If the above conditions are met, the Receipt Points eligible for this Flow Path flexibility within the Waha area are IOASISWA (Scheduling DRN 151617), IVALEROW (Scheduling DRN 152149), ILONEWA (Scheduling DRN 151624), and IWESTARW (Scheduling DRN 151612).

(E) If the above conditions are met, the Delivery Points eligible for this Flow Path flexibility within the Waha area are IOASISWA (Scheduling DRN 151617), IVALEROW (Scheduling DRN 152149), ILONEWA (Scheduling DRN 151624), and IWESTARW (Scheduling DRN 151612).

(ix) Flow Point Secondary Capacity Point Rights for Shippers with Primary Receipt or Delivery Points in the Permian Area - The Receipt Points listed in Section 8.1(e)(viii)(D) and Delivery Points listed in Section 8.1(e)(viii)(E), shall be assigned a Flow Point Secondary scheduling priority when a Shipper who holds primary receipt/delivery point rights at one of the listed points nominates from/to one of the other points within the same area on the list. Nominated quantities at the alternate Keystone/Waha receipt or delivery point must be within the MRQ/MDQ for the original primary Keystone/Waha receipt or delivery point.

(x) Flow Path rights will be used, in part, to determine scheduling priority. If a constraint causes capacity to be allocated along a portion of the Flow Path, Transporter will not automatically adjust the Shipper's nomination to another Flow Path; however, Shippers may re-nominate using another Flow Path in the next available nomination cycle.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)

(e) Segmentation and Pathing (Continued)

(xi) Flow Path Secondary and Flow Point Secondary Flexibility for C/C1 Shippers - Shippers with a C/C1 Primary Receipt-to-Delivery Flow Path nominating to Daggett as an alternate receipt or delivery point will be assigned a Flow Path Secondary scheduling status on the portion of a nominated Flow Path between Daggett on the Mojave Pipeline and the Cadiz Crossover and a Flow Point Secondary scheduling status at the Daggett point.

(xii) Segmentation - Any Shipper taking service pursuant to Rate Schedules FT-1, FTH-V, FT-H, NNTD and/or NNTH may Segment its TCD pursuant to the provisions of this section, subject to restrictions in the applicable rate schedule.

(A) Segmentation may be accomplished on a self-implementing basis by nomination or through capacity release.

(B) Segmentation may be accomplished on Transporter's system by specifying the desired Segmentation Receipt and Delivery Points in a valid nomination or capacity release offer. Transporter shall permit such Segmentation if the provisions of this section are met, if capacity is available, and if such Segmentation request can be supported without adversely affecting system operations or other firm obligations. Any Receipt or Delivery Points not listed on the TSA used for Segmentation are deemed to be Segmentation Receipt and/or Delivery Points, as appropriate. If the Segmentation involves the release of capacity, then the requirements of Section 9 must also be met.

(xiii) Shipper's point rights at existing primary receipt or delivery points are not affected by Segmentation, except as modified by capacity release.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)
(e) Segmentation and Pathing (Continued)
(xiv) Billing

(A) A Shipper using Segmentation will pay the usage and Fuel charges provided under its TSA for each Segment it uses, except as provided for in footnote 1 on the Statement of Rates for Fuel Charges. A Shipper will pay only one reservation charge per firm TSA regardless of the number of Segments it uses under its TSA. Except as provided for in Section 8.1(g)(i), if a Shipper segments its capacity, it shall pay the higher of the maximum reservation charges applicable to the receipt and delivery zone for which service is provided or the highest reservation charge provided under the TSA, unless Shipper has requested and been granted a discount pursuant to Section 8.1(g)(iii), or Shipper's TSA provides otherwise.

(B) Segmentation by capacity release may be subject to additional charges depending on the Receipt and Delivery Points used.

1. Shippers using Receipt or Delivery Points not provided for in the TSA may be subject to an incremental Out-of-Zone Daily Reservation Charge. The applicable charges are described in Sections 8.1(g)(ii) and 8.1(g)(iii).

2. If an incremental Out-of-Zone Charge is applicable, the total reservation charges retained by Transporter from the Releasing and Acquiring Shippers may not exceed the applicable maximum reservation charges. In the case of a capacity release subject to Section 9.8(c) of the GT&C, if such charges exceed the applicable maximum tariff rate, the reservation charges in excess of the applicable maximum tariff rate will be returned to the releasing Shipper so that Transporter retains no more than the applicable maximum charges from the Releasing and Acquiring Shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(e) Segmentation and Pathing (Continued)

(xv) General Prerequisites for Segmentation - To maintain the integrity and reliability of Transporter's system and to ensure that Segmentation is supported to the greatest extent possible without detriment to, or degradation of, any Shipper's service, the following prerequisites for Segmentation have been established.

(A) Segmented capacity may not exceed a Shipper's TCD, except as provided in Section 8.1(e)(xvi)(G).

(B) Segmentation is subject to the availability of capacity and existing contractual obligations at and between Segmentation Receipt and Delivery Points identified by the priority of service pursuant to Section 6 of the GT&C.

(C) Segmentation is not available for deliveries to Pools.

(xvi) Implementation of Segmentation

(A) Primary Capacity, Flow Point Secondary Capacity, Flow Path Secondary Capacity, and Alternate Capacity, point rights and path rights will also apply to Segmentation. Segmented transactions will be scheduled pursuant to the scheduling priorities of Section 6 of the GT&C, as clarified in Section 8.1(e)(xvi)(B).

(B) Segmentation nominations for which the Receipt or Delivery Point lies within Shipper's Primary Receipt-to-Delivery Flow Path are to be scheduled as Primary for the portion of the nomination that is within Shipper's Primary Receipt-to-Delivery Flow Path and Flow Path Secondary for any portion of the nomination outside such Flow Path. However, Shipper may request to acquire primary rights at the Receipt and/or Delivery Point from Transporter, pursuant to Section 8.1(f)(iii).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(e) (xvi) Implementation of Segmentation (Continued)

(C) Segments created for a Shipper's own use or for capacity release may overlap under the following conditions:

1. Confirmed quantities on the overlapping Segments that exceed the Path Quantity for that Segment will be assigned a scheduling priority of Second Alternate.

2. Confirmed quantities on the overlapping Segments that exceed the TCD for that TSA will be scheduled and billed as authorized overrun. When confirmed nominations from a Releasing Shipper and an Acquiring Shipper on an overlapping Segment result in overrun transportation service, the Shipper with the highest scheduling priority will be scheduled first and the shipper with the lowest scheduling priority will be assessed the overrun charges. If the Releasing Shipper and the Acquiring Shipper have the same scheduling priority, both Shippers will be scheduled and assessed overrun charges on a pro rata basis.

3. Confirmed quantities on any Segments involving service in the Permian virtual area separately or in total under the TSA that exceeds the TCD will be scheduled and billed as daily authorized overrun.

4. For Segmentation purposes, the North and South Mainlines shall be considered to be non-threaded parallel lines. Segmented transactions that use these parallel lines at the same time and exceed Shipper's Path Quantity for those parallel lines shall be considered overlap and shall be billed and scheduled as daily authorized overrun.

(D) If capacity allocations are required, confirmed quantities within a Shipper's Primary Receipt-to-Delivery Flow Path will be scheduled first (or pro rata if more than one applicable transaction) and then any remaining quantities will be scheduled for out-of-path nominations (or pro rata if more than one applicable transaction).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(e) (xvi) Implementation of Segmentation (Continued)

(E) Any nominated and confirmed quantity exceeding a Shipper's MRQ at a Receipt Point of the MDQ at a Delivery Point, or Path Quantity, but not exceeding its TCD will be assigned a scheduling priority of Second Alternate.

(F) Segmentation nominations entirely outside the Shipper's Primary Receipt-to-Delivery Flow Path will be assigned a scheduling priority of Second Alternate.

(G) A firm Shipper (or a Releasing Shipper and an Acquiring Shipper participating in a capacity release) may segment its capacity by simultaneously nominating its full rights in a forward haul and its full rights in a backhaul to the same Delivery Point.

(H) Transporter reserves the right at any time to control or restrict Segmentation when such Segmentation results in a degradation of firm service or poses a threat to the sound operation of Transporter's system. Such restrictions will be posted on the EBB in a timely manner. Examples of such include: (1) a force majeure event, (2) maintenance or physical constraints resulting in capacity being reduced below design limit levels, (3) a system operational upset requiring an SOC or COC, (4) changed capacity demands resulting from facility changes, or changes to other operational criteria such as gas quality or receipt/delivery pressures, and (5) the non-availability of critically sourced gas when and where it is needed during times of normal, as well as critical operations.

1. Transporter's control or restriction of Segmentation does not override the scheduling priorities of Section 6 of the GT&C.

2. Transporter's control or restriction of Segmentation will not affect nor change previously scheduled quantities.

3. Transporter's control or restriction of Segmentation will not affect a segmented release once the release has been accepted by Transporter.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)

(e) Pathing and Segmentation (Continued)

(xvii) Transporter will file with the Commission, within eighteen Months of the implementation of Pathing and Segmentation, a report detailing the first twelve Months of such Pathing and Segmentation activity on its system. Based on this review, Transporter will additionally provide an analysis of the feasibility of pathing and segmenting, on a primary basis, the remaining portions of Transporter's mainline system.

(f) Flexible Receipt and Delivery Point(s)

For purposes of this Section 8.1(f), "firm Shipper" shall include Shippers taking service pursuant to any of the firm rate schedules, with the exception of Rate Schedule FT-2. Rate Schedule FT-2 service is not eligible for flexible Delivery Point treatment since all delivery locations are full requirements locations.

(i) A firm Shipper's TSA shall designate the primary receipt point(s), primary delivery point(s) and Primary Flow Path(s) for service under that agreement. A firm Shipper may use any other Receipt Point or Delivery Point not provided for in the TSA on a lower priority (Flow Point Secondary or Alternate) basis unless conditioned by the applicable rate schedule. These rights are defined in Section 1 of the GT&C and in the Pathing and Segmentation provisions of Section 8.1(e). Shipper may use such lower priority points by submitting a nomination to Transporter designating the point to be used.

(ii) The use of lower priority points is also subject to the following conditions:

(A) The lower priority points will be scheduled pursuant to the priorities of Section 6.2 of the GT&C.

(B) The lower priority points are subject to the rate conditions specified in Section 8.1(e)(i).

(C) The total quantity of gas transported by Transporter using Shipper's primary receipt and delivery point(s) and lower priority points shall not exceed Shipper's TCD except as provided by Section 8.1(e), unless otherwise agreed to by Transporter.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(f) Flexible Receipt and Delivery Point(s) (Continued)

(iii) Re-designation of Existing Primary Points. Unless conditioned by the applicable rate schedule, firm Shippers, including Acquiring Shippers with express permission from the Releasing Shipper to do so, may request to re-designate primary point rights to any rate zone pursuant to the following procedures. Transporter will grant such requests on a first come/first served basis if firm capacity is available to and at the requested points, the change will not harm other firm Shippers, and the change is operationally feasible. Requests for sales of capacity involving incremental service will have priority over re-designation requests.

(A) When a Shipper desires to re-designate primary point rights, the Shipper must agree to the rate conditions of Section 8.1(g)(i), the creditworthiness provisions of Section 4.16, and the other conditions of this Section. Unless otherwise agreed by Transporter on a not unduly discriminatory basis, a Shipper may only request to re-designate over an annual period either a fixed and constant percentage of its monthly TCD or a fixed and constant daily contract quantity.

1. Pursuant to Section 5.7 of the GT&C, when Shipper requests re-designation of primary D-Code/delivery point rights, such Shipper's request shall include the MDQ at the D-Code level and the related meter CMQs within that D-Code.

(B) A firm Shipper may submit only one re-designation request at a time for the same TSA; however, a firm Shipper wishing to re-designate a primary point for a period of three Months or less may submit a request, subject to the other conditions of this Section 8.1(f)(iii), to re-designate to a new primary point and simultaneously submit a request to re-designate back to the original primary point at the end of the re-designation period.

(C) When a Receipt or Delivery Point is re-designated, the related path rights are restated to reflect the newly created Primary Receipt-to-Delivery Flow Path.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(f) (iii) Re-designation of Existing Primary Points (Continued)

(D) Transporter will respond to a re-designation request within three Business Days, which will require a Shipper to submit a request no later than 9:30 a.m., MCT, three Business Days prior to the Timely Nomination Cycle for the requested day of flow.

1. Should the re-designation request require Transporter to reduce the MDO/MHO quantity under the OPASA of another DP Operator pursuant to Section 6.2 of Rate Schedule OPAS, such re-designated primary point may not become effective until the earlier of the expiration of the notification period provided in Section 2.5(d) of Rate Schedule OPAS or the execution of a new OPASA by the affected DP Operator.

(E) Receipt and Delivery Points that are the subject of open seasons for the sale of incremental service are considered to be placed in the first come/first served queue on the date the open season is announced.

(F) All re-designation requests must be submitted on-line using Transporter's EBB. Transporter will indicate its acceptance or rejection of the re-designation request by notice on its EBB. If the request is accepted by Transporter, such request and notice will constitute an offer and acceptance, shall be legally binding, and shall amend the TSA or Acquired Capacity Agreement accordingly. Either party may request an executed paper copy of the revised TSA or Acquired Capacity Agreement; however, such paper copy does not alter the legally binding nature of the request and notice.

(G) A Shipper may not submit requests to re-designate a Receipt or Delivery Point earlier than three Months prior to the Day on which the Shipper desires the change to become effective. However, Transporter may agree, on a non-discriminatory basis, to allow requests prior to the three-Month deadline if it is consistent with Commission policy.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(f) (iii) Re-designation of Existing Primary Points (Continued)

(H) Except as provided in Section 9.21(b), re-designations of Receipt and Delivery Points will result in a permanent change for every Month of the remaining term of the TSA. Accordingly, such changes will result in a corresponding reduction in contract quantity at the original (vacated) primary points. Transporter will make the capacity at the vacated points available for other Shippers to use on a firm and interruptible basis. The original Shipper may return to the vacated primary points at a later date only if the capacity is available to and at those points at that time and the Shipper submits a re-designation request pursuant to the procedures of this Section.

(I) If the re-designation of primary points requires the construction of facilities, then the timing requirements of this Section 8.1(f)(iii) shall not apply. If Transporter and Shipper agree that Transporter shall construct facilities, Shipper must provide Transporter sufficient notice to obtain the necessary regulatory and environmental authorizations to construct and operate the new point under the Commission's Regulations.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(g) Rate Application for Flexible Point(s) or Re-designations

(i) In the event Shipper uses Receipt or Delivery Points not provided for in the TSA or re-designates a primary receipt or delivery point pursuant to Section 8.1(f)(iii), Shipper shall be billed pursuant to Section 8.1(g). In addition, Shipper shall pay the maximum usage charge(s), unless otherwise provided, applicable to the Delivery Point(s) actually used for the transportation service.

(ii) Use of Non-Discounted Points. Notwithstanding the applicability of any contractually agreed-upon lower rate for services using primary receipt and delivery points, all transportation services using alternate receipt or delivery points in the same delivery zone or a delivery zone with lower maximum rates than the original delivery zone shall be subject to the higher of the maximum Reservation Rate of the applicable rate schedule for the alternate delivery point or the contract rate, unless Transporter otherwise agrees in writing at the time the service using such point(s) is requested.

(iii) Out-of-Zone Daily Reservation Charge. All firm Shippers using Delivery Points located in delivery zones with higher maximum rates than their original delivery zones shall pay Transporter, in addition to their contracted Daily Reservation Charge, an incremental Out-of-Zone Daily Reservation Charge. If the contract subject to an Out-of-Zone Daily Reservation Charge is subject to Section 37, see Section 37 for the description of such charge.

(A) The incremental Out-of-Zone Daily Reservation Charge, unless Transporter agrees to discount such rates, shall be equal to the difference between the maximum Reservation Rate applicable to the delivery zone for which service is provided and the Reservation Rate provided in the TSA or zero, whichever is higher.

(B) When segmenting capacity, the Out-of-Zone Daily Reservation Charge shall be the charges described in Sections 8.1(g)(ii) and (iii).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(g) Rate Application for Flexible Point(s) or Re-designations (Continued)

(iv) When a firm transportation Shipper re-designates a Delivery Point, Shipper shall pay the higher of the maximum Reservation Rate applicable to the original (vacated) primary delivery point or the maximum rate applicable to the delivery zone for which service is provided, unless Transporter agrees to discount such rate(s).

(h) Abandonment of Transportation Service - Unless otherwise provided in the applicable TSA and subject to Section 4.14 below, Transporter shall be entitled to avail itself of the pregranted abandonment authority under Section 7(b) of the Natural Gas Act of long-term (twelve (12) Months or more) firm transportation services, as authorized by Section 284.221(d) of the Commission's Regulations, upon the expiration of the contractual term or upon termination of each individual transportation arrangement and shall seek offers from competing Shippers interested in receiving such firm transportation service, as provided below.

19. OPERATING PROVISIONS FOR INTERRUPTIBLE TRANSPORTATION SERVICE
(Continued)

19.12 Resolution of Imbalances (Continued)

gas used as an offset. This provision is not applicable to the Unauthorized Gas retained as a penalty pursuant to Section 27 of these General Terms and Conditions.

Prior to any offsets, El Paso at its option may first offset any under or over-deliveries between contracts with such Shipper.

Shipper or its suppliers shall be responsible for reporting and payment of any royalty, tax, or other burdens on natural gas volumes received by El Paso and El Paso shall not be obligated to account for or pay such burdens.

(f) Crediting of Revenues - When the aggregate value received from all sources resulting from cash-out exceeds the cost of gas plus administrative fees, El Paso shall credit such net amount within 90 days of the payment date to Shippers on a pro rata basis in accordance with the volumes transported for each Shipper.

(g) Netting of Contracts - Netting of imbalances is defined as the combination of positive and negative contract imbalances for a Shipper. El Paso shall permit Shippers and their agents to offset imbalances accruing on different contracts held by the Shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(i) Hourly Entitlement Enhancement Nomination

(i) "Hourly Entitlement Enhancement Nomination" or "HEEN" is a nomination that shall be subject to the following conditions:

(A) The nomination may only be submitted by Shippers under Rate Schedules FT-1, FT-H, NNTD, or NNTH; and

(B) The nomination may only be submitted for the Timely or Evening Nomination Cycles and must involve a HEEN Qualified Delivery Point, as described in Section 8.1(i)(ii)(I)(1) below.

1. Shipper may decrease a previously scheduled HEEN nomination in any nomination cycle. As further described in Section 8.1(i)(iii)(A), Transporter may decrease Shipper's HEEN nomination in any nomination cycle to reflect a change in the related Flowing Gas nomination.

2. Shipper may increase a previously scheduled HEEN nomination in the Evening Nomination Cycle. As further described in Section 8.1(i)(iii)(B), Transporter may increase Shipper's HEEN nomination in any intraday nomination cycle to reflect a change in the related Flowing Gas nomination.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)

(i) Hourly Entitlement Enhancement Nomination (Continued)

(ii) HEEN Specifications. The hourly rates of flow supported by HEEN are pursuant to the applicable rate schedule. At HEEN Qualified Delivery Points, when applicable, quantities delivered, or caused to be delivered, for Shipper's account may not exceed in any hour the sum of the effective hourly entitlements based on the Shipper's contract and the scheduled quantity, as follows:

(A) A HEEN may be used to reserve capacity to support non-uniform hourly deliveries at HEEN Qualified Delivery Points that are listed on Transporter's EBB. HEEN nominations must meet all other criteria for a valid nomination, except the requirement that the receipt side of the nomination be confirmed by a third party. The HEEN quantity and the Flowing Gas quantity scheduled for the path may not exceed the TCD for primary delivery points or Path Quantity for the Flow Path used. HEEN nominations will be available up to 100% of all of a Shipper's unscheduled MDQ across all of its TSAs at each Delivery Point between the Shipper's HEEN Receipt Point through to its primary delivery point in the pertinent TSAs. All of the tariff rules as to primary and alternate path and point scheduling priorities will continue to apply. The foregoing does not allow summing or aggregation of the Hourly Scheduled Entitlements associated with HEEN nominations across all points in a TSA but is only relevant to the scheduling at a single Delivery Point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)
(i) Hourly Entitlement Enhancement Nomination (Continued)

(ii) (A) HEEN Specifications (Continued)

1. For Rate Schedule FT-1 Shippers, the sum of all Hourly Scheduled Entitlements for any Segment may not exceed on a firm basis in any one hour 1/24th of the sum of all of the Shipper's TCD.

2. For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on a primary basis for any Segment may not exceed on a firm basis in any one hour the peak hour entitlement under the Shipper's TCD.

3. For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on an alternate basis for any Segment may not exceed on a firm basis in any one hour the peak hour entitlement under the Shipper's TCD.

4. For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on a primary basis for any Delivery Point may not exceed on a firm basis in any one hour the Hourly Contract Entitlement.

5. For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on an alternate basis for any Delivery Point may not exceed on a firm basis in any one hour the Hourly Contract Entitlement.

(B) Confirmed HEEN nominations will be scheduled by Transporter except for reasons of force majeure and other circumstances in which nominations may be reduced under the terms of this tariff and then only on the affected Segments of its system.

(C) Shipper shall not make HEEN nominations in excess of a reasonable forecast of its needs.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(i) Hourly Entitlement Enhancement Nomination (Continued)

(ii) HEEN Specifications (Continued)

(D) In the event a Shipper ranks its HEEN nomination below its Flowing Gas nomination, such Flowing Gas nomination shall not be reduced by such HEEN nomination.

(E) When applicable, Shipper shall specify its requested hourly flow pattern pursuant to the procedures specified in Section 6.1(a) of the GT&C.

(F) The sum of HEEN quantities and flowing gas quantities scheduled at a Delivery Point under Rate Schedules NNTD and NNTH may not exceed 90% of the MDQ without affecting the quantity of no-notice service available, pursuant to the applicable rate schedule.

(G) Subject to Section 8.1(i)(ii)(B) above, should Shipper submit a HEEN nomination and Transporter is unable to schedule all valid quantities, if, and to the extent, the unscheduled HEEN quantities would have alleviated hourly scheduling penalties, such penalties will not be assessed. However, hourly scheduling penalties will apply to the extent that the HEEN scheduling reduction is due to: 1) the Shipper's actions, or 2) a COC declared in the affected area pursuant to Section 11.1(b) of the GT&C.

(H) All HEEN nominations must be forward haul, subject to the following:

1. A HEEN nomination may be used for transportation service accomplished by a combination of forward haul and displacement if the portion of forward haul capacity is sufficient to reserve the capacity necessary to support non-uniform deliveries at the nominated Qualified Delivery Point. Transporter shall list the displacement transactions that are accomplished by the combination of partial forward haul and partial displacement that qualify for HEEN on its EBB.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS
8.1 FIRM SERVICE (Continued)
(i) Hourly Entitlement Enhancement Nomination (Continued)

(ii) HEEN Specifications (Continued)
(I) HEEN Receipt and Delivery Points

1. HEEN Qualified Delivery Points (or Qualified Delivery Points) are those points on Transporter's transportation system where non-uniform flow and HEEN service may be provided pursuant to the specifications of this Section 8.1(i).

2. Eligible Receipt Points for HEEN nominations will be determined by Transporter based on the pipeline volume (pipe diameter, distance and pressure) required to support the requested hourly flexibility at HEEN Qualified Delivery Points.

3. HEEN Qualified Delivery Points and related eligible Receipt Points will be identified on Transporter's EBB and may vary from time to time. Upon Shipper's request, Transporter shall consider adding new points to the listed HEEN Qualified Delivery Points on the EBB.

(iii) Automatic Scheduling Adjustments to HEEN

Transporter shall automatically adjust Shipper's HEEN nomination in conjunction with a change to the related Flowing Gas nomination(s) if Shipper's HEEN and Flowing Gas nominations are on the same TSA and same Flow Path, and are nominated to the same Delivery Point.

(A) Subject to the requirements listed below, Transporter shall automatically decrease Shipper's HEEN nomination if Shipper submits an increase to its Flowing Gas nomination, whereby the sum of the Flowing Gas nomination and the HEEN nomination exceed the Path Quantity. Shipper's HEEN nomination shall be reduced by such quantity so that the sum of the Flowing Gas nomination and the HEEN nomination will equal the Path Quantity.

1. Shipper must submit a HEEN and Flowing Gas nomination, and the HEEN nomination must be ranked below the Flowing Gas nomination. No automatic HEEN adjustment will occur if the HEEN nomination is ranked above the Flowing Gas nomination.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)
(i) Hourly Entitlement Enhancement Nomination (Continued)

(iii) (A) Automatic Scheduling Adjustments to HEEN (Continued)

2. The sum of Shipper's HEEN and Flowing Gas nominations shall not exceed the Shipper's Path Quantity for the TSA nominated.

(B) Subject to the following requirements, and upon Shipper's election, Transporter shall automatically increase Shipper's HEEN nomination when such Shipper's Flowing Gas nomination is decreased. The HEEN quantity increase shall be commensurate with the Flowing Gas quantity decrease.

1. Shipper may elect the automatic HEEN increase feature by notifying Transporter in writing a minimum of two Business Days prior to the effective Gas Day. Such election will remain in effect until changed by Shipper.

2. The Shipper's HEEN and Flowing Gas nominations for the same TSA, Flow Path and Delivery Point were scheduled in a prior cycle.

3. The sum of the Shipper's HEEN and Flowing Gas nominations shall not exceed such Shipper's Path Quantity for the TSA nominated.

4. Transporter shall increase a Shipper's HEEN if the Shipper's Flowing Gas nomination is decreased due to a supply reduction. Transporter shall not increase a Shipper's HEEN if such Shipper's Flowing Gas nomination is decreased due to a constraint.

(C) Automatic HEEN adjustments will be scheduled using the priority and bumping rules of Section 6.1(a) of the GT&C. An automatic adjustment will not require previously scheduled quantities in an earlier nomination cycle to be rescheduled in a later cycle.

(D) Transporter may refuse to perform any automatic HEEN adjustment if it believes that the adjustment would impair system operations or service to another firm shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.1 FIRM SERVICE (Continued)

(j) Daily Unauthorized Overrun Penalties. Daily unauthorized overrun penalties will be imposed on daily quantities as set forth in the applicable rate schedule. In cases where HEEN has been scheduled, the calculation for daily unauthorized overrun penalties will not include HEEN scheduled quantities. Daily unauthorized overrun penalties resulting from a bump of a scheduled quantity during non-critical periods shall only be subject to maximum daily authorized overrun rates as stated on the Statement of Rates.

(k) East Valley Lateral in Docket No. CP06-57-000. El Paso and Salt River Project Agricultural Improvement and Power District ("SRP") are parties to a purchase and sale agreement whereby El Paso has agreed to purchase the East Valley Lateral from SRP. Under the terms of this agreement, SRP has two options to re-purchase from El Paso an undivided interest in a portion of the East Valley Lateral. Except for service to SRP, El Paso will not contract for firm transportation service using the capacity subject to the re-purchase options for a term longer than six months. Furthermore, such capacity shall not be the subject of any ROFR right by a shipper holding such capacity upon expiration of its agreement.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.2 INTERRUPTIBLE SERVICE

Interruptible transportation service under this FERC Gas Tariff shall be scheduled when, and to the extent that, Transporter determines that capacity is available in Transporter's existing facilities, which capacity is not subject to a prior claim by another customer or another class of service under a pre-existing contract, service agreement or certificate. Available interruptible capacity shall be allocated by Transporter on an economic basis, as determined by Transporter, and interruptible transportation service hereunder shall be provided in accordance with such allocation.

The provisions of this Section 8.2 shall also be applicable to interruptible service under special rate schedules contained in Transporter's Volume No. 2 Tariff.

(a) A valid request for interruptible transportation service under this FERC Gas Tariff shall be in accordance with the provisions contained in Section 4.

(b) Interruptible transportation service provided under this Volume No. 1A Tariff is subject to and conditioned upon the availability of capacity sufficient to provide the transportation service without detriment or disadvantage to Transporter's firm transportation customers.

(c) On any day that sufficient capacity is not available in Transporter's system to provide transportation for all gas nominated and confirmed under interruptible TSAs, Transporter shall allocate its available capacity among such Shippers on an economic basis pursuant to Section 6.2 of the GT&C.

(d) Transporter shall not be required to perform or continue service on behalf of any Shipper that fails to comply with the terms contained in the GT&C, in particular, but without limitation, Sections 8.2, 4, and 5.7 and any and all terms of the applicable rate schedule and/or the terms of Shipper's TSA with Transporter.

(e) Upon request of Transporter, Shipper shall from time to time submit estimates of hourly, daily, monthly and annual quantities of gas to be transported, including peak day requirements.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

8. OPERATING PROVISIONS

8.2 INTERRUPTIBLE SERVICE (Continued)

(f) Shipper shall deliver and receive Natural Gas in uniform hourly quantities during any Day with operating variations to be kept to the minimum feasible, except when specific hourly services are being provided.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM

9.1 Purpose - This Section 9 sets forth the specific terms and conditions applicable to the implementation by Transporter of a Capacity Release Program on its interstate pipeline system.

9.2 Applicability - This Section 9 is applicable to any Shipper who has a Part 284 TSA under a firm rate schedule contained in this Volume No. 1A Tariff, subject to the conditions of such rate schedule, or an Acquired Capacity Agreement (except for those Acquired Capacity Agreements providing for volumetric reservation charges) and who elects to release, subject to the Capacity Release Program set forth herein, all or a portion of its firm transportation rights. Shipper shall have the right to release any portion of the firm capacity rights held under a TSA or an Acquired Capacity Agreement but only to the extent that the capacity so released is acquired by another Shipper pursuant to the provisions of this Section 37.

(a) Any Rate Schedule FT-2 Shipper may release capacity provided that such shipper is willing to convert on a temporary basis, for a minimum term of one (1) Month, to service under Rate Schedule FT-1. Notice of the intent to convert must be given to Transporter at least one (1) week prior to the beginning of the Month(s) for which such conversion is to be effective. For purposes of determining capacity rights of such Shipper, Transporter will utilize either the Shipper's billing determinants established in the general rate proceeding applicable on the effective date of the conversion or a billing determinant negotiated by the parties.

9.3 Notice by Shipper Electing to Release Capacity - A Releasing Shipper shall deliver a notice via Transporter's EBB that it elects to release firm capacity. The notice shall set forth:

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.3 Notice by Shipper Electing to Release Capacity (Continued)

(a) Releasing Shipper's legal name, DUNS number, contract number, and the name and title of the individual responsible for authorizing the release of capacity;

(b) the maximum and minimum (if desired) quantity of firm daily capacity which the Releasing Shipper desires to release, stated in dth/d; provided, however, the Releasing Shipper may only permanently release over an annual period either a fixed and constant percentage of its TCD or a fixed contract quantity for the Receipt Point, Delivery Point and Flow Path being released;

(c) the Receipt and Delivery Point(s) at which the Releasing Shipper will release capacity identified by NAESB Common Code and the related Flow Path, for which the firm capacity is to be released (Shipper may only release Primary Receipt-to-Delivery Flow Path rights);

(d) whether capacity will be released on a firm or firm recallable basis and, if on a firm recallable basis, the terms on which the capacity can be recalled, as well as the terms on which the recalled capacity will be returned to the Acquiring Shipper if such capacity may be returned, and whether the Acquiring Shipper has the option to accept such returned capacity, which terms must be objectively stated, not unduly discriminatory and applicable to all bidders.

A Transportation Service Provider should support the ability for the Releasing Shipper to specify, as a condition of a release, whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51);

(e) the requested effective date and the term of the release;

(f) whether the Releasing Shipper is willing to consider release for a shorter time period than that specified in Section 9.3(e), and, if so, the minimum (if desired) acceptable period of release;

(g) whether the Releasing Shipper desires bids in dollars or as a percentage of Transporter's maximum reservation charge(s) and reservation surcharge(s) applicable to the capacity to be released under this Volume No. 1A Tariff as in effect from time to time;

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.3 Notice by Shipper Electing to Release Capacity (Continued)

(h) the maximum reservation charge(s) and reservation surcharge(s) applicable to the capacity being released as shown on Transporter's Statement of Rates applicable to the Releasing Shipper's TSA or Acquired Capacity Agreement and whether the Releasing Shipper is willing to consider releasing capacity at a lower rate;

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.3 Notice by Shipper Electing to Release Capacity (Continued)

(i) whether the Releasing Shipper desires to release capacity on the basis of a volumetric reservation charge and, if so, whether bids shall be stated in dollars or as a percentage of Transporter's maximum reservation charge(s) and reservation surcharge(s) in accordance with Section 9.14, and if there is a volumetric commitment, the commitment stated as a percentage of the capacity awarded;

(j) which Option of Section 9.9 shall be used to determine the highest bidder and, if Option 3 is selected, the criteria by which bids are to be evaluated; whatever evaluation option the Releasing Shipper chooses, it may establish and post objective, non-discriminatory minimum conditions for an acceptable bid, subject to the provisions of Section 9.3(q);

(k) the weight for each factor if bids will be evaluated using the Option 1 weighted composite bid method;

(l) the method by which ties will be broken;

(m) whether the Releasing Shipper wants Transporter to market its released capacity in accordance with Section 9.15;

(n) the duration of the open season and of the matching period if longer than the minimums specified in Section 9.7;

(o) the date and time the notice is posted on the EBB;

(p) whether the Releasing Shipper is willing to accept contingent bids that extend beyond the open season and, if so, any non-discriminatory terms and conditions applicable to such contingencies including the date by which such contingency must be satisfied (which shall be no later than 3:15 p.m. CCT on the Day prior to scheduling) and whether, or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder be unable to satisfy the contingency specified in its bid;

TRANSPORTATION GENERAL TERMS AND CONDITIONS (Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.3 Notice by Shipper Electing to Release Capacity (Continued)

(q) whether the Releasing Shipper's notice will state minimum conditions or that such Shipper has revealed such minimums to Transporter which conditions shall not be revealed during the open season;
(r) any other applicable conditions; and
(s) if the released capacity was originally obtained under a negotiated rate agreement, the usage charges and surcharges applicable to that agreement.

A Releasing Shipper may withdraw such notice at any time prior to the close of the open season set forth in Section 9.7 below if such withdrawal is due to an unanticipated need for the capacity and no bid has been received which meets the minimum criteria specified in the notice; provided, however, that once the notice is withdrawn, the offer to release shall remain posted on the EBB for a period of thirty (30) Days for monitoring and control purposes.

9.4 Notice of Pre-Arranged Release - The Releasing Shipper shall deliver a notice via Transporter's EBB of a pre-arranged release. The notice shall set forth all of the information on the terms of the release called for in Section 9.3 and all of the information called for in Section 9.8 required to define the pre-arranged bid. In addition, it shall specify if the pre-arranged bid is for the maximum applicable reservation rate, and whether the Releasing Shipper is seeking bids to compete with the non-rate provisions of the pre-arranged bid. The Releasing Shipper shall also designate if it is seeking bids when the release of capacity is for thirty-one (31) Days or less.

9.5 Term of Released Capacity - The term of any release of firm capacity shall not exceed the term of the TSA or Acquired Capacity Agreement under which releasing occurs, nor shall it be less than one (1) full gas flow day.

9.6 Availability of Released Capacity - Released capacity shall be made available on a nondiscriminatory basis and shall be assigned on the basis of an open season or pre-arrangement in accordance with the procedures described in Sections 9.7 and 9.9.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.7 Open Season and Matching Period - The minimum term of any open season to be held as a consequence of the posting by a Releasing Shipper of its election to release capacity in accordance with Sections 9.3 or 9.4 hereof shall be as specified below, except that no open season shall be required for a pre-arranged release that is: (1) a release for more than one Year at the maximum reservation charge(s) and reservation surcharge(s) applicable to the rate schedule pursuant to which capacity is released under this Volume No. 1A Tariff as in effect from time to time; (2) a release for any period of thirty-one (31) Days or less; (3) a release to an asset manager as defined by FERC regulations at 18 C.F.R 284.8; or (4) a release to a marketer participating in a state-regulated retail access program as defined by FERC regulations at 18 C.F.R. 284.8.

Any capacity release transactions effectuated during the period between July 30, 2008 and November 21, 2008, shall be grandfathered and shall not be required to comply with the requirement of 18 C.F.R. 284.8(b)(2), that releases with a rate greater than the maximum rate must take effect on or before one year from the date on which the pipeline is notified of the release.

(a) Capacity released under a pre-arrangement, for a period of thirty-one (31) Days or less may not be rolled over or extended unless an offer to release is posted on Transporter's EBB, prior to the effective date of the rollover or extension, treating the extension or rollover as a pre-arranged release and initiating the appropriate open season. A Releasing Shipper may not re-release capacity subject to this paragraph (a) to the same Acquiring Shipper until twenty-eight (28) Days after the first release period has ended. The 28-Day hiatus does not apply to any re-release to the same Acquiring Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding in Section 9.7 of the GT&C.

(b) Minimum posting periods shall be as follows (NAESB Standard 5.3.2, as modified by Order No. 712):

For biddable releases (one (1) Year or less):

(i) offers should be tendered by 12:00 p.m. on a Business Day;

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.7 Open Season and Matching Period (Continued)

(b) (Continued)

(ii) open season ends no later than 1:00 p.m. on a Business Day (evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken);

(iii) evaluation period ends and award posting if no match required at 2:00 p.m.;

(iv) match or award is communicated by 2:00 p.m.; match response by 2:30 p.m.; where match required, award posting by 3:00 p.m.;

(v) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.7 Open Season and Matching Period (Continued)

(b) (Continued)

For biddable releases (more than one (1) Year):

(vi) offers should be tendered by 12:00 p.m. four Business Days before award;

(vii) open season ends no later than 1:00 p.m. on the Business Day before timely nominations are due (open season is three Business Days);

(viii) evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken;

(ix) evaluation period ends and award posting if no match required at 2:00 p.m.;

(x) match or award is communicated by 2:00 p.m.; match response by 2:30 p.m.; where match required, award posting by 3:00 p.m.;

(xi) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.7 Open Season and Matching Period (Continued)
(b) (Continued)

For non-biddable releases:

(xii) Timely Cycle

(a) posting of prearranged deals not subject to bid are due by 10:30 a.m.;
(b) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(xiii) Evening Cycle

(a) posting of prearranged deals not subject to bid are due by 5:00 p.m.;
(b) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(xiv) Intraday 1 Cycle

(a) posting of prearranged deals not subject to bid are due by 9:00 a.m.;
(b) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(xv) Intraday 2 Cycle

(a) posting of prearranged deals not subject to bid are due by 4:00 p.m.;
(b) contract issued within our hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.8 Bids for Released Capacity - A bid may be submitted to Transporter by a Bidding Shipper at any time during the open season via Transporter's EBB.

(a) Each bid for released capacity must include the following:

(i) Bidding Shipper's legal name, DUNS number, address, and the name and title of the individual responsible for authorizing the bid;

(ii) the term of the proposed acquisition;

(iii) the maximum reservation charge(s) and reservation surcharge(s) Bidding Shipper is willing to pay for the capacity;

(iv) the quantity desired and any minimum acceptable quantity;

(v) whether or not the Bidding Shipper is an affiliate of the Releasing Shipper or Transporter;

(vi) for pre-arranged releases, whether or not the Bidding Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8;

(vii) whether the bid is a contingent bid and the contingency which must be satisfied before the date specified by the Releasing Shipper pursuant to Section 9.3(p); and

(viii) all other information requested by the Releasing Shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.8 Bids for Released Capacity (Continued)

(b) Any bid received by Transporter during the open season shall be posted on Transporter's EBB (excluding Bidding Shipper's name). The posting shall indicate if the bid is a contingent bid. Any bid may be withdrawn by such Shipper at any time prior to the close of the open season. However, once a bid is withdrawn, such Shipper may not resubmit a bid at a lower rate but may resubmit a bid at a higher rate. A Bidding Shipper may not simultaneously submit multiple bids for the same package of capacity and may not have more than one bid posted at a given time for such package of capacity.

(c) Except as stated in this Section 9.8(c), a Bidding Shipper may not bid a reservation charge(s) less than the minimum reservation charge(s) nor more than the sum of the maximum reservation charge(s) and reservation surcharge(s) specified by this Volume No. 1A Tariff, nor may the quantity or the term of the release of such bid exceed the maximum quantity or term specified by the Releasing Shipper. No maximum rate limitation applies to a release of capacity for a period of one Year or less if the release is to take effect on or before one Year from the date on which Transporter is notified of the release.

(d) Any capacity acquired on a volumetric reservation charge basis may not be re-released.

9.9 Awarding of Released Capacity - Released capacity shall be awarded in accordance with this Section 9.9.

(a) If Bidding Shipper submits a bid to acquire the released capacity at greater than or equal to the maximum reservation charge(s) and reservation surcharge(s) and upon all the terms and conditions specified in the Releasing Shipper's notice, then the capacity shall be awarded to such Bidding Shipper, and the Releasing Shipper shall not be entitled to reject such bid. Provided, however, if such bid was submitted as a bid in an open season relating to a pre-arranged release and the Pre-Arranged Shipper matches such offer, then the capacity shall be awarded pursuant to Section 9.9(g) hereof. If more than one such bid is received then the capacity shall be awarded in accordance with Section 9.9(f) hereof. The Releasing Shipper shall not be entitled to reject any bid so selected.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. OPERATING PROVISIONS FOR FIRM TRANSPORTATION SERVICE (Continued)

20.12 Segmentation and Pathing

Shippers taking service pursuant to Rate Schedules FT-1, FTH-V, FT-H, NNTD and/or NNTH are entitled to receive firm primary transportation from a primary receipt point to a primary delivery point using their Primary Receipt-to-Delivery Flow Path. To the extent operationally feasible, a Shipper may make use of its firm Primary Capacity by segmenting that capacity into separate parts for its own use or for the purpose of releasing that capacity to the secondary market.

(a) Transporter will use a "Walk the Pipe" process to determine a Shipper's priority on all Segments of a Shipper's nominated Flow Path. The nominated Flow Path originates at the nominated Receipt Point and ends at the nominated Delivery Point. The Shipper's priority on each Segment of the nominated receipt to delivery Flow Path will be determined by the Shipper's use of its primary point(s) and Primary Receipt-to-Delivery Flow Path(s) and its use of alternate point(s) and alternate paths.

(i) A Shipper using its primary points and Primary Receipt-to-Delivery Flow Path will be assigned a primary priority on each Segment of the Flow Path from the primary receipt point to the primary delivery point.

1. When primary points are used, such primary points have priority over points assigned a Flow Point Secondary, First Alternate or Second Alternate scheduling priority, in that order.

2. A Shipper's Primary Receipt-to-Delivery Flow Path rights have priority over Flow Paths assigned a Flow Path Secondary, First Alternate or Second Alternate scheduling priority, in that order.

(ii) Point rights have priority over path rights.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.9 Awarding of Released Capacity (Continued)

(b) If a bid is received that exceeds the minimum but does not conform completely to the reservation charge(s) and reservation surcharge(s) and all the terms and conditions specified in the Releasing Shipper's notice, then the Acquiring Shipper(s) shall be the Bidding Shipper(s) who offer(s) the highest bid. Provided, however, if such bid was submitted as a bid in an open season relating to a pre-arranged release and the Pre-Arranged Shipper matches such offer, then the capacity shall be awarded pursuant to Section 9.9(g) hereof. If bids from two or more Bidding Shippers result in bids of equal rank then the capacity shall be awarded in accordance with Section 9.9(f) hereof. Transporter shall evaluate and rank all bids submitted during the open season. If Bidding Shipper has not removed its contingency by the date specified by the Releasing Shipper pursuant to Section 9.3(p) hereof, such bid shall be deemed to have been withdrawn.

(i) Default Bid Evaluation Criteria - If Releasing Shipper does not specify otherwise, all bids will be evaluated pursuant to Option 4, Highest Rate.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.9 Awarding of Released Capacity (Continued)
(b) (Continued)
(ii) OPTION 1 - Weighted Composite Bid Calculation

	Releasing Shipper's Assigned Bid Weighting (%) (a)	Releasing Shipper's Maximum Bid Values (b)	Bidding Shipper's Actual Bid Values (c)	Bidding Shipper's Actual Bid Weighting (%) (d)
(1) Quantity in Dth Weighted to Offer Term				
(2) Term Stated in Months				
(3) Reservation Charge(s) and Reservation Surcharge(s)				
Actual Weighted Composite Bid				_____ _____%

* d = c/b x a

(iii) OPTION 2 - Net Present Value Calculation

$$\text{Present Value} = R \times Q/((1+ i)^{n})$$

where: i = interest rate per Day to be used in discounting
n = the number of Days in each Bid Month
Q = the Bid Quantity (in Dth)
R = the Bid Rate per unit of capacity (Bid Rate/30.4167)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.9 Awarding of Released Capacity (Continued)
(b) (Continued)
(iv) OPTION 3 - Releasing Shipper's Criteria

Releasing Shipper shall specify how bids are to be evaluated to determine which is the best offer and must include all criteria necessary to enable Transporter to evaluate any contingent or non-contingent bids. The criteria must be objectively stated, applicable to all potential bidders and not unduly discriminatory. Such criteria shall also include provisions describing how capacity shall be allocated in the event two or more bids are ranked equally. If Releasing Shipper elects this option, the evaluation period specified in Section 9.7(b) shall be extended by one Business Day.

(v) OPTION 4 - Highest Rate

Capacity shall be awarded to the Acquiring Shipper submitting the highest bid rate that meets the minimum terms and conditions of the release.

(vi) OPTION 5 - Net Revenue Calculation

R x N x Q = Net Revenue per Month

where: R = the reservation charge(s) and reservation surcharge(s)
N = the number of Days in each Month during the Bid Term
Q = quantity stated in dth

Total Net Revenue for Bid Term = sum of Net Revenue per Month

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. OPERATING PROVISIONS FOR FIRM TRANSPORTATION SERVICE (Continued)

20.12 Segmentation and Pathing

(b) Pathing - Path rights are available to and at, and all points in between, the mainline locations on the following portions of El Paso's mainline system, as limited by each Shipper's Primary Receipt-to-Delivery Flow Path.

(i) The assignment of a Shipper's Primary Receipt-to-Delivery Flow Path is only for the purposes of capacity Segmentation and the implementation of this Section 20.12.

(ii) All firm Shippers will be allocated within-the-path rights through the assignment of a Flow Path, as described below, to be designated in their TSAs. These path rights, and related Segmentation and flexible point rights, are defined below.

(iii) North and South Designations

Points north of Dutch Flat Station on the Havasu crossover and north and west of the south discharge of Plains Station are considered "North Points" and for purposes of this Section 20.12 are designated "NPT." All points south of these locations, and all points on the Maricopa line, are considered "South Points" and for purposes of this Section 20.12 are designated "SPT." TSAs with North receipt points and South delivery points are considered to have North-to-South path rights in the amount of the total MRQs/MDQs for all such receipt and delivery points. TSAs with South receipt points and North delivery points are considered to have South-to-North path rights in the amount of the total MRQs/MDQs for all such receipt and delivery points.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.9 Awarding of Released Capacity (Continued)

(d) If the net present value or net revenue options are selected by the Releasing Shipper, then, at the end of the open season, Transporter shall calculate a value for each bid received using the appropriate formula, with the bids being ranked in order from the highest to the lowest value.

(e) If no bids are received which meet or exceed all of the minimum conditions specified by the Releasing Shipper, no capacity shall be awarded. If any bids are received which meet or exceed the Releasing Shipper's minimum criteria, Transporter shall rank all such bids in accordance with the criteria specified in the notice of release and shall award the capacity to the successful Bidding Shipper(s). Any Bidding Shipper who would receive less than the minimum acceptable bid quantity shall not be obligated to accept released capacity.

(f) If bids from two or more Bidding Shippers result in bids of equal score, the Acquiring Shipper(s) shall be determined based upon the tie breaking method designated by the Releasing Shipper, and if none is specified, by a lottery. The lottery shall be conducted by Transporter on a non-discriminatory basis. Capacity shall be awarded in accordance with the order of draw, with capacity awarded to the first-drawn Bidding Shipper up to the quantity bid by such Shipper, and, if any released capacity remains after such award, it shall be offered to other Bidding Shippers in the lottery in accordance with the order of draw. Any Bidding Shipper who, by virtue of its place in the order of draw, receives less than the minimum acceptable bid quantity shall not be obligated to accept released capacity. The results of the lottery shall be posted on Transporter's EBB.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.9 Awarding of Released Capacity (Continued)

(g) If a pre-arranged release is for the maximum reservation charge(s) and reservation surcharge(s) under this Volume No. 1A Tariff, as in effect from time to time, for a term of more than one Year and meets all other terms and conditions imposed by the Releasing Shipper, then the Pre-Arranged Shipper shall become the Acquiring Shipper. Service to such Acquiring Shipper may begin on the next scheduling day after award of the capacity and execution of the Acquired Capacity Agreement described in Section 9.10 hereof if that is the effective date specified by the Releasing Shipper. If a pre-arranged release is for less than the maximum reservation charge(s) and reservation surcharge(s) or does not meet all other terms and conditions required by the Releasing Shipper, an open season is required pursuant to Section 9.7. If a better offer is received during the open season, the Pre-Arranged Shipper shall have the time specified in Section 9.7 hereof to match that offer and if the offer is matched, the Pre-Arranged Shipper shall become the Acquiring Shipper. If the Pre-Arranged Shipper fails to match the better offer, then the Bidding Shipper who presented the better offer shall become the Acquiring Shipper.

(h) A Releasing Shipper shall retain all of the capacity under the Executed TSA or Acquired Capacity Agreement that is not acquired by an Acquiring Shipper as the result of an open season or a pre-arranged release.

9.10 Execution of Agreements

(a) Transporter will provide one Master Replacement Agreement to each Acquiring Shipper on Transporter's system to be executed in paper form. The Master Replacement Agreement will evidence the intent of the parties that the Master Replacement Agreement, in combination with information stored electronically on all future capacity release transactions involving the Acquiring Shipper, will comprise the contractual agreement of the parties.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.10 Execution of Agreements (Continued)

(a) (Continued)

Any Shipper that utilizes Transporter's capacity release program shall maintain on file with Transporter the name(s) of those person(s) who have been designated on behalf of such Shipper to perform those functions required by this Section 9 as well as Shipper's signature code. The use of a signature code will be deemed to be Shipper's consent to be bound by the capacity release transaction. When capacity is awarded, Shipper's signature code shall be automatically, electronically affixed on the electronic record of the capacity release transaction. Entry of this signature code in all cases shall evidence that the Acquiring Shipper has accepted the transaction. No paper copy of the contract for a capacity release transaction will be issued.

(b) Upon the award of capacity, the capacity release transaction is electronically executed between Transporter and the Acquiring Shipper.

(c) Where capacity has been released for the entire remaining term of the Releasing Shipper's TSA, the Releasing Shipper may request Transporter to amend its TSA to reflect the release of capacity. Absent agreement by Transporter to such amendment, which may be conditioned on exit fees or other terms and conditions, the Releasing Shipper shall remain bound by and liable for payment of the reservation charge(s) and reservation surcharge(s) under the TSA.

To the extent that capacity is released for the remaining term of the Releasing Shipper's TSA and the Acquiring Shipper has agreed to pay the maximum reservation charge(s) and reservation surcharge(s) for such capacity, Releasing Shipper's contract shall be amended so as to relieve such shipper of any further liability for payment of the reservation charge(s) and reservation surcharge(s) applicable to the capacity released under the TSA. In the event the Releasing Shipper's TSA is amended to reflect the release of capacity, Transporter shall enter into a TSA with the Acquiring Shipper in the form prescribed for service in this tariff but containing the rates and terms and conditions established for the acquired capacity pursuant to this Section 9.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.10 Execution of Agreements (Continued)
(c) (Continued)

In any event, Transporter may, on a not unduly discriminatory basis, refuse to allow such a release (i.e., a permanent release) if it has a reasonable basis to conclude that it will not be financially indifferent to the release. Transporter shall provide written notification and the reasons for any denial of a request for permanent release to the affected Releasing Shipper.

9.11 Notice of Completed Transactions - Within five (5) Business Days after capacity has been awarded pursuant to Section 9.9, Transporter shall post the information identified below regarding each transaction on its EBB for a period of five (5) Business Days.

(a) term;

(b) reservation charge(s) and reservation surcharge(s) as bid;

(c) Receipt and Delivery Points, and Flow Path;

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.14 Rates

(a) The reservation charge(s) and reservation surcharge(s) for any released firm capacity shall be the reservation charge(s) and reservation surcharge(s) bid by the Acquiring Shipper. Such reservation charge(s) and reservation surcharge(s) shall not be less than Transporter's minimum or more than Transporter's maximum reservation charge(s) and reservation surcharge(s) under the applicable rate schedule as in effect from time to time, except as noted in Section 9.8(c) of the GT&C. In addition, Acquiring Shipper shall pay the maximum usage charge as well as all other applicable charges and surcharge(s) for the service rendered unless discounted by Transporter. For a volumetric reservation charge, the sum of the reservation charge(s) and reservation surcharge(s) shall be converted to a daily rate by multiplying the monthly reservation charge by 12 and then dividing by 365.

9.15 Marketing Fee - When a Releasing Shipper requests that Transporter actively market the capacity to be released, the Releasing Shipper and Transporter shall negotiate the terms of the marketing service to be provided by Transporter and the marketing fee to be charged therefor.

9.16 Billing - Transporter shall bill the Acquiring Shipper the rate(s) specified in the Acquired Capacity Agreement or the TSA and any other applicable charges and such Acquiring Shipper shall pay the billed amounts directly to Transporter. Further, the Acquiring Shipper who has acquired capacity on a volumetric reservation rate basis shall be billed the daily reservation rate(s) plus the usage rate(s) and all applicable surcharges times the quantities actually transported. Releasing Shipper shall be billed the reservation charge(s) and reservation surcharge(s) associated with the released capacity pursuant to its TSA. The Releasing Shipper shall receive a concurrent conditional credit for temporary capacity releases equal to the reservation charge(s) and reservation surcharge(s) due from the Acquiring Shipper less any marketing fee, if applicable. As a part of the marketing fee, Transporter and the Releasing Shipper may agree to a different crediting amount. This bill shall include an itemization of credits and adjustments associated with each Acquired Capacity Agreement. Releasing Shipper shall also be billed a marketing fee, if applicable, pursuant to the provisions of Section 9.15.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.16 Billing - (Continued)
An Acquiring Shipper who re-releases acquired capacity shall pay to Transporter a marketing fee, if applicable. If an Acquiring Shipper does not make payment to Transporter of the reservation charge(s) and reservation surcharge(s) due as set forth in Section 12 of the GT&C, Transporter shall notify the Releasing Shipper of the amount due, including all applicable late charges authorized by Section 12.4 of the GT&C, and such amount shall be paid by the Releasing Shipper. In addition, Releasing Shipper may terminate the release of capacity to an Acquiring Shipper if such Shipper fails to pay the entire amount of any bill for gas delivered under the executed Acquired Capacity Agreement when such amount is due, in accordance with said Section 12.4. Once terminated, capacity and all applicable charges shall revert to the Releasing Shipper. Unless the Acquiring Shipper provides documentation specifying otherwise, all payments received from an Acquiring Shipper shall first be applied to the reservation charge(s) due for transportation service and then to any reservation surcharges(s), including late charges related solely to such reservation charge(s), then to any penalty due, then to usage charges, and last to late charges not related to any reservation charge(s) due.

9.17 Nominations, Scheduling and Recalls - An Acquiring Shipper shall nominate and Transporter shall schedule Natural Gas for transportation service hereunder directly with Transporter in accordance with the applicable procedures set forth in this Volume No. 1A Tariff.

(a) All Transportation Service Providers ("TSPs") should support the following recall notification periods for all released capacity subject to recall rights: (NAESB WGQ Standard 5.3.44)

(1) Timely Recall Notification:

(i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00 a.m. on the Day that Timely Nominations are due;

(ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the Day that Timely Nominations are due (Central Clock Time);

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. OPERATING PROVISIONS FOR FIRM TRANSPORTATION SERVICE (Continued)

20.12 Segmentation and Pathing (continued)

(f) Primary Flow Path Flexibility for S/S1 Shippers - Shippers with an S/S1 Primary Receipt-to-Delivery Flow Path will be assigned a primary scheduling status on the portion of the nominated Flow Path between a nominated primary SPT receipt point and Cornudas when nominating to an alternate SPT delivery point west of Cornudas.

(g) Primary Flow Path Flexibility for S/N1 Shippers - Shippers with an S/N1 Primary Receipt-to-Delivery Flow Path will be assigned a primary scheduling status on the portion of the nominated Flow Path between a nominated primary SPT receipt point and Cornudas when nominating to an alternate NPT delivery point.

(h) Primary Flow Path Flexibility for Shippers with Primary Receipt or Primary Delivery Points in the Permian Area - A Shipper with a primary receipt point in the Keystone Station area or primary receipt or delivery points in the Waha plant area may nominate from an alternate Keystone/Waha receipt or to an alternate Waha delivery point and retain its primary Flow Path scheduling priority if the following conditions are met:

(i) Nominated volumes at the alternate Keystone/Waha receipt or Waha delivery point must be within the MRQ/MDQ for the original primary Keystone/Waha receipt or Waha delivery point.

(ii) The nominated alternate Keystone/Waha receipt or Waha delivery point must be in the immediate vicinity and have a similar operational impact as the Shipper's original primary Keystone/Waha receipt or Waha delivery point.

(iii) Gas flow at the nominated alternate Keystone/Waha receipt point must be of similar quality and pressure of the gas flow at Shipper's original primary Keystone/Waha receipt point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.17 Nominations, Scheduling and Recalls (Contd.)

(b) For recall notification provided to the Transportation Service Provider ("TSP") prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the TSP after 5:00 p.m. and prior to 7:00 a.m., the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (Central Clock Time) (NAESB WGQ Standard 5.3.45)

(c) Releasing Shipper's recall and reput notices must be submitted using Transporter's on-line capacity release system.

(d) In the event of an intra-day capacity recall, the Transportation Service Provider ("TSP") should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity ("EPC"). Variations to the use of EPC may be necessary to reflect the nature of the TSP's tariff, services, and/or operational characteristics. (NAESB WGQ Standard 5.3.56)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. OPERATING PROVISIONS FOR FIRM TRANSPORTATION SERVICE (Continued)

20.12 Segmentation and Pathing (continued)

20.12(h) (continued)

(iv) If the above conditions are met, the receipt points eligible for this flow path flexibility within the Keystone area are the Keystone Pool point (Scheduling DRN 216750), INNKEYST (Scheduling DRN 42599), IKEYSTOR (Scheduling DRN 337906) and ISIDRICH (Scheduling DRN 38828). If the above conditions are met, the receipt points eligible for this flow path flexibility within the Waha area are IOASISWA (Scheduling DRN 151617), IVALEROW (Scheduling DRN 152149), ILONEWA (Scheduling DRN 151624), and IWESTARW (Scheduling DRN 151612).

(v) If the above conditions are met, the delivery points eligible for this flow path flexibility within the Waha area are IOASISWA (Scheduling DRN 151617), IVALEROW (Scheduling DRN 152149), ILONEWA (Scheduling DRN 151624), and IWESTARW (Scheduling DRN 151612).

(i) Flow Point Secondary Capacity Point Rights for Shippers with Primary Receipt or Delivery Points in the Permian Area - The receipt points listed in Section 20.12(h)(iv) and delivery points listed in Section 20.12(h)(v) above, shall be assigned a Flow Point Secondary scheduling priority when a Shipper who holds primary receipt/delivery point rights at one of the listed points nominates from/to one of the other points within the same area on the list. Nominated volumes at the alternate Keystone/Waha receipt or delivery point must be within the MRQ/MDQ for the original primary Keystone/Waha receipt or delivery point.

(j) Flow Path rights will be used, in part, to determine scheduling priority. If a constraint causes capacity to be allocated along a portion of the Flow Path, El Paso will not automatically adjust the Shipper's nomination to another Flow Path; however, Shippers may re-nominate using another Flow Path in the next available nomination cycle.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.20 Obligations of Releasing Shipper - Except as provided for in Section 9.10(c), the Releasing Shipper shall continue to be liable and responsible for all reservation charge(s) and reservation surcharge(s) associated with the released capacity up to the maximum reservation charge(s) and reservation surcharge(s) specified in such Releasing Shipper's TSA or Acquired Capacity Agreement. However, if the original TSA involves a negotiated rate agreement that exceeds the maximum reservation rate, the Releasing Shipper shall continue to be liable and responsible for all reservation charge(s) and reservation surcharge(s) associated with the released capacity up to the original negotiated rate. Re-releases by an Acquiring Shipper shall not relieve the original or any subsequent Releasing Shipper of its obligations under this section.

9.21 Flexible Receipt and Delivery Point(s)

(a) Shipper(s) using Acquired Capacity Agreements may utilize Receipt and/or Delivery Points not provided for in the Acquired Capacity Agreement pursuant to the provisions of Section 8.1(f) which is incorporated herein.

(b) Shippers using Acquired Capacity Agreements requesting re-designation of primary receipt or delivery points should follow the procedures contained in Section 8.1(f)(iii). However, if an Acquiring Shipper has contracted for a temporary capacity release (i.e., less than three Months), the Acquiring Shipper may submit a request to re-designate to a new primary point and the Releasing Shipper may simultaneously submit a request to re-designate back to the original primary point at the end of the capacity release, subject to the other requirements of Section 8.1(f)(iii).

(c) Both Releasing and Acquiring Shippers may use Flow Point Secondary, Flow Path Secondary and Alternate Capacity. However, the combined nominations of such Shippers on any Segment are limited to the TCD of the released agreement.

9.22 Refunds - In the event that the Commission orders refunds of any rates charged by Transporter, Transporter shall flow-through refunds to any Acquiring Shipper to the extent that such Shipper has paid a rate in excess of Transporter's just and reasonable, applicable maximum rates. For releases that become effective on or after July 30, 2008, the rate paid by an Acquiring Shipper in any capacity release transaction with a term of one Year or less which is not subject to the maximum rate limitation will be deemed to be a final rate and is not subject to refund.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.9 Awarding of Released Capacity (Continued)

(c) If Option 1 is selected by the Releasing Shipper, then such Shipper shall specify, among the criteria listed above, those criteria which are to be applicable in determining the highest weighted composite bid and shall assign a relative weighting to each such factor. At the end of the open season, Transporter shall, for each bid received, calculate an actual weighted composite bid by dividing the actual bid component by Releasing Shipper's maximum bid component and multiplying the result by the Releasing Shipper's assigned bid weighting. The results of this calculation shall determine each bid component's actual weight. Once all bid components are calculated, an actual composite weighting will be determined for each bid by summing the bid weightings for each component. The bids will then be ranked in order from the highest to the lowest actual weighted composite score.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.11 Notice of Completed Transactions (Continued)

(d) quantity in dth;

(e) whether the capacity is firm or firm recallable;

(f) all conditions, including any minimums, concerning the release;

(g) the names of the Releasing Shipper and the Acquiring Shipper;

(h) whether or not the Acquiring Shipper is an affiliate of the Releasing Shipper or Transporter; and

(i) whether or not the Acquiring Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8.

9.12 Effective Date of Release and Acquisition - The effective date of the release by a Releasing Shipper and acquisition by an Acquiring Shipper shall be on the date so designated in the Acquired Capacity Agreement or TSA referenced in Section 9.10.

9.13 Notice of Offer to Purchase Capacity. In the event a party desires to purchase capacity on Transporter's system, it may post a notice of offer to purchase capacity on Transporter's EBB or, if such party is not currently authorized to access the EBB and elects to provide Transporter with the information in some other form, Transporter shall post such offer on its EBB within twenty-four (24) hours of receipt of such offer. The offering party may furnish all data for posting which it deems appropriate but at a minimum such data shall include the following:

(i) offering party's legal name, DUNS number, address, and person to contact for additional information;
(ii) the term of the proposed purchase;
(iii) the maximum reservation charge(s) and reservation surcharge(s) the party is willing to pay for the capacity;
(iv) the quantity desired; and
(v) the Receipt and Delivery Points identified by NAESB Common Code, and Flow Path.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.17 Nominations, Scheduling and Recalls (Continued)
(a)(Continued)

(2) Early Evening Recall Notification:
(i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. on the Day that Evening Nominations are due;
(ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the Day that Evening Nominations are due (Central Clock Time);

(3) Evening Recall Notification:
(i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. on the Day that Evening Nominations are due;
(ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the Day that Evening Nominations are due (Central Clock Time);

(4) Intraday 1 Recall Notification:
(i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 7:00 a.m. on the Day that Intraday 1 Nominations are due;
(ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the Day that Intraday 1 Nominations are due (Central Clock Time); and

(5) Intraday 2 Recall Notification:
(i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 2:30 p.m. on the Day that Intraday 2 Nominations are due;
(ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. on the Day that Intraday 2 Nominations are due (Central Clock Time).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)
9.17 Nominations, Scheduling and Recalls (Continued)

(e) Releasing Shipper, when returning recalled capacity to the Acquiring Shipper(s), shall give Transporter and such Acquiring Shipper(s) notice of its intent to reput the capacity back to the Acquiring Shipper. The deadline for notifying the Transportation Service Provider of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54). When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53).

(f) Transporter shall not assess penalties during non-critical periods on transactions related to quantities recalled during an intraday scheduling cycle.

9.18 Qualification for Participation in the Capacity Release Program - Any Shipper wishing to become a Bidding Shipper, or a potential Pre-Arranged Shipper, must satisfy the creditworthiness requirements of Transporter's transportation tariff by pre-qualifying prior to submitting a bid for capacity or prior to becoming a party to a pre-arranged release. Once a Shipper becomes an Acquiring Shipper, such Shipper can be subject to a periodic credit review with respect to its eligibility to make additional bids on other offers of released capacity. A Shipper cannot bid for services which exceed its qualified level of creditworthiness. Notwithstanding such qualification to participate in the open season, Transporter does not guarantee the payment of any outstanding amounts by an Acquiring Shipper.

9.19 Compliance by Acquiring Shipper - By acquiring released capacity, an Acquiring Shipper agrees that it will comply with the terms and conditions of Transporter's certificate of public convenience and necessity authorizing this Capacity Release Program and all applicable Commission orders and regulations, including Part 284 thereof. Such Acquiring Shipper also agrees to be responsible to Transporter for compliance with all terms and conditions of Transporter's Volume No. 1A Tariff, as well as the terms and conditions of the Acquired Capacity Agreement. End user lists shall not be required.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.23 Acquired Capacity Agreement -

Acquired Capacity Agreement
Between
El Paso Natural Gas Company
and
_____

THIS AGREEMENT is made and entered into as of this _____ day of _____, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, hereinafter referred to as "El Paso," and _____, a _____ corporation, hereinafter referred to as "Acquiring Shipper."

WHEREAS, El Paso and _____, hereinafter referred to as "Releasing Shipper," are parties to a _____ Agreement under Rate Schedule ____ contained in El Paso's FERC Gas Tariff, Second Revised Volume No. 1-A, dated _____ (contract code _____);

WHEREAS, Acquiring Shipper desires to acquire all or a portion of the firm capacity rights to be released from said _____ Agreement.

NOW THEREFORE, in consideration of the promises and premises hereinafter set forth, El Paso and Acquiring Shipper agree as follows:

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. OPERATING PROVISIONS FOR FIRM TRANSPORTATION SERVICE (Continued)

20.12 Segmentation and Pathing (Continued)

(l) Segmentation - Any Shipper taking service pursuant to Rate Schedules FT-1, FTH-V, FT-H, NNTD and/or NNTH may Segment its TCD pursuant to the provisions of this section, subject to restrictions in the applicable rate schedule.

(i) Segmentation may be accomplished on a self-implementing basis by nomination or through capacity release.

(ii) Segmentation may be accomplished on Transporter's system by specifying the desired Segmentation Receipt and Delivery Points in a valid nomination or capacity release offer. Transporter shall permit such Segmentation if the provisions of this section are met, if capacity is available, and if such Segmentation request can be supported without adversely affecting system operations or other firm obligations. Any Receipt or Delivery Points not listed on the TSA used for Segmentation are deemed to be Segmentation Receipt and/or Delivery Points, as appropriate. If the Segmentation involves the release of capacity, then the requirements of Section 28 must also be met.

(m) Shipper's point rights at existing primary receipt or delivery points are not affected by Segmentation, except as modified by capacity release.

(n) Billing

(i) A Shipper using Segmentation will pay the usage and Fuel charges provided under its TSA for each Segment it uses, except as provided for in footnote 1 on the Statement of Rates for Fuel Charges. A Shipper will pay only one reservation charge per firm TSA regardless of the number of Segments it uses under its TSA. Except as provided for in Section 20.14(a), if a Shipper segments its capacity, it shall pay the higher of the maximum reservation charges applicable to the receipt and delivery zone for which service is provided or the highest reservation charge provided under the TSA, unless Shipper has requested and been granted a discount pursuant to Section 20.14(c), or Shipper's TSA provides otherwise.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.23 Acquired Capacity Agreement (Continued)

1. Acquiring Shipper agrees to comply with the terms and conditions of El Paso's certificate of public convenience and necessity issued by the Commission authorizing El Paso's Capacity Release Program and with Section 9 of the General Terms and Conditions contained in El Paso's Volume No. 1A Tariff. In addition, Acquiring Shipper agrees to comply with all other terms and conditions of said Volume No. 1A Tariff as well as the terms and conditions set forth herein.

2. The following capacity rights, which are released through the Capacity Release Program, are acquired at the Receipt Point(s), Delivery Point(s), and Flow Path designated below:

   Receipt Point(s):

   Delivery Point(s):

   Flow Path:

   The Receipt and Delivery Points as specified in the Notice posted pursuant to Sections 9.3 or 9.4 of El Paso's Volume No. 1A Tariff. If the Releasing Shipper expressly permits the Acquiring Shipper to re-designate the primary receipt and delivery points specified in the Notice, then the Acquiring Shipper may designate any primary receipt and delivery points and related Flow Path within the same zone or another zone subject to Section 8.1(g)(iii) of this Tariff, to the extent that capacity is available on such Flow Path and at such point(s).

   Contract Quantity _____ Dth

3. Capacity acquired hereunder is released through the Capacity Release Program on a (firm or firm recallable) basis.

   The Acquiring Shipper acknowledges notice of and agrees to be bound by the terms of the notice posted pursuant to Sections 9.3 or 9.4 of El Paso's Volume No. 1A Tariff, as regards to the terms on which this capacity can be recalled by the Releasing Shipper. Releasing Shipper is responsible for exercising such recall, in accordance with the

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.23 Acquired Capacity Agreement (Continued)

3. (Continued)
provisions of Section 9.17 of El Paso's Volume No. 1-A Tariff.

(The foregoing paragraph shall be applicable to Acquiring Shipper(s) who acquire firm recallable capacity.)

4. For capacity acquired hereunder, Acquiring Shipper shall pay El Paso each Month the charges set forth below:_____
_____.

5. This Agreement shall become effective on _____ and continue in full force and effect through _____ unless terminated pursuant to Section 9.16 of El Paso's Volume No. 1-A Tariff.

6. Other terms:

As specified in the notice posted pursuant to Sections 9.3 or 9.4 of El Paso's Volume No. 1-A Tariff.

7. Any formal notice, request or demand that either party gives to the other respecting this Agreement, shall be in writing and shall be mailed by registered or certified mail or delivered by hand to the following address of the other party:

El Paso: El Paso Natural Gas Company
Post Office Box 1087
Colorado Springs, CO 80944
Attention: Director, Marketing Department

Acquiring Shipper:

Notices regarding recall rights shall also be delivered by telephone, facsimile, or El Paso's electronic system.

8. Acquiring Shipper hereby certifies that it has title or the right to ship the gas delivered to El Paso for transportation and has entered into or will enter into arrangements necessary to assure all upstream and downstream transportation will be in place prior to commencement of service.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.23 Acquired Capacity Agreement (Continued)

IN WITNESS HEREOF, the parties have caused this Agreement to be executed in two (2) original counterparts, by their duly authorized officers, the day and year first set forth herein.

ATTEST:	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
ATTEST:	_____ (Acquiring Shipper)
By_____ (Title)	By_____ (Title)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)

10.2 Imbalance Resolution (continued)
10.2(c) (continued)

(vii) Cash out, pursuant to Section 10.3 below, of end-of-month Month 1 imbalances remaining after the application of the imbalance management services listed in Section 10.2(c)(i) through Section 10.2(c)(vi) above that exceed the applicable threshold.

(viii) Physical imbalance make-ups and paybacks, described in Section 10.2(d) below, nominated and scheduled after the fifth Business Day following monthly invoice date and directed by the Shipper to reduce any remaining end-of-month Month 1 imbalance.

(ix) Imbalance trades, described in Section 10.2(f) below, effectuated after the fifth Business Day following monthly invoice date and directed by the Shipper to reduce any remaining end-of-month Month 1 imbalance.

(x) Cash out, pursuant to Section 10.3 below, of any end-of-month Month 1 imbalance remaining at the conclusion of Month 2 after the application of the imbalance management services listed in Section 10.2(c)(viii) and Section 10.2(c)(ix) above that exceed the applicable threshold.

(xi) Physical imbalance make-ups and paybacks, described in Section 10.2(d) below, nominated and scheduled during Month 3 and directed by the Shipper to reduce any remaining end-of-month Month 1 or Month 2 imbalance.

(xii) Imbalance trades, described in Section 10.2(f) below, occurring during Month 3 and directed by the Shipper to reduce any remaining end-of-month Month 1 or Month 2 imbalance.

(xiii) Cash out, pursuant to Section 10.3 below, of any end-of-month Month 1 imbalance remaining at the conclusion of Month 3 after the application of the imbalance management services listed in Section 10.2(c)(xi) and Section 10.2(c)(xii) above that exceeds the applicable threshold.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE PROGRAM (Continued)

9.24 Right to Terminate a Temporary Capacity Release

(a) Using the notice procedures of Section 12.5 of the GT&C, Transporter may elect to terminate an Acquired Capacity Agreement upon 30 Days written notice to the Acquiring Shipper, and to FERC, under the following conditions.

(1) Transporter has or will terminate the Releasing Shipper's service pursuant to: (i) the Termination of Service provisions of Section 12.5 of the GT&C, or (ii) the creditworthiness requirements of this Tariff; and

(2) The rate stated in the Acquired Capacity Agreement is less than the rate for service under the TSA with the Releasing Shipper.

(b) A creditworthy Acquiring Shipper may continue an existing Acquired Capacity Agreement by notifying Transporter prior to the end of the 30-Day notice period that it agrees to pay a rate that is the lesser of:

(1) the applicable maximum rate; or
(2) the same rate as is in the TSA between Transporter and the Releasing Shipper; or
(3) a mutually agreed upon rate.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT

For purposes of this section, an imbalance is the difference between the scheduled quantity and the quantity measured at the Receipt and/or Delivery Points.

10.1 Imbalance Administration

(a) Transporter shall, to the extent practicable, deliver quantities for Shipper's account concurrently with the receipt of receipt quantities.

(b) It shall be Shipper's responsibility, whether or not delegated to another party, to cause gas to be delivered to Transporter as scheduled at the Receipt Point(s) and cause gas to be taken from Transporter at the Delivery Point(s) in accordance with the applicable scheduled nominations. Recognizing reasonable operational variations, Shipper shall attempt to conform quantities to be received and delivered with those scheduled and confirmed for each nomination cycle.

(c) Third Party Imbalance Management Services - Transporter shall accommodate third-party imbalance management services on a non-discriminatory basis as long as those services comply with applicable NAESB WGQ Standards and do not adversely impact system operations. Criteria for third-party services will include compliance with NAESB WGQ nomination and confirmation time lines, and meeting Transporter's credit requirements appropriate for the quantity of Shipper imbalance gas for which such third party may be responsible.

(d) Imbalances with Other Parties - Transporter shall not be responsible for eliminating any imbalances between Shipper and any third party, including imbalances between local distribution companies and/or specific end users. Furthermore, Transporter shall not be obligated to deviate from its standard operating and accounting procedures in order to reduce or eliminate any such imbalances.

(e) Persistent system constraints as referred to in this Section 10 will be identified by posting on Transporter's EBB.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)

10.2 Imbalance Resolution

(a) Transporter shall determine the cumulative daily imbalance quantity applicable to each TSA through the last Day of the Month to identify the TSA's end-of-month imbalance.

(b) Shippers shall have the opportunity to reduce any end-of-month imbalance pursuant to the imbalance resolution procedures described in this Section 10.2 and Section 10.3. Any adjustments to an end-of-month imbalance must have the effect of reducing the amount of such imbalance. The application of any reductions shall determine a final end-of-month imbalance for each TSA.

(c) The monthly imbalance resolution tools described in this Section 10.2 and Section 10.3 will be applied by Transporter in the following order:

(i) Physical imbalance make-ups and paybacks, as described in Section 10.2(d), nominated and scheduled during Month 1 to reduce Month 1 imbalances.

(ii) Physical imbalance make-ups and paybacks, as described in Section 10.2(d), nominated and scheduled through the first five Business Days following monthly invoice date and directed by Shipper to reduce a Month 1 imbalance.

(iii) Month 1 imbalance transfers, described in Section 10.2(e) below.

(iv) A TSA's end-of-month imbalances transferred between Month 1, Month 2 and Month 3 as described in Section 10.2(e).

(v) Netting, as described in Section 10.2(e), a Shipper's Month 1, Month 2, and Month 3 imbalances among all its TSAs.

(vi) Imbalance trades, as described in Section 10.2(f), applicable to Month 1 imbalances accomplished no later than the fifth Business Day following monthly invoice date.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)

10.2 Imbalance Resolution (Continued)

(d) Shippers may submit separate imbalance make-up or payback nominations to resolve end-of-month imbalances.

(i) Make-up or payback nominations must be designated as a make-up/payback nomination and, if requested by Shipper, specify the end-of-month imbalance to which the make-up/payback applies.

(ii) Make-up or payback nominations may be submitted during Month 1 and through the first five Business Days following monthly invoice date to resolve a Month 1 imbalance.

(iii) Make-up or payback nominations may be submitted during the two Months following the incurrence of a Month 1 imbalance.

(iv) Unless Shipper specifies otherwise, make-up or payback quantities will be first applied to any Month 1 imbalance. Any remaining quantities, or if the Month 1 imbalance is zero, will be applied to previous imbalances based on a "last in - first out" methodology.

(v) Subsequent to the conclusion of the make-up and payback nomination period, any remaining imbalance quantities shall be subject to cash out, pursuant to Section 10.3, in the second Month following the Month in which the imbalance occurred.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.2 Imbalance Resolution (Continued)

(e) Monthly Imbalance Transfers - Unless otherwise agreed, at the end of each Month, Transporter shall review each Shipper's TSAs and transfer imbalances among such TSAs to provide the Shipper with the lowest possible imbalance quantity on all TSAs. A Shipper's imbalances may be netted among its contracts, if the netting does not serve to effectuate transportation across persistent system capacity constraints. Transporter will first transfer imbalances among a Shipper's TSAs under the same rate schedule. Thereafter, Transporter will transfer imbalances among that Shipper's TSAs under all rate schedules. No imbalance under any TSA will be increased as the result of a transfer. In each category, and to the extent possible, larger imbalances shall be transferred first. Imbalance Transfers will occur in the following order:

(i) A Shipper's Month 1 end-of-month TSA imbalances will be automatically netted.

(ii) A Shipper's Month 1 end-of-month imbalance will be automatically netted against any outstanding Small Quantity Imbalance, as described in Section 10.3(a)(iii).

(iii) A TSA's Month 2 end-of-month imbalance will be automatically netted against the TSA's Month 1 imbalance.

(iv) A TSA's Month 3 end-of-month imbalance will be automatically netted against the TSA's Month 1 imbalance.

(v) A Shipper's Month 2 end-of-month imbalance will be automatically netted against the Shipper's Month 1 imbalances, if any.

(vi) A Shipper's Month 3 end-of-month imbalance will be automatically netted against the Shipper's Month 2 imbalances, if any.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)
10.2(f) Imbalance Trades (continued)

(v) Only trades which have the effect of reducing outstanding imbalances owed to or from Transporter are permitted (i.e., the maximum quantity which may be traded is the smaller of the excess or shortfall under the Shipper's end-of-month imbalance affected by the trade).

(vi) If a Shipper's imbalance is less than the amount it has agreed to trade with another Shipper, the Shipper will only be credited for the actual amount of the imbalance.

(vii) Transporter shall permit trade arrangements at no additional cost to the Shippers.

(g) DP Operators who have entered into operational balancing agreements ("OBAs") with Transporter that include the same cash out and Strained/Critical Operating Condition provisions as detailed in Sections 10 and 11.1 will be able to make use of the imbalance resolution opportunities, i.e. trading and physical make-up/paybacks, described in Sections 10.2(d) and 10.2(f). Such DP Operators do not include Operators of Delivery Points where Transporter is required to have an OBA, i.e., interstate pipelines and applicable intrastate pipelines or foreign pipelines that are the functional equivalent of an interstate or intrastate pipeline.

(h) Prior Period Measurement Adjustment(s) ("PPMA")

(i) In the event a PPMA decreases a Shipper's current monthly imbalance, the PPMA shall be applied in the current Month.

(ii) In the event a PPMA increases a Shipper's current monthly imbalance, the PPMA shall be applied in the Month following the Month in which the PPMA was made. Should an imbalance greater than five percent (5%) remain in the next Month (i.e., the Month following the Month in which the PPMA was made), Section 10.3(d) shall not be applicable to the PPMA imbalance-related quantities. In this event, PPMA imbalance-related quantities shall be cashed out at one hundred percent (100%) of the applicable Cash Out Index Price.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)

10.3(a) Determination of Cash Out Quantities (continued)

(iv) Shippers may elect to cash out an imbalance at any time. Shipper must notify Transporter of any such election before the end of the last Business Day of the Month for the quantities to be cashed out in accordance with Section 10.3(a)(ii).

(b) Determination of Cash Out Liabilities - For cash out purposes monthly imbalances will be valued at the applicable Cash Out Index Price determined in Section 10.3(c).

(i) Monthly imbalances that are less than or equal to an absolute value of 2% of scheduled quantities shall be valued at the simple average of the applicable Monthly Cash Out Index Price(s) for the Month the imbalance was incurred and the Month the imbalance is cashed out.

(ii) Monthly imbalances that are greater than an absolute value of 2% of scheduled quantities that are due:

(1) Transporter shall be valued at the higher of the Monthly Cash Out Index Price for the Month the imbalance was incurred or the Monthly Cash Out Index Price for the Month the imbalance is cashed out.

(2) Shipper shall be valued at the lower of the Monthly Cash Out Index Price for the Month the imbalance was incurred or the Monthly Cash Out Index Price for the Month the imbalance is cashed out.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)

10.2 Imbalance Resolution (continued)

(f) Imbalance Trades - The term "imbalance trade" shall mean the reallocation of imbalances from one Shipper to another Shipper in order to reduce the total amount of outstanding imbalances of the parties. Transporter shall effect an election to trade imbalances as posted and verified electronically. Imbalance trades shall be based on a TSA's end-of-month imbalance.

(i) Shipper imbalances may be traded with other Shippers' imbalances if the trade does not serve to effectuate transportation across persistent system capacity constraints. Prior to the fifth Business Day following monthly invoice date, Shipper must notify Transporter of any trades to be applied to a prior Month's imbalances. Subsequent to Transporter's issuance of invoices, Shippers may post imbalances for trade for up to five Business Days after monthly invoice date. At the conclusion of the above five Business Days, Shipper's imbalances shall be adjusted for the trades effectuated pursuant to this Section 10.2(f)(i). Any remaining imbalance quantities shall be subject to cash out, pursuant to Section 10.3, in the second Month following the Month in which the imbalance occurred.

(ii) Unless Shipper specifies otherwise, imbalance trades will be applied in the following order:

1. to a Month 1 end-of-month imbalance;
2. to any outstanding Small Quantity Imbalance, as described in Section 10.3(a)(iii);
3. to a Month 2 end-of-month imbalance;
4. to a Month 3 end-of-month imbalance;

(iii) A Shipper, acting without assistance of Transporter, may negotiate an imbalance trade arrangement with another Shipper.

(iv) Upon Shipper's designation, Transporter shall post on its EBB the Shipper's contact name(s), phone number(s), quantity, and direction of net imbalances available to be traded.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)

10.3 Cash Out - All monthly imbalances shall be subject to the following cash out provisions. Such cash out shall be accomplished using the relevant Monthly Cash Out Index Price pursuant to Section 10.3(b), provided, however, that for purposes of cash out, monthly imbalances associated with PPMAs shall be deemed to have occurred consistent with Section 10.2(h).

(a) Determination of Cash Out Quantities - The term "cash out" shall refer to the valuation of an imbalance at a market-related price pursuant to the requirements of this section. Application of the cash out process will result in a monetary value due to the Shipper or Transporter which will result in reduction of the imbalance to the applicable threshold level.

(i) Transporter and Shipper shall cash out that portion of an imbalance that exceeds the thresholds described in Sections 10.3(a)(ii) and 10.3(a)(iii) by applying the applicable Cash Out Index Price to the imbalance quantity in excess of the threshold quantity. Any remaining end-of-month imbalance will be carried forward to be resolved in future Months as described in Sections 10.2 and 10.3.

(ii) The monthly threshold will be calculated by multiplying the Shipper's aggregate scheduled quantity in the applicable Month by the following percentages:

(1) The Month 1 threshold shall be 5%.
(2) The Month 2 threshold shall be 3%.
(2) The Month 3 threshold shall be 0%.

(iii) Small Quantity Monthly Imbalance: The cash out thresholds described in Section 10.3(a)(ii) will not apply to any TSA with an end-of-month imbalance less than 2,000 dth, unless the Shipper specifies otherwise. However, each January, Transporter will cash out any monthly Small Quantity Imbalances accrued during the 12 Months ended the previous November that were not resolved by the imbalance resolution methods described in Section 10.2. The cash out will be priced at 100% of the previous December System Cash Out Index price described in Section 10.3(c)(iv).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)

10.3(Continued)

(c) Cash out shall be based on the monthly determination of three calculated price indices (i.e. Monthly San Juan, Monthly Permian and Monthly System), depending on whether Shipper has one or more supply basins included in its TSA and whether Shipper has elected the extended Month 1 cash out. A single monthly price index calculated only for a specific supply basin will be used if Shipper has only that one supply basin in its TSA. If Shipper has only the Anadarko supply basin in its TSA, then the Permian Basin Index Prices will be used. System Cash Out Index Prices calculated for all supply basins will be used if Shipper has more than one supply basin in its TSA.

(i) The Monthly Permian Basin Cash Out Index Price shall be determined by using the simple average of the daily mid-point prices reported as delivered to El Paso's System at West Texas, Permian or Waha from the publications identified in Section 10.3(c)(v). The Monthly Permian Basin Cash Out Index Price will be calculated by summing the average daily prices for each day of the production Month and dividing by the number of Days in the Month.

(ii) The Monthly San Juan Basin Cash Out Index Price shall be determined by using the simple average of the daily mid-point prices reported as delivered to El Paso's System at Ignacio, San Juan, or New Mexico from the publications identified in Section 10.3(c)(v). The Monthly San Juan Basin Cash Out Index Price will be calculated by summing the average daily prices for each day of the production Month and dividing by the number of Days in the Month.

(iii) The Monthly California Border Cash Out Index Price shall be determined by using the higher of the daily prices of "SoCal Gas" or "Southern California Bdr Avg" from the publications identified in Section 10.3(c)(v). The Monthly California Border Cash Out Index Price will be calculated by summing the average daily prices for each day of the production Month and dividing by the number of Days in the Month.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)

10.3(c) (Continued)

(iv) The Monthly System Cash Out Index Price shall be computed by using the weighted average of the Monthly Permian Basin Index Price, the Monthly San Juan Basin Index Price, and the Monthly California Border Cash Out Index Price. The weighting is based on the quantities entering El Paso's System in each Production Area and scheduled as a California receipt during the previous quarter and will be updated quarterly.

(v) The trade publications referenced above are: Platt's Gas Daily (Daily Price Survey) and Natural Gas Intelligence Daily Gas Price Index (Cash Market Prices).

(vi) Transporter will report on its EBB, on a daily basis, the applicable Cash Out Index Prices as updated for the most recent published data available. No later than the 15th Day of each Month, Transporter will report the final Cash Out Index Prices applicable to the previous business Month. In the event any of the publications cease publication or to the extent a publication fails to report the applicable spot prices, then Transporter may substitute prices reported in a similar independent publication or continue the pricing formula using the remaining publication. If there is a permanent change in a publication, Transporter will file to revise its Tariff to identify a new publication within 60 Days of the change. Changes in the name, format or other method of reporting by the publications in Section 10.3(c)(v) above that do not materially affect the content shall not affect their use hereunder.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)

10.3(d) Except as provided for in Section 10.3(a)(ii), the end-of-month imbalances shall be cashed out based on the percentage of scheduled quantity provided below as adjusted by Section 10.3(b). End-of-month imbalance percentages shall be calculated based on scheduled quantities as described in Section 10.3(d)(xiii).

(i) For any TSA with an end-of-month imbalance up to and including +2%, the quantity will be invoiced at 100% of the applicable Cash Out Index Price;

(ii) For any TSA with an end-of-month imbalance greater than +2% but less than or equal to +5%, the quantity in excess of +2% will be invoiced at 100% of the applicable Cash Out Index Price;

(iii) For any TSA with an end-of-month imbalance greater than +5% but less than or equal to +10%, the quantity in excess of +5% will be invoiced at 110% of the applicable Cash Out Index Price;

(iv) For any TSA with an end-of-month imbalance greater than +10% but less than or equal to +15%, the quantity in excess of +10% will be invoiced at 120% of the applicable Cash Out Index Price;

(v) For any TSA with an end-of-month imbalance greater than +15% but less than or equal to +20%, the quantity in excess of +15% will be invoiced at 130% of the applicable Cash Out Index Price;

(vi) For any TSA with an end-of-month imbalance greater than +20%, the quantity in excess of +20% will be invoiced at 140% of the applicable Cash Out Index Price.

(vii) For any TSA with an end-of-month imbalance up to and including -2%, the quantity will be purchased by Transporter at 100% of the applicable Cash Out Index Price;

(viii) For any TSA with an end-of-month imbalance greater than -2% but less than or equal to -5%, the quantity in excess of -2% will be purchased at 100% of the applicable Cash Out Index Price;

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)
10.3(d) (continued)

(ix) For any TSA with an end-of-month imbalance greater than -5% but less than or equal to -10%, the quantity in excess of -5% will be purchased at 90% of the applicable Cash Out Index Price;

(x) For any TSA with an end-of-month imbalance greater than -10% but less than or equal to -15%, the quantity in excess of -10% will be purchased at 80% of the applicable Cash Out Index Price;

(xi) For any TSA with an end-of-month imbalance greater than -15% but less than or equal to -20%, the quantity in excess of -15% will be purchased at 70% of the applicable Cash Out Index Price;

(xii) For any TSA with an end-of-month imbalance greater than -20%, the quantity in excess of -20% will be purchased at 60% of the applicable Cash Out Index Price.

(xiii) El Paso shall calculate the percentage for end-of-month imbalances as follows, unless the allocation of delivery/receipt quantities is governed by an OBA, in which case the OBA shall apply:

(a) For Pro Rata Points (imbalance allocated pro rata to all contracts with scheduled quantities at the specified Delivery or Receipt Point), the imbalance percentage shall equal the imbalance allocated to each individual contract divided by the scheduled quantities for such contract;

(b) For NAESB Swing Points (entire imbalance allocated to a designated "swing contract"), the imbalance percentage shall equal the imbalance divided by the total scheduled quantities for all contracts for all Shippers at the specified Delivery or Receipt Point; and

(c) Should an agreement be allocated an imbalance at a Pro Rata Receipt Point and at a NAESB Swing Receipt Point, the imbalance percentage shall equal the total imbalance of the agreement divided by the sum of the scheduled quantities for the agreement at the Pro Rata Receipt Point and the scheduled quantities for all agreements at the NAESB Swing Receipt Point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (continued)
10.3(d)(xiii) (continued)

(d) Should a contract be allocated an imbalance at a Pro Rata Delivery Point and at a NAESB Swing Delivery Point, the imbalance percentage shall equal the total imbalance of the contract divided by the sum of the scheduled quantities for the contract at the Pro Rata Delivery Point and the scheduled quantities for all contracts at the NAESB Swing Delivery Point.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)

10.3 (Continued)

(e) Unless otherwise accounted for in Transporter's fuel mechanism pursuant to Section 13, total cash out revenues received that are in excess of Transporter's gas costs during a calendar year pursuant to the operation of this section shall be credited to Transporter's firm and interruptible transportation Shippers on a pro rata basis based on the total transportation revenues paid by each Shipper.

(1) If Transporter buys gas quantities to maintain system linepack as a result of the cash out of imbalances owed to Transporter, the difference between the cost of gas based on the Monthly Cash Out Index Price (i) when the cash-outs occurred and (ii) when Transporter bought gas to maintain linepack shall be included in the determination of the gas costs described in Section 10.3(e).

(2) The credit, if any, shall be made not later than the March accounting Month following the applicable calendar year end.

(3) Interest shall be accrued at rates set pursuant to 18 C.F.R. Section 154.501(d)(1).

(4) Gas costs exceeding total cash out revenues received during a calendar year shall be transferred to the next calendar year for offset against future cash out revenues.

10.4 Maintenance of System Integrity. Nothing in this Tariff limits Transporter's right to take action that may be required to adjust receipts and deliveries of gas in order to alleviate conditions that threaten the integrity of its system, including maintenance of service to higher-priority Shippers.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.5 Allocation of Delivery Quantities
(b) PDA Methods for the Allocation of Delivery Point Quantities.

(i) Pro Rata (NAESB Standard 2.3.16) - For each Gas Day, the difference between daily quantities measured and scheduled plus any no-notice quantities, if applicable, for all TSAs under which gas is delivered at a Delivery Point will be allocated on a pro rata basis to each TSA scheduled to that Delivery Point. In addition, the related hourly components will be included in this Pro Rata allocation process. The Pro Rata allocation will be determined by dividing each TSA's scheduled quantities by the total of all scheduled quantities to the Delivery Point.

(A) This method shall be calculated by taking the total quantities to be allocated and multiplying such quantities by the ratio established from taking each individual scheduled line item and dividing it by the total of all scheduled line items applicable to the quantities to be allocated.

(B) Transporter shall allocate pro rata among all contracts under which gas is scheduled to a Delivery Point all end-of-month imbalances with respect to scheduled quantities at the Delivery Point and calculate the percentage for such imbalances pursuant to Section 10.3(d)(xiii)(a).

(ii) Swing (NAESB Standard 2.3.16) - For each Gas Day, each TSA scheduled at a Delivery Point will be allocated gas quantities at such Delivery Point equal to the scheduled quantities (plus any no-notice quantities, if applicable) under the TSA. Additionally, the TSA identified as the "Swing TSA" for each Delivery Point will be allocated the difference between 1) the sum of the total daily quantities measured and 2) the total daily quantities scheduled plus any no-notice quantities, if applicable, at the Delivery Point under all rate schedules. Hourly quantities measured in excess of Hourly Scheduled Entitlements for all TSAs under which gas is delivered at a Delivery Point will also be allocated to the Swing TSA.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.5 Allocation of Delivery Quantities
(b)(ii)Swing PDA Method (Continued)

(D) The DP Operator may elect to use IHSW service in association with a Swing TSA to cover all TSAs under which gas is delivered at the Delivery Point. The DP Operator's use of IHSW service shall not be restricted to the TSA under which excess quantities were delivered. The IHSW charges shall be billed on only the hourly delivery quantities allocated to the Swing TSA that exceed the Safe Harbor Tolerance Quantities determined in accordance with Section 10.5(b)(ii)(C)(2). In addition, IHSW service shall not be applicable to the aggregate sum of any hourly variation greater than 160% of 1/24th of the daily scheduled quantities for each TSA under which gas is delivered at the Delivery Point.

(E) The Swing TSA Shipper will be invoiced any applicable hourly scheduling penalties, SOC or COC penalties and, if it has identified an IHSW agreement associated with a Swing TSA for all of the TSAs under which gas is delivered at its Delivery Point, all applicable IHSW charges.

(F) Transporter shall allocate to the Swing TSA all end-of-month imbalance with respect to scheduled quantities at the Delivery Point and calculate the percentage for such imbalances pursuant to Section 10.3(d)(xiii)(b).

(iii) Daily unauthorized overrun penalties - For purposes of determining daily unauthorized overrun penalties, allocated gas quantities and, separately, contract entitlements will be aggregated for a Shipper with multiple TSAs (inclusive of TSAs of different rate schedules). Shipper aggregated gas quantities are accounted for as if service was under a single TSA, including the computation of the daily Safe Harbor Tolerance Quantities. Thus, the daily unauthorized overrun penalties will be calculated by Transporter and billed to the Shipper based on the comparison between the sum of all of the Shipper's allocated daily delivered quantities and of its total TCDs under all of the Shipper's firm TSAs. Any quantities that are allocated to one Shipper under either the Pro Rata or Swing method will not be utilized in calculating the quantity of daily unauthorized overrun penalties for any other Shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.5 Allocation of Delivery Quantities

(c) Operator Sweep - If requested by a DP Operator, Transporter will transfer any hourly scheduling penalty and/or Rate Schedule IHSW charges from a TSA assessed such penalty/charge to the DP Operator for payment responsibility.

(i) An Operator Sweep Account ("OSA") shall be assigned to the DP Operator for the purposes of payment of hourly scheduling penalties and/or Rate Schedule IHSW charges. The DP Operator electing Operator Sweep will have all charges related to hourly scheduling penalties and/or Rate Schedule IHSW charges incurred at its Delivery Points billed to the OSA. The OSA will only be used for accounting, billing and payment purposes. No capacity rights are associated with an OSA. All transportation services will be provided under the applicable TSAs.

(A) The DP Operator shall elect the Delivery Point(s) that will be accounted for in an OSA.

(B) A Delivery Point may not be covered by more than one OSA.

(C) A DP Operator's election of Operator Sweep, shall be made concurrent with its election of a PDA method pursuant to Section 10.5(a) above.

(ii) The DP Operator will pay the penalty transferred to the OSA on a monthly invoice. Such invoice will include for each Delivery Point covered by the OSA: 1) the sum of any hourly scheduling penalties and 2) Rate Schedule IHSW charges.

(iii) The DP Operator must meet the creditworthiness requirements of this Tariff.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. OPERATING PROVISIONS FOR FIRM TRANSPORTATION SERVICE (Continued)

20.18 Daily Unauthorized Overrun Penalties. Daily unauthorized overrun penalties will be imposed on applicable daily quantities as set forth in the applicable rate schedule (e.g., Section 6.2(b) of Rate Schedule FT-1).

(a) During the calendar year of 2009, in cases where HEEN has been scheduled, the calculation for daily unauthorized overrun penalties will include only 75% of the HEEN scheduled quantities.

(b) Beginning January 1, 2010, in cases where HEEN has been scheduled, the calculation for daily unauthorized overrun penalties will include 100% of the HEEN scheduled quantities.

(c) Daily unauthorized overrun penalties resulting from a bump of a scheduled quantity during non-critical periods shall only be subject to maximum daily authorized overrun rates as stated on the Statement of Rates Sheets.

20.19 Reserved

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.5 Allocation of Delivery Quantities

The allocation of delivery quantities shall be governed by the pre-determined allocation methods ("PDAs") set forth in this Section 10.5 or by an applicable operational balancing agreement ("OBA").

(a) A DP Operator may elect from one of the PDA methods described in Section 10.5(b) for the allocation of delivery quantities.

(i) Except as provided below, a DP Operator's election of a PDA method must be received no later than the last Business Day of the Month preceding the effective Month and shall remain in effect until changed by the DP Operator for the first Day of a subsequent Month. DP Operator's election shall be effective for a time period no less than one Month and shall be posted on Transporter's EBB.

(A) If all affected parties consent in writing or via email, a DP Operator can change its PDA method during the effective Month to apply retroactively to the first Day of such Month. Transporter shall determine and notify all parties which are affected by such a change.

(ii) Pursuant to the applicable PDA method stated in Section 10.5(b) below, if measured gas flow at a Delivery Point is recorded and no scheduling has occurred, the metered quantities will be recorded on a designated default TSA elected by the DP Operator. If such default agreement does not belong to the DP Operator, the Shipper whose TSA is elected as the default TSA must authorize such TSA to be used prior to the last Business Day of the Month preceding the effective Month and such election shall remain in place until changed by the Shipper or DP Operator for the first Day of the subsequent Month.

(iii) Absent the DP Operator electing the Swing method pursuant to Section 10.5(b)(ii), quantities at a Delivery Point shall be allocated pro rata based on scheduled quantities as described in Section 10.5(b)(i) below. (NAESB Standard 2.3.18)

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.5 Allocation of Delivery Quantities
(b)(ii) Swing PDA Method (Continued)

(A) Any TSA for service under Rate Schedules IT-1, FT-1, FT-2, FTH-V, FT-H, NNTD or NNTH may be designated by the DP Operator at a Delivery Point as the Swing TSA.

(B) Daily and hourly gas quantities will be allocated to the Swing TSA in accordance with this Section 10.5(b)(ii) regardless of whether any quantities are scheduled under the Swing TSA.

(C) (1) For purposes of the SOC and COC penalty provisions in Critical Conditions under Section 11.1, for each Gas Day, the Safe Harbor Tolerance Quantities for the Swing TSA at the Delivery Point (which tolerance quantities along with the sum of all daily scheduled quantities, not including HEEN scheduled quantities, plus any no-notice quantities, if applicable, shall not be subject to SOC/COC penalties), shall equal the higher of 1) the product of the applicable Safe Harbor Tolerance Percentage, multiplied by the sum of the total daily scheduled quantities plus any no-notice quantities, if applicable, under all TSAs under which gas is delivered at the Delivery Point, or 2) 2,000 dth.

(2) For purposes of the hourly scheduling penalty provisions in Critical and non-Critical Conditions under Section 14.1, for each hour of the Gas Day, the Safe Harbor Tolerance Quantities for the Swing TSA at the Delivery Point (which tolerance quantities along with the sum of the Hourly Scheduled Entitlements and any Rate Schedule IHSW quantities, if applicable, shall not be subject to hourly scheduling penalties), shall equal the higher of 1) the product of the applicable Safe Harbor Tolerance Percentage, multiplied by the sum of the total Hourly Scheduled Entitlements plus any no-notice quantities, if applicable, under all TSAs under which gas is delivered at the Delivery Point, or 2) 100 dth in Critical Conditions and 200 dth in non-Critical Conditions.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.6 Allocation of Receipt Quantities

The allocation of receipt quantities shall be governed by the pre-determined allocation methods ("PDAs") set forth in this Section 10.6 or by an applicable operational balancing agreement ("OBA").

(a) An RP Operator may elect from one of the PDA methods described in Section 10.6(b) for the allocation of receipt quantities.

(i) Except as provided below, an RP Operator's election of a PDA method must be received no later than the last Business Day of the Month preceding the effective Month and shall remain in effect until changed by the RP Operator for the first Day of a subsequent Month. RP Operator's election shall be effective for a time period no less than one Month and shall be posted on Transporter's EBB.

(A) If all affected parties consent in writing or via email, an RP Operator can change its PDA method during the effective Month to apply retroactively to the first Day of such Month. Transporter shall determine and notify all parties which are affected by such a change.

(ii) Pursuant to the applicable PDA method stated in Section 10.6(b) below, if measured gas flow at a Receipt Point is recorded and no scheduling has occurred, the metered quantities will be recorded on a designated default TSA elected by the RP Operator. If such default TSA does not belong to the RP Operator, the Shipper whose TSA is elected as the default TSA must authorize such TSA to be used prior to the last Business Day of the Month preceding the effective Month and such election shall remain in place until changed by the Shipper or RP Operator for the first Day of the subsequent Month. If authorization from Shipper is not received by Transporter prior to the last Business Day of the Month preceding the effective Month, then the election will be denied.

(iii) Absent the RP Operator electing the Swing method pursuant to Section 10.6(b)(ii), quantities at a Receipt Point shall be allocated pro rata based on scheduled quantities as described in Section 10.6(b)(i) below.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.6 Allocation of Receipt Quantities

(b) PDA Methods for the Allocation of Receipt Point Quantities.

(i) Pro Rata Allocations at a Receipt Point - For each Gas Day, the difference between daily quantities measured and scheduled for all agreements under which gas is received at a Receipt Point will be allocated on a pro rata basis to each agreement scheduling gas from that Receipt Point. The Pro Rata allocation will be determined by dividing each agreement's scheduled quantities by the total of all scheduled quantities from the Receipt Point.

(A) This method shall be calculated by taking the total quantities to be allocated and multiplying such quantities by the ratio established from taking each individual scheduled line item and dividing it by the total of all scheduled line items applicable to the quantities to be allocated.

(B) Transporter shall allocate pro rata, among all agreements under which gas is scheduled from a Receipt Point, all end-of-month imbalances with respect to scheduled quantities at the Receipt Point and calculate the percentage for such imbalances pursuant to Section 10.3(d).

(ii) Swing Allocations at a Receipt Point - For each Gas Day, each agreement scheduled at a Receipt Point will be allocated gas quantities from such Receipt Point equal to the scheduled quantities under the agreement. Additionally, the TSA identified as the "Swing TSA" for each Receipt Point will be allocated the difference between 1) the sum of the total daily quantities measured and 2) the total daily quantities scheduled to the Receipt Point under all rate schedules.

(A) Any TSA for service under Rate Schedules IT-1, FT-1, FT-2, FTH-V or FT-H, may be designated by the RP Operator at a Receipt Point as the Swing TSA.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

10. IMBALANCE MANAGEMENT (Continued)
10.6 Allocation of Receipt Quantities
(b)(ii)Swing Allocations at a Receipt Point PDA Method (Continued)

(B) Should the RP Operator elect this methodology, the designated Swing TSA Shipper must authorize its TSA to be used no later than the last Business Day of the Month preceding the effective Month. Such election shall remain in place until changed by the Shipper or RP Operator for the first Day of the subsequent Month. If authorization from Shipper is not received by Transporter prior to the last Business Day of the Month preceding the effective Month, then the election will be denied and the provisions of Section 10.6(b)(i) shall apply.

(C) In the event daily gas quantities are not scheduled under the designated Swing TSA at a Receipt Point but gas quantities are scheduled under other TSA(s) at such point, the daily gas quantities will be allocated to the Swing TSA in accordance with this Section 10.6(b)(ii).

(D) Transporter shall allocate to the Swing TSA all end-of-month imbalances with respect to scheduled quantities at the Receipt Point and calculate the percentage for such imbalances pursuant to Section 10.3(d).

(E) For purposes of the SOC and COC penalty provisions in Critical Conditions under Section 11.1, for each Gas Day, the Safe Harbor Tolerance Quantities for the Swing TSA at the Receipt Point shall equal the higher of 1) the product of the applicable Safe Harbor Tolerance Percentage, multiplied by the sum of the total daily scheduled quantities under all TSAs under which gas is received at the Receipt Point, or 2) 2,000 dth.

(F) The Swing TSA Shipper will be invoiced any applicable SOC or COC penalties.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS

11.1 Strained and Critial Operating Condition Procedures

Daily Imbalance - For Receipt Points, the "daily imbalance quantity" is the difference between the daily scheduled quantity and the daily quantity measured at the Receipt Point (if such Receipt Point is not covered by an operational balancing agreement) for a Gas Day. For Delivery Points, "daily imbalance quantity" is the difference between the daily scheduled quantity and the daily quantity measured at a Delivery Point (if such Delivery Point is not covered by an operational balancing agreement) for a Gas Day. Any penalties or charges applicable to a daily imbalance quantity will be calculated as described later in this Section 11.1.

(a) A Strained Operating Condition ("SOC") notice may be issued when Transporter, using its reasonable judgment, determines operating conditions exist where its pipeline system integrity is threatened and/or service to other Shippers and/or Operators may be adversely affected, and minor variations in receipt and delivery quantities from scheduled levels can not be accommodated. Transporter will determine whether it will issue an SOC based on the operating status of the pipeline system using the following criteria: weather forecast, system conditions-linepack, projected pressures at monitored locations, facility status-horsepower utilization and availability, and Transporter's operational judgment. Examples of operating conditions which may result in a declaration of an SOC include: (1) when a system outage occurs; (2) when extreme weather conditions develop; (3) when linepack exceeds (above or below) operational tolerances; (4) when injections or withdrawals cause Washington Ranch to reach its maximum daily capabilities; or (5) an Operator has demonstrated a consistent pattern of flowing quantities that do not reasonably match scheduled quantities.

(i) Transporter's website will contain a notice identifying the probability of an SOC declaration. The posting will be reviewed each nomination cycle and updated, as applicable. Probability notices will not be posted during an SOC event.

(A) Should the hourly average for any hour of the Gas Day for total system linepack fall below 7200 MMcf, a high probability condition will be triggered. Notification of the high probability for a system-wide SOC declaration will be automatically posted.

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(a) Strained Operating Condition (Continued)
(ii) Without limitation of Transporter's exercise of its reasonable judgment to determine whether and the extent to which it will issue an SOC at any time, Transporter will either declare an SOC under the following circumstances or, if in the exercise of Transporter's reasonable judgment it does not declare an SOC under any of these circumstances, Transporter shall explain its reasons for not issuing an SOC by EBB posting within the next Business Day.
(A) when the average of six consecutive hours of the Gas Day for total system linepack falls below 7000 MMcf and Washington Ranch is on maximum (operationally) available withdrawal;

(B) when the average of six consecutive hours of the Gas Day for total system linepack exceeds 7900 MMcf and Washington Ranch is on maximum (operationally) available injection.

(iii) An SOC will be declared for a specific Shipper(s) and/or a specific location(s) if they can be identified, and a specific direction (i.e., Pack or Draft). If a specific shipper or location SOC is not appropriate, the SOC will be declared for the North System, the South System, or the entire system. Such notice will be provided using the notification procedures of Section 6.1(a)(xii) of the GT&C.

(iv) Notification of an SOC declaration shall include identification of linepack status and whether the SOC is a Pack SOC or a Draft SOC.
(A) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. undertakes from Transporter at a Delivery Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. overtakes from Transporter at a Delivery Point(s)).

(B) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. overdelivery into Transporter at a Receipt Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. underdelivery into Transporter at a Receipt Point(s)).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(a) Strained Operating Condition (Continued)

(v) When conditions threaten the operational integrity of the system, Transporter shall use reasonable efforts to resolve the situation causing the operational distress prior to declaring an SOC. Depending on the circumstances, Transporter may use any one or more of the following operational remedies:

(A) attempting to contact customers that are currently out of daily balance to coordinate adjustments to their scheduled quantities and actual flows;
(B) injecting or withdrawing from Washington Ranch, as permitted by operational limitations, to bring linepack into acceptable levels; and/or
(C) operationally offsetting, to the extent possible, packs and drafts on the critical areas of Transporter's system to minimize impact on customers.

(vi) Transporter must declare an SOC before 12:00 p.m. (Mountain Clock Time) for such SOC to apply to the current Gas Day. Should Transporter declare an SOC after 12:00 p.m. (Mountain Clock Time), such SOC shall apply to the next Gas Day.

(vii) An SOC will remain in effect until Transporter, in its reasonable judgment, determines that such operating conditions no longer exist and notifies its Shippers that it is lifting the SOC or that a Critical Operating Condition has been declared. Such notice will be provided using the notification procedures of Section 6.1(a)(xii) of the GT&C.

(viii) When an SOC is in effect, Shipper(s) or Operator(s) in the SOC area are required to reduce daily imbalances at each scheduled Receipt Point or Delivery Point to the threshold level designated in Transporter's Notice of SOC. The threshold level will be determined solely by the operational judgment of Transporter based on the severity of the conditions necessitating the SOC.
(A) SOC Threshold
1. The SOC threshold can range from 4% to 10% of scheduled quantities at the scheduled Delivery Point or 2,000 dth, whichever is greater.

2. The SOC threshold can range from 4% to 10% of scheduled quantities at the scheduled Receipt Point or 2,000 dth, whichever is greater.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)

(a) Strained Operating Condition (Continued)

(viii)(B) For purposes of determining daily unauthorized overrun penalties, a Shipper's daily Safe Harbor Tolerance Quantities shall equal the greater of the posted SOC Safe Harbor Tolerance Percentage, pursuant to Section 11.1(e), multiplied by the TCD or 2,000 dth per Day. Such posted Safe Harbor Tolerance Percentage shall not be less than 4% or greater than 7%.

(C) For purposes of determining hourly scheduling penalties, a Shipper's hourly Safe Harbor Tolerance Quantities shall equal the greater of the posted SOC Safe Harbor Tolerance Percentage, pursuant to Section 11.1(e), multiplied by the Shipper's Hourly Scheduled Entitlement (plus any no-notice quantities, if applicable) or 100 dth per hour. Such posted Safe Harbor Tolerance Percentage shall not be less than 4% or greater than 10% and will be applicable to the specified SOC area pursuant to this Section 11.1(a).

(ix) During an SOC, an SOC Daily Imbalance Charge will be assessed to any Shipper in the SOC area whose daily imbalance quantity exceeds the threshold level stated in the Notice of SOC, unless reduced or eliminated pursuant to the provisions of Sections 11.1(a)(x), 11.1(a)(xi) or 11.1(a)(xii). Such charge will be determined by multiplying the daily imbalance quantity by the Critical Condition Rate, pursuant to Section 1.10A of the GT&C and the Statement of Rates. The calculation of the quantities not subject to penalty will be consistent with Section 10.5(b)(ii)(C)(1) and Section 10.6(b)(ii)(E) if the Shipper has elected the NAESB Swing method.

(A) Pursuant to the Statement of Rates, the SOC Daily Imbalance Rate shall be determined based on the lower of the applicable delivery variance quantity or the delivery variance percentage. The charge assessed shall be determined based on a factor of the Critical Condition rate pursuant to Section 1.10A of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(a) Strained Operating Condition (Continued)

(x) During an SOC, Shippers in an SOC area will have a catch-up nomination opportunity to resolve daily imbalances prior to the assessment of an SOC Daily Imbalance Charge. For each Gas Day ("Day 1") during which an SOC is in effect, Shippers in the SOC area will have the subsequent Gas Day ("Day 2") to reduce the previous Gas Day's daily imbalance to within the stated threshold level. For this nomination opportunity to reduce the otherwise applicable penalty, a Shipper's scheduled quantities, excluding the catch-up nomination(s) in the SOC area, may not cause a subsequent Day daily imbalance that is worse on a percentage basis, in the same direction, than its daily imbalance on the first Day of the SOC event.

(A) Catch-up Nominations: Delivery Points

1. Shippers must submit a separately identified nomination to catch-up the Day 1 daily imbalance.

2. Such nomination must be to the same Delivery Point as the original nomination.

3. Such nomination will not be considered when evaluating a constraint at a Delivery Point.

4. System constraints or supply failures will not excuse Shipper's requirement to balance within the Day 1 threshold level on Day 2.

5. Any of a Shipper's Rate Schedule FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH and/or IT-1 TSAs may be used to submit a catch-up nomination.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

23. REQUEST FOR SERVICES (Continued)
    23.5 (Transportation Service Request Form (Continued)

6. Shipper is (check one of the following):

a.	___Interstate Pipeline	e.	___End-User
b.	___Intrastate Pipeline*	f.	___Producer
c.	___Local Distribution Company*	g.	___Marketer
d.	___ Hinshaw Pipeline*	h.	___Other (Specify)

*State(s) in which Shipper's natural gas system facilities are located:
_____

7. This request is for (check one): _____ New Service
_____ Amended Service Under
Contract #_____

If the request is for new service, please skip the Amended Service Request section.

If the request is for amended service, please complete the Affiliate Information and Amended Service Request sections only.

SERVICE/CONTRACT INFORMATION

1. Type of Transportation Service Requested (check one):

___Firm Transportation (Rate Schedule FT-1)
___Hourly Firm Transportation - Virtual Area (Rate Schedule FTH-V)
___Hourly Firm Transportation (Rate Schedule FT-H)
___Firm Daily Balancing (Rate Schedule FDBS)
___Daily No-Notice Firm Transportation (Rate Schedule NNT-D)
___Hourly No-Notice Firm Transportation (Rate Schedule NNT-H)
___Interruptible Transportation (Rate Schedule IT-1)
___Interruptible Hourly Swing Service (Rate Schedule IHSW)
(complete only 2, 6 & 7 below)
___Interruptible Storage Service (Rate Schedule ISS)
(complete only 2, 6 & 7 below)
___Parking and Lending Service (Rate Schedule PAL)
(complete only 2, 6 & 7 below)
___Delivery Point Operator Aggregation Service (Rate Schedule OPAS)
___Other

2. Date service is requested to commence: _____
Date service is requested to terminate: _____

Evergreen term requested: _____ Yes _____ No

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(a) Strained Operating Condition (Continued)

(x) (Continued)

(B) Catch-up Nominations: Receipt Points

1. Shippers must submit a separately identified nomination to catch-up the Day 1 daily imbalance.

2. Such nomination must be to the same Receipt Point as the original nomination.

3. System constraints or supply failures will not excuse Shipper's requirement to balance within the Day 1 threshold level on Day 2.

4. Any of a Shipper's Rate Schedule FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH and/or IT-1 TSAs may be used to submit a catch-up nomination.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(a) Strained Operating Condition (Continued)

(xi) Netting

(A) Transporter will allow a Shipper to net Delivery Point imbalances that occurred during the SOC among the Shipper's various TSAs delivering to the affected SOC area subject to the following conditions:

1. Shipper attempted to resolve such Delivery Point imbalances by: 1) submitting corrective nominations which were subsequently confirmed in the intraday scheduling cycles and/or 2) requesting a flow day diversion pursuant to Section 6.5 of the GT&C, and

2. Transporter's review after the SOC event indicates that such netting did not allow for a greater risk to have been placed on any other Shipper or to the integrity of Transporter's system.

(B) Transporter will allow a Shipper to net Receipt Point imbalances that occurred during the SOC among the Shipper's various TSAs within the affected SOC area subject to the following conditions:

1. Shipper attempted to resolve such Receipt Point imbalances by submitting corrective nominations which were subsequently confirmed in the intraday scheduling cycles.

2. Transporter's review after the SOC event indicates that such netting did not allow for a greater risk to have been placed on any other Shipper or to the integrity of Transporter's system.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(a) Strained Operating Condition (Continued)

(xii) Supply Failure

(A) Should a Draft SOC be declared due entirely or in significant part to the failure of supplying Interconnects to make scheduled deliveries to Transporter (Transporter's system receipts fail) and if such supply failure is specifically noted in the SOC declaration, any Shipper that generated a net pack daily imbalance within the declared SOC area and whose actions during the SOC are consistent with the condition described in Section 11.1(a)(xi)(A)(2) will have its Delivery Point imbalances netted within that SOC area for that Day.

(B) Should a Draft SOC be declared due entirely or in significant part to the failure of supplying Interconnects to make scheduled deliveries to Transporter (Transporter's system receipts fail) and if such supply failure is specifically noted in the SOC declaration, any Shipper that generated a net pack daily imbalance within the declared SOC area and whose actions during the SOC are consistent with the condition described in Section 11.1(a)(xi)(B)(2) will have its Receipt Point imbalances netted within that SOC area for that Day.

(b) If the system condition prompting the declaration of an SOC persists, Transporter, using its reasonable judgment, may declare a Critical Operating Condition ("COC").

(i) A COC will be declared for a specific Shipper(s) and/or a specific location(s) if they can be identified, and a specific direction (i.e., Pack or Draft). If a specific shipper or location COC is not appropriate, the COC will be declared for the North System, the South System, or the entire system. The Notice of COC will be issued using the notification procedures of Section 6.1(a)(xii) of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(b) Critical Operating Condition (Continued)

(ii) Declaration of a COC shall include identification of linepack status and whether the COC is a Pack COC or a Draft COC.

(A) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. undertakes from Transporter at a Delivery Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. overtakes from Transporter at a Delivery Point(s)).

(B) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. overdelivery into Transporter at a Receipt Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. underdelivery into Transporter at a Receipt Point(s)).

(iii) A COC will remain in effect until Transporter, in its reasonable judgment, determines that such operating conditions no longer exist and notifies its Shippers that it is lifting the COC. Such Notice will be provided using the notification procedures of Section 6.1(a)(xii) of the GT&C.

(iv) Except as provided in Section 33.2(e), Transporter must declare a COC before 12:00 p.m. (Mountain Clock Time) for such COC to apply to the current Gas Day. Should Transporter declare a COC after 12:00 p.m. (Mountain Clock Time), such COC shall apply to the next Gas Day. If a COC is declared, Shippers in the COC area must be in balance on the first Gas Day for which at least a four hour scheduling opportunity is available.

(v) In the event of an emergency situation where safety or the integrity of the segment, lateral or overall system is at immediate risk, Transporter may invoke a COC immediately without first declaring an SOC ("Emergency COC").

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(b) Critical Operating Condition (Continued)

(vi) Netting

(A) Transporter will allow a Shipper to net Delivery Point daily imbalances that occurred during the COC among the Shipper's various TSAs delivering to the affected COC area subject to the following conditions:

1. Shipper attempted to resolve such daily Delivery Point imbalances by: 1) submitting corrective nominations which were subsequently confirmed in the intraday scheduling cycles and/or 2) requesting a flow day diversion pursuant to Section 6.5 of the GT&C, and

2. Transporter's review after the COC event indicates that such netting did not allow for a greater risk to have been placed on any other Shipper or to the integrity of Transporter's system.

(B) Transporter will allow a Shipper to net Receipt Point daily imbalances that occurred during the COC among the Shipper's various TSAs within the affected COC area subject to the following conditions:

1. Shipper attempted to resolve such daily Receipt Point imbalances by submitting corrective nominations which were subsequently confirmed in the intraday scheduling cycles.

2. Transporter's review after the COC event indicates that such netting did not allow for a greater risk to have been placed on any other Shipper or to the integrity of Transporter's system.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)
(b) Critical Operating Condition (Continued)
(vii) Supply Failure
(A) Should a Draft COC be declared due entirely or in significant part to the failure of supplying Interconnects to make scheduled deliveries to Transporter (Transporter's system receipts fail) and if such supply failure is specifically noted in the COC declaration, any Shipper that generated a net pack daily imbalance within the declared COC area and whose actions during the COC are consistent with the condition described in Section 11.1(b)(vi)(A)(2) will have its Delivery Point imbalances netted within that COC area for that Day.

(B) Should a Draft COC be declared due entirely or in significant part to the failure of supplying Interconnects to make scheduled deliveries to Transporter (Transporter's system receipts fail) and if such supply failure is specifically noted in the COC declaration, any Shipper that generated a net pack daily imbalance within the declared COC area and whose actions during the COC are consistent with the condition described in Section 11.1(b)(vi)(B)(2) will have its Receipt Point imbalances netted within that COC area for that Day.

(viii) COC Daily Imbalance Charge

(A) During a COC, an COC Daily Imbalance Charge will be assessed to any Shipper in the COC area whose daily imbalance quantity at a Delivery Point is more than 3% of scheduled quantities or 2,000 dth, whichever is greater, unless reduced or eliminated pursuant to the provisions of Section 11.1(b)(vi) or 11.1(b)(vii). The calculation of the quantities not subject to penalty will be consistent with Section 10.5(b)(ii)(C)(1) and Section 10.6(b)(ii)(E) if the Shipper has elected the NAESB Swing method.

(B) During a COC, a COC Daily Imbalance Charge will be assessed to any Shipper in the COC area whose daily imbalance quantity at a Receipt Point is more than 3% of scheduled quantities or 2,000 dth, whichever is greater, unless reduced or eliminated pursuant to the provisions of Section 11.1(b)(vi) or 11.1(b)(vii).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)

(b) Critical Operating Condition (Continued)

(viii)(C) The COC Daily Imbalance Charge for the first Gas Day of an Emergency COC, as defined in Section 11.1(b)(v) above, will be determined by multiplying the daily imbalance quantity in excess of 3% of scheduled quantities or 2,000 dth, whichever is greater, by the Critical Condition Rate. Such charge for the subsequent Gas Day(s), if any, of an Emergency COC event will be determined by multiplying the total daily imbalance quantity by the Critical Condition Rate, as set forth in Section 1.10A of the GT&C.

(D) The COC Daily Imbalance Charge for a non-Emergency COC will be determined by multiplying the total daily imbalance quantity by the Critical Condition Rate.

(E) Pursuant to the Statement of Rates, the COC Daily Imbalance Charge shall be determined based on the applicable delivery variance quantity or the delivery variance percentage. The charge assessed shall be determined based on a factor of the Critical Condition Rate, pursuant to Section 1.10A of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)

(c) An SOC or COC Daily Imbalance Charge will not be billed to a Shipper within the SOC/COC area when the location of the Shipper's deliveries or receipts help relieve the SOC/COC under the following conditions:

(A) The direction of the Shipper's daily Delivery Point imbalance is a Pack when the SOC/COC notice is designated as a Draft; or

(B) The direction of the Shipper's daily Delivery Point imbalance is a Draft when the SOC/COC notice is designated as a Pack.

(C) The direction of the Shipper's daily Receipt Point imbalance is a Pack when the SOC/COC notice is designated as a Draft; or

(D) The direction of the Shipper's daily Receipt Point imbalance is a Draft when the SOC/COC notice is designated as a Pack.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)

(d) Shippers may rely on the operational flow data posted by Transporter as to daily receipt and delivery quantities in taking corrective actions to manage daily imbalances. If Shipper relied upon posted flow data and Shipper took actions to address a daily imbalance based upon such data, such reliance will not cause an SOC or COC Daily Imbalance Charge to be assessed. Transporter will review the accuracy of all daily imbalance quantities posted based on such operational flow data. The SOC and COC Daily Imbalance Charge quantity will be based on the lesser of the daily imbalance calculated pursuant to that operational flow data or the actual measured quantity as reported at the end of the Month.

(e) Transporter shall provide, as soon as available, SOC/COC Information.

(i) Preliminary Notifications and Follow-up Reports. Transporter will post on its EBB a Notice of SOC/COC containing the following provisions:

(A) time and date of issuance;

(B) Gas Day and time that the SOC/COC is considered to be effective;

(C) affected areas/parties;

(D) the applicable threshold level pursuant to Section 11.1(a)(viii), whether the problem is related to a Pack or Draft of the system and the status of linepack (i.e., high linepack or low linepack) pursuant to Sections 11.1(a) and 11.1(b);

(E) status of the applicable operational variables described above in Section 11.1(a) causing the SOC/COC;

(F) required actions to remedy the operational condition necessitating the SOC/COC;

(G) any other terms Transporter may reasonably require to ensure the effectiveness of the SOC/COC; and

(H) Threshold percentage for application of SOC or COC Daily Imbalance Charges.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)

(e) (ii) After the SOC or COC is lifted, Transporter will post on the EBB a review of the event requiring the issuance of the SOC/COC and the actions that were taken to resolve the SOC/COC event. This review will include, but not be limited to:

(A) duration of SOC/COC;

(B) areas/parties affected by the SOC/COC;

(C) applicable operating conditions including, but not limited to, Washington Ranch withdrawals/injections and inventory levels;

(D) actions taken by Transporter and known to be taken by Shippers that remedied the event requiring the issuance of the SOC/COC.

(f) Transporter may use Flow Control pursuant to the conditions and application set forth in Section 11.2 of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.1Strained and Critial Operating Condition Procedures (Continued)

(g) Nothing in this Section 11.1 is intended to supersede provisions of operational balancing agreements ("OBAs") at meters where Transporter is required to have an OBA, i.e., interstate pipelines and applicable intrastate pipelines or foreign pipelines that are the functional equivalent of an interstate or intrastate pipeline.

(h) If an SOC or COC has been declared or a warning of an impending SOC or COC has been issued in a specified direction (i.e., Pack or Draft), any hourly scheduling penalty or daily unauthorized overrun penalty assessed for actions in the opposite direction in the affected area will be billed at the non-Critical Condition rate during the SOC or COC, whether or not Transporter requested the Shipper to go out of balance in that direction, pursuant to Section 2.8 of Rate Schedule FT-1, Section 2.6 of Rate Schedule FT-2, Section 3.5 of Rate Schedule FTH-V, Section 3.6 of Rate Schedule FT-H, Section 3.7 of Rate Schedule NNTD and/or Section 3.7 of Rate Schedule NNTH.

(i) COC Safe Harbor Tolerance Quantities.

(A) For purposes of determining daily unauthorized overrun penalties during a COC, a Shipper's daily Safe Harbor Tolerance Quantities shall equal the greater of 3% multiplied by the TCD or 2,000 dth per Day.

(B) For purposes of determining hourly scheduling penalties during a COC, a Shipper's hourly Safe Harbor Tolerance Quantities shall equal the greater of 3% multiplied by the Shipper's Hourly Scheduled Entitlement (plus any no-notice quantities, if applicable) or 100 dth per hour and will be applicable to the specified COC area pursuant to Section 11.1(a).

(j) If in Transporter's reasonable judgment its error (e.g., computer system failure or data integrity discrepancy) causes Shipper to experience an SOC or COC Daily Imbalance Charge, such charge will not be assessed.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.2 Flow Control Equipment

Transporter has the right to install and/or use remote or manual flow control equipment ("Flow Control") to preserve the operational safety and reliability of its system. Transporter's use of Flow Control is subject to the following provisions.

(a) Pursuant to the provisions set forth in this Section 11.2(a), Transporter may exercise, using reasonable judgment and in a not unduly discriminatory manner, Flow Control to restrict or temporarily suspend the flow of gas into or out of its system.

(i) The use of Flow Control shall be on a specific Operator and/or location basis.

(ii) Except as otherwise provided in Section 11.2(a)(iv), prior to invoking Flow Control, Transporter shall provide at least eight hours advance notice to the affected Operator(s) by phone and email.

(iii) Except as otherwise provided in Section 11.2(a)(iv), Flow Control will be exercised consistent with Transporter's service obligations under its rate schedules and will not be used at the following locations:

(A) A location which is included in a pre-determined allocation methodology elected by an Operator (i.e., a location subject to penalty assessment pursuant to the hourly scheduling penalty provisions of Section 14.1 of the GT&C, the MDO/MHO Violation provisions of Section 4 of Rate Schedule OPAS (if applicable), and/or the SOC/COC Daily Imbalance Charge provisions of Section 11.1 of the GT&C).

(B) A location that is being operated within the parameters of an executed operational balancing agreement.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS
11.2 Flow Control Equipment (Continued)

(a) (Continued)

(iv) Transporter may exercise Flow Control under the following circumstances, notwithstanding anything in this Section 11.2 (but shall provide as much advance notice as reasonably possible):

(A) At the location(s) in the declared COC area, Transporter will provide at least one hour advance notice by phone and email to the affected Operator(s);

(B) When immediate shut-in of non-conforming gas (non-conforming gas is delineated by Section 3 of the GT&C) is necessary to preserve the safety or the integrity of the location, segment, lateral, or overall system. Natural gas that is subject to, and meets the requirements of Section 3.2 or 3.6 is not considered to be non-conforming gas for purposes of this Section 11.2(a);

(C) In an emergency situation where safety or the integrity of the location, segment, lateral, or overall system is at immediate risk and necessitates immediate shut-in of facilities; or

(D) When Transporter and Operator mutually agree to the use of Flow Control.

(b) In the event remote-controlled flow control equipment has not been installed by Transporter at a certain point and Transporter has repeatedly issued notice of intent to use flow control equipment manually or has repeatedly declared location-specific COCs at such point, Transporter may install, using reasonable judgment in a not-unduly discriminatory manner, at Operator's expense remote-controlled flow control equipment at such point to promote safety and reliability. Such payment requirement shall reflect Transporter's reasonable judgment.

(i) For purposes of this Section 11.2(b), "repeatedly" shall be deemed to be three notifications of intent to use Flow Control within a twelve-month period or three location-specific COC declarations within a twelve-month period.

(c) Transporter will not be held liable for any special, indirect, consequential, incidental or punitive damages to Operator resulting from Transporter's use of Flow Control that meets the requirements of this Section 11.2 except to the extent of gross negligence or willful misconduct of Transporter.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

11. SYSTEM OPERATIONAL PARAMETERS

11.3 Force Majeure

(a) A force majeure event shall mean unplanned or unanticipated events or circumstances that are not within the control of the party claiming suspension of its obligation and which such party could not have avoided through the exercise of reasonable diligence. A force majeure event includes, without limitation, acts of God, including fires, explosions, earthquakes or volcanic eruptions, storms, floods, and washouts; necessity for compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, either federal, Indian, state or local, civil or military; acts of a public enemy; wars and civil disturbances; strikes, lockouts or other industrial disturbances; failure of any third parties necessary to the performance by either Transporter or Shipper under the Executed TSA, breakage or accident to machinery or lines of pipe; the necessity for making repairs or alterations to machinery or lines of pipe due to an unplanned event; freezing of wells or pipelines; the necessity for testing (as required by governmental authority); inability to obtain necessary materials, supplies, permits, or labor to perform or comply with any obligation or condition of this Tariff; inability to obtain rights of way; and any other causes that are not reasonably in the control of the party claiming suspension.

(b) A force majeure event shall include shutdowns for purposes of necessary repairs, relocations, or construction of facilities associated with any of the events described in Section 11.3(a) above. Transporter shall exercise reasonable diligence to schedule maintenance so as to minimize or avoid service interruptions.

(c) If, because of a force majeure event, either Transporter or Shipper is rendered unable, wholly or in part, to perform its obligations under a TSA, and if such party gives notice of such event within a reasonable period of time and provides full particulars of the event in writing or by electronic communication (other than telephone), nonperformance of the party giving such notice shall be excused during the continuance of such event and to the extent its performance is affected by such event. The party claiming force majeure shall use due diligence to remedy its nonperformance with all reasonable dispatch, including the making of provision for such alternate performance as may be economical and practical.

(d) No force majeure event affecting the performance by Transporter or Shipper shall relieve such party of liability in the event of its concurring negligence, where such negligence was a cause of the force majeure event, or in the event of 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 either party from its obligations to make payments due.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

12. BILLING AND PAYMENT

12.1 Billing - On or before the ninth Business Day of each Month Transporter shall render to Shipper an invoice evidencing the bill for services rendered to Shipper under the Executed TSA during the preceding Month. When Shipper is in control of information required by Transporter to prepare invoices, Shipper shall cause such information to be received by Transporter on or before the fifth Business Day of the Month immediately following the Month to which the information applies.

(a) Invoices shall be deemed rendered when Transporter posts notification on its EBB that invoices are approved or final, unless the Shipper has elected to have invoices rendered via U.S. mail. If the Shipper elects to have invoices rendered via U.S. mail, then Shipper's invoice shall be deemed rendered if Transporter places such invoice in the U.S. mail service with sufficient postage for delivery to the person and address designated pursuant to the applicable TSA.

(b) A Shipper may request a complimentary e-mail notification provided that it is the Shipper's responsibility to maintain current e-mail information on Transporter's EBB to ensure delivery.

(c) A Shipper may elect to change its invoice delivery mechanism by notifying Transporter before the end of the month to be effective for the next billing cycle.

12.2 Payment by Wire Transfer - Payment to Transporter for services rendered during the preceding Month shall be due 11 Days from the date the invoice for such service was issued by Transporter and shall be paid by Shipper on or before such due date. Subject to the provisions of Section 12.3 of the GT&C, Shipper shall make such payment to Transporter by wire transfer in immediately available funds to a depository designated by Transporter. When the due date falls on a Day that the designated depository is not open in the normal course of business to receive Shipper's payment, Shipper shall cause such payment to be actually received by Transporter on or before the first Business Day on which the designated depository is open after such due date.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

25. HOURLY ENTITLEMENT ENHANCEMENT NOMINATION (Continued)

25.2 HEEN Specifications (Continued)

(a) (Continued)

(i) For Rate Schedule FT-1 Shippers, the sum of all Hourly Scheduled Entitlements for any Segment may not exceed on a firm basis in any one hour 1/24th of the sum of all of the Shipper's TCD.

(ii) For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on a primary basis for any Segment may not exceed on a firm basis in any one hour the peak hour entitlement under the Shipper's TCD.

(iii) For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on an alternate basis for any Segment may not exceed on a firm basis in any one hour the peak hour entitlement under the Shipper's TCD.

(iv) For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on a primary basis for any Delivery Point may not exceed on a firm basis in any one hour the Hourly Contract Entitlement.

(v) For Rate Schedule FTH-V, FT-H, NNTD and NNTH Shippers, the sum of all Hourly Scheduled Entitlements used on an alternate basis for any Delivery Point may not exceed on a firm basis in any one hour the Hourly Contract Entitlement.

(b) Confirmed HEEN nominations will be scheduled by Transporter except for reasons of force majeure and other circumstances in which nominations may be reduced under the terms of this tariff and then only on the affected Segments of its system.

(c) Shipper shall not make HEEN nominations in excess of a reasonable forecast of its needs.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

12. BILLING AND PAYMENT (Continued)

12.3 Payment Other Than by Wire Transfer - In the event in any Month, that Shipper does not make payment by wire transfer, then payment to Transporter for services rendered during the preceding Month shall be due ten Days from the date the invoice for such service was issued by Transporter. Shipper shall cause payment for such bill to be actually received on behalf of Transporter at a depository designated by Transporter, on or before such due date. When the due date falls on a Day that the designated depository is not open in the normal course of business to receive Shipper's payment, Shipper shall cause such payment to be actually received on or before the last Business Day on which the designated depository is open prior to such due date. The address of the designated depository shall be set forth on each invoice presented to Shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

12. BILLING AND PAYMENT (Continued)

12.4 Failure to Pay Bills. Should Shipper fail to pay all of the amount of any bill for gas delivered under the Executed TSA when such amount is due, as herein provided, Shipper shall pay Transporter interest on the unpaid balance that shall accrue on each Day beginning on the Day such payment was due at a rate of interest equal to, and compounded in accordance with, the provisions of 18 CFR Section 154.501(d). Shipper shall submit supporting documentation and Transporter shall apply payment per the supporting documentation supplied by Shipper, except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date (NAESB WGQ Standard 3.3.17). If payment differs from the amount invoiced, Shipper shall provide remittance detail with the payment. However, unless Shipper provides documentation specifying otherwise, if either principal or interest are due, any payments thereafter received shall first be applied to the interest due, then to the previously outstanding principal due and, lastly, to the most current principal due. Shipper shall not be required to pay interest of less than $100.

12.5 Termination of service. Subject to requirements of regulatory bodies having jurisdiction and without prejudice to any other rights and remedies available to Transporter under the law and the Executed TSA, Transporter shall have the right to terminate transportation service using the following notification procedures without obtaining additional prior approval from the Commission if any amount billed to Shipper remains unpaid for more than thirty (30) Days after the due date thereof. If the defaulting Shipper has released a portion of its capacity, then Transporter shall also comply with the requirements of Section 9.24.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

12. BILLING AND PAYMENT (Continued)

12.5 Termination of Service (Continued)

(a) First Notice: On or about ten Days after the due date of any payment, Transporter shall provide written notice to the defaulting Shipper and to the FERC that service may be terminated in 30 Days unless payment is received;

(b) Second Notice: On or about 20 Days after the due date of any payment, Transporter shall provide written notice to the defaulting Shipper that service may be terminated in 20 Days unless payment is received;

(c) Final Notice: On or about 30 Days after the due date of any payment, Transporter shall provide written notice to the defaulting Shipper that service will be terminated unless payment is received within ten Days.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

12. BILLING AND PAYMENT (Continued)

12.6 In the event of a bona fide dispute between the parties concerning the amount of an invoice submitted to a Shipper, Transporter shall not terminate transportation service under the notification procedure outlined above when Shipper acts in a timely manner to provide additional information and security for Transporter in accordance with the following procedures.

(a) Identify Dispute: Within fifteen (15) Days after the due date of any payment, Shipper shall notify Transporter by written correspondence of the amount billed that is in bona fide dispute and of all reasons and supporting statements as to why Shipper believes full payment is not now appropriate; and

(b) Payment Security: Within thirty (30) Days after the due date of any payment, Shipper shall either pay in full the total amount billed without prejudice to Shipper's rights to dispute all or part of said amount and subject to return by Transporter of funds paid which are part of the disputed amount so identified, with interest calculated in accordance with Section 12.4 of the GT&C, after resolution of that dispute in favor of Shipper, or pay the undisputed portion of the amount billed in full and furnish documentation identifying the basis for the dispute. Shipper shall furnish good and sufficient payment security, acceptable to Transporter, of all amounts ultimately found due after resolution of the dispute, including the amount now in dispute plus the estimated interest calculated in accordance with Section 12.4 of the GT&C that accrues until resolution of the dispute, which may be reached either by agreement or judgment of a court of competent jurisdiction; provided, however, neither Transporter nor Shipper shall calculate or pay interest on any billed amounts of less than $10,000. If resolution of the dispute is in favor of Shipper and the Shipper furnished a surety bond instead of paying the disputed amount, then Transporter shall refund to Shipper the costs incurred in securing that surety bond for this dispute. This section does not apply to ordinary adjustments of overcharges and undercharges in accordance with Section 12.7 of the GT&C.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

12. BILLING AND PAYMENT (Continued)

12.7 Adjustment of Overcharge and Undercharge. If it shall be found that at any time or times, within the time limits of Section 12.8 of the GT&C, Shipper has been overcharged or undercharged in any form whatsoever under the provisions hereof as a result of an error in billing for which Transporter is solely responsible and Shipper shall have actually paid the bill containing such overcharge or undercharge, then, unless mutually agreed otherwise, within thirty (30) Days after the final determination thereof, and except where otherwise required by statute, rule, regulation or order, Transporter shall refund the amount of any such overcharge, with interest thereon at the then effective rate computed in the same manner as set forth in Section 12.4 of the GT&C, and Shipper shall pay the amount of any such undercharge, with interest thereon at the then effective rate computed in the same manner as set forth in Section 12.4 of the GT&C.

12.8 Adjustment of Errors. In the event an error is discovered in any invoice that Transporter renders, such error shall be adjusted within thirty (30) Days of the determination thereof provided that any claim for prior period adjustment must be made within six Months from the date of the initial transportation invoice with a three Month rebuttal period, except in the case of deliberate omission or misrepresentation or mutual mistake of fact.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

13. FUEL AND L&U

13.1 Fuel and L&U consist of compressor station fuel and fuel for other utility purposes, including but not limited to line losses and other unaccounted-for gas in the operation of Transporter's pipeline system. Fuel and L&U shall be furnished in-kind by Shippers at each applicable receipt point.

13.2 The Fuel and L&U Percentages shall be stated on the Statement of Rates and shall apply to those Rate Schedules requiring assessment of Fuel and L&U.

(a) All transactions regardless of type will be assessed a Fuel and/or L&U charge.

(b) Fuel will be assessed on each segment where fuel is actually consumed.

13.3 The Fuel and L&U Percentages shall be recomputed annually using the procedures described in this section.

(a) Transporter shall file the proposed Fuel and L&U percentages to become effective on January 1 of each calendar year after appropriate FERC review and notice.

(i) For the Fuel and L&U percentages to be effective January 1, 2006, the data collection period used to establish the percentages will be the 12 months ending March 31, 2005.

(ii) For the Fuel and L&U Percentages to be effective January 1, 2007, the data collection period used to establish the percentages will be the 18 Months ending the previous September 30, 2006. Commencing on January 1, 2008 and for each year after that, the data collection period will be the 12 Months ending the previous September 30 except with regard to the Fuel and L&U Requirement Adjustments data collection periods described below.

(1) For the Fuel and L&U Requirement Adjustments ("Adjustment") described in Section 13.6, the data collection period will commence with January 1, 2006 production through September 30, 2006 for the percentages to be effective January 1, 2007. For each year after that, the Adjustment data collection period will be the 12 Months ending the previous September 30.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

13. FUEL AND L&U (Continued)

13.3 Annual Recomputation of Fuel and L&U Percentages (Continued)

(b) Information related to the purchase and sale of gas for Fuel shall be included in Transporter's annual Fuel and L&U Filing. Such information shall include: (i) the source of the gas purchased/sold, (ii) the date(s) of such purchase/sale, (iii) the gas quantities, (iv) the purchase/sale price, (v) the costs and revenues from the purchase/sale, and (vi) the disposition of the associated costs and revenues.

13.4 Fuel charges will be separated into the following defined categories: Mainline Fuel, Production Area Fuel, Permian to Anadarko Fuel, and Interruptible Storage Service Fuel. Any quantities physically transported on the system and related Fuel shall be considered mainline quantities and Mainline Fuel unless they fall into one of the following categories.

(a) Production Area Fuel - Fuel charges will be assessed on quantities physically transported where the receipts and deliveries occur within one supply basin (e.g. Anadarko, Permian, or San Juan). The quantities and related Fuel attributable to Production Area transportation shall be deducted from the total mainline quantities and related mainline Fuel for purposes of this section.

(b) Permian to Anadarko Fuel - Fuel charges will be assessed on quantities physically transported from the Permian Basin to the Anadarko Basin. The quantities and related Fuel consumed in providing this service shall be deducted from the total mainline quantities and related mainline Fuel so long as those stations are moving gas north/east from Plains Station.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

13. FUEL AND L&U (Continued)

13.4 (Continued)

(c) Interruptible Storage Service Fuel - Fuel will be assessed on quantities of gas injected into Washington Ranch related to storing gas for Shippers using this service. A description of this fuel component is found in Section 13.5.

(d) For transportation services where no Fuel is consumed, Fuel will not be assessed and such transportation quantities shall not be included in the calculation of mainline quantities when the entire transportation service is provided using the no-fuel segments identified below.

(i) Topock to Franconia Junction
(ii) Franconia Junction to Ash Fork
(iii) Ash Fork to Valve City
(iv) Ehrenberg to Wenden
(v) Wenden to Franconia Junction
(vi) North Phoenix to Ash Fork
(vii) Valve City to Ignacio (except Blanco and Rio Vista receipts)
(viii) Plains to Valve City
(ix) Casa Grande to Cornudas
(x) Cornudas to Plains (by way of Guadalupe, Pecos River and Eunice)
(xi) Virtual Area routes:
(1) Guadalupe to Wink
(2) Pecos River to Keystone
(3) Keystone to Goldsmith
(4) Wink to Keystone
(5) Waha to Terrell
(6) Goldsmith to Ector
(xii) Transactions where the receipt and delivery point are in the same plant or meter yard and do not require compression (example: PG&E Topock to SOCAL Topock).

(e) Transporter shall not assess or collect a fuel reimbursement from a Shipper when the entire transportation service is provided using the DAGMOJ to Ehrenberg segment using Line 1903 since Fuel is not consumed. However, shippers using this segment will be subject to the applicable EPNG and Mojave L&U charges.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

13. FUEL AND L&U (Continued)

13.4 (Continued)

(f) Short-term no-fuel route designations will be posted on Transporter's EBB. Shipper may request Transporter to conduct a fuel-use review of any route. Any changes to a short-term no-fuel path will be posted to the EBB at least three business days prior to the beginning of the month. Short-term no-fuel designations will be identified and described in Transporter's annual fuel tracker filings.

13.5 Interruptible Storage Service Fuel

(a) Fuel charges related to Interruptible Storage Service, Rate Schedule ISS Fuel ("ISS Fuel"), shall be calculated using the share of Washington Ranch compression and dehydration fuel related to storing the interruptible quantities for Shippers under this service and will be deducted from the calculation of total mainline Fuel.

(b) ISS Fuel will only be charged on injection quantities for this service.

(c) Shippers electing to use ISS will be assessed separately for the applicable transportation Fuel and the L&U percentages for transportation service to Washington Ranch. When ISS gas is withdrawn from Washington Ranch and introduced into the transmission system, it will be recognized as a separate transaction and will be assessed the applicable transportation Fuel and L&U percentages.

13.6 Derivation of Fuel and L&U Percentages

(a) The Mainline Fuel Percentage shall be equal to the sum of the Mainline Fuel Requirement, the Mainline Fuel Requirement Adjustment and the share of Washington Ranch compression and dehydration fuel ("WRf") related to the provision of system flexibility for transmission service (numerator) divided by the projected mainline receipt quantities related to the anticipated transportation service for Mainline Transportation during the upcoming period (denominator).

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

13. FUEL AND L&U (Continued)

13.6(a) (Continued)

$$\text{Fuel charge} = \frac{\text{Mainline Fuel Requirement} + \text{Mainline Fuel Requirement Adjustment} + \text{WRf (only used in mainline Fuel calculation)}}{\text{Projected mainline receipt quantities related to the anticipated transportation service for mainline transportation}}$$

(i) The Mainline Fuel Requirement shall be the quantity of gas used by Transporter during the applicable data collection period that is required to support Mainline Transportation under all applicable Rate Schedules during the upcoming period. Transportation service involving transactions that do not involve the assessment of Fuel, as well as transactions charged based on actual Fuel used, will be adjusted to reflect the actual quantities collected.

(ii) The Mainline Fuel Requirement Adjustment shall be the quantity of gas which is the difference between: (i) the actual quantities of mainline Fuel experienced by Transporter during the applicable data collection period and (ii) the quantities of mainline gas retained for Fuel by Transporter during that period.

(iii) The Mainline Receipt Quantities shall be the quantity of gas moved during the applicable data collection period that is required to support mainline transportation service under all applicable Rate Schedules during the upcoming period.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

13. FUEL AND L&U (Continued)

13.6 (Continued)

(b) The three Production Area Fuel Percentages (Anadarko, Permian, and San Juan) shall be calculated in the same manner as the Mainline Fuel Percentage, using the data described in Sections 13.4(a) and 13.6 in place of mainline data.

(c) The Permian to Anadarko Transportation Fuel Percentage shall be calculated in the same manner as the Mainline Fuel Percentage, using the data described in Sections 13.4(b) and 13.6 in place of mainline data.

(d) The ISS Fuel Percentage shall be calculated in the same manner as the mainline Fuel percentage, using the data described in Sections 13.5 and 13.6 in place of mainline data.

(e) The derivation of the Fuel percentages described above shall include the fuel quantity attributable to electric compression facilities, if any. Electric fuel costs shall be converted to an equivalent quantity of gas by dividing Transporter's actual electric expenses during the data collection period by the Monthly System Cash Out Index Price for the appropriate Month. This quantity of gas shall be included in the category; mainline, Production Area, Permian to Anadarko, or ISS Fuel where the electric expenses occurred.

(f) The L&U Percentage shall be calculated in the same manner as the mainline Fuel percentage using L&U data in place of mainline data.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

14. PENALTIES

14.1 The penalty provisions found in this Section 14.1 shall be applicable to Rate Schedules FT-1, FT-2, FTH-V, FT-H, NNTH, NNTD and IT-1 as described below.

(a) Shipper shall pay only one penalty/charge when Shipper's actions result in hourly scheduling penalties, daily unauthorized overrun penalties, and/or Critical Condition charges. Shipper shall pay the highest of the hourly scheduling penalty pursuant to this Section 14.1, the daily unauthorized overrun penalty pursuant to the applicable rate schedule, or the Critical Condition charge pursuant to Section 11.1 of the GT&C.

(i) Shipper's invoice(s) shall not include assessment for a charge or penalty of less than two hundred dollars ($200).

(b) Hourly Scheduling Penalty

(i) Shipper shall pay an hourly scheduling penalty in each hour when Shipper's Hourly Scheduling Penalty Quantity exceeds the sum of: 1) the applicable Safe Harbor Tolerance Quantities specified in Section 14.1(b)(ii), and 2) any Rate Schedule IHSW quantities, if applicable, at a Delivery Point. In any such hour, Shipper shall pay an amount obtained by multiplying the hourly scheduling penalty rate set forth on the Statement of Rates by the Hourly Scheduling Penalty Quantity less: 1) the applicable Safe Harbor Tolerance Quantities specified in Section 14.1(b)(ii), and 2) any Rate Schedule IHSW quantities, if applicable.

(ii) In non-Critical Conditions, Shipper is entitled to the hourly Safe Harbor Tolerance Quantities equal to the greater of 13% of Shipper's Hourly Scheduled Entitlement at the Delivery Point or 200 dth per hour. In Critical Conditions, Shipper is entitled to hourly Safe Harbor Tolerance Quantities as determined and applied pursuant to Sections 11.1(a)(viii)(C) and 11.1(i).

(iii) For purposes of the allocation of delivery quantities, hourly scheduling penalties shall be treated in accordance with Section 10.5.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

14. PENALTIES
14.2 Crediting of Penalties

(a) SOC and COC Daily Imbalance Charges. Should Transporter collect SOC or COC Daily Imbalance Charges pursuant to Section 11.1 of the GT&C, Transporter shall credit the collected charges to all non-offending transportation Shippers by invoice credit, if available, if not, then by check. However, Transporter will first retain certain amounts for service if a Shipper would have incurred a daily unauthorized overrun penalty if not for being billed an SOC or COC Daily Imbalance Charge pursuant to the computations supporting the higher-of-test of footnote 7 contained on the Statement of Rates. The amount to be retained shall be equal to the applicable 100% load factor rate for the applicable rate schedule multiplied by the daily unauthorized overrun penalty quantities that were compared under the higher-of-test. Credits to Shippers shall be made on a pro rata basis, based on an eligible Shipper's transportation service revenues paid each Month. A monthly credit will not be provided to a Shipper that incurred a SOC and/or COC penalty during a Critical Condition in that Month. The sum of the monthly credits for a calendar year shall be made annually no later than the March statement subsequent to the end of the annual period.

(b) Retained Gas Crediting. In the event gas is retained pursuant to Rate Schedule PAL, Rate Schedule ISS, or Rate Schedule FDBS, the value of such gas, less Transporter's costs, shall be credited annually to all firm and interruptible Shippers by invoice credit, if available, if not, then by check. The retained gas value will be determined by multiplying the quantity (dth) of the gas retained by the Monthly System Cash Out Index Price posted monthly on Transporter's EBB for the Month in which gas was retained.

(c) Acquired Gas Crediting. In the event Shipper is required to pay for gas that Shipper fails to redeliver to Transporter pursuant to Rate Schedule PAL, the value of such gas, net of Transporter's replacement gas costs, shall be credited annually to all firm and interruptible Shippers by invoice credit, if available, if not, then by check.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

14. PENALTIES
14.2 Crediting of Penalties
(d) Daily Unauthorized Overrun Penalties.

(i) Should Transporter collect non-Critical Condition daily unauthorized overrun penalties, Transporter shall first retain an amount equal to the daily unauthorized overrun quantity times the 100% load factor rate for the applicable rate schedule(s) to reflect the service provided and then shall credit the residual penalty amounts to all firm and interruptible Shippers by invoice credit, if available, if not, then by check. Credits to Shippers shall be made on a pro rata basis, based on a Shipper's transportation service revenues paid each Month. The sum of the monthly credits for a calendar year shall be made annually no later than the March statement subsequent to the end of the annual period.

(ii) Should Transporter collect Critical Condition daily unauthorized overrun penalties, Transporter shall first retain an amount equal to the daily unauthorized overrun quantity times the 100 percent load factor rate for the applicable rate schedule(s) to reflect the service provided and then shall credit the residual penalty amounts to all firm and interruptible Shippers by invoice credit, if available, if not, then by check. A monthly credit will not be provided to a Shipper that incurred a penalty during a Critical Condition in that Month. Credits to Shippers shall be made on a pro rata basis, based on a Shipper's transportation service revenues paid each Month. The sum of the monthly credits for a calendar year shall be made annually no later than the March statement subsequent to the end of the annual period.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

14. PENALTIES

14.2 Crediting of Penalties

(e) Hourly Scheduling Penalty.

(i) Should Transporter collect non-Critical and/or Critical Condition hourly scheduling penalties, Transporter shall credit the collected penalties to all firm and interruptible Shippers by invoice credit, if available, if not, then by check. However, Transporter will first retain certain amounts for service if a Shipper would have incurred a daily unauthorized overrun penalty if not for being billed an hourly scheduling penalty pursuant to the higher-of-test of footnote 7 contained on the Statement of Rates. The amount to be retained shall be equal to the applicable 100% load factor rate for the applicable rate schedule multiplied by the daily unauthorized overrun penalty quantities that were compared under the computation supporting the higher-of-test. Credits to Shippers shall be made on a pro rata basis, based on a Shipper's transportation service revenues paid each Month. The sum of the monthly credits for a calendar year shall be made annually no later than the March statement subsequent to the end of the annual period.

(f) MDO/MHO Violation Penalties.

(i) Should Transporter collect non-Critical and/or Critical Condition MDO/MHO violation penalties pursuant to Rate Schedule OPAS, Transporter shall credit the collected penalties to all firm and interruptible Shippers by invoice credit, if available, if not, then by check. However, Transporter will first retain certain amounts for service where the DP Operator and the Shipper are the same and where a Shipper would have incurred a daily unauthorized overrun penalty if the DP Operator had not been billed an MDO/MHO violation penalty pursuant to the higher-of-test requirement of Section 4.4 of Rate Schedule OPAS. The amount to be retained shall be equal to the applicable 100% load factor rate for the applicable transportation rate schedule multiplied by the daily unauthorized overrun penalty quantities that were compared under the computations supporting the higher-of-test. Credits to Shippers shall be made on a pro rata basis, based on a Shipper's transportation service revenues paid each Month. The sum of the monthly credits for a calendar year shall be made annually no later than the March statement subsequent to the end of the annual period.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

14. PENALTIES

14.2 Crediting of Penalties

(g) If Transporter buys gas quantities to maintain system linepack as a result of imbalances owed to Transporter, the difference between the cost of gas based on the Monthly Cash-Out Index Price (i) when the imbalances occurred and (ii) when Transporter bought gas to maintain linepack shall be included in the determination of the credit amounts pursuant to Sections 14.2(a) through 14.2(f), unless otherwise accounted for in Transporter's Fuel mechanism pursuant to Section 13.

(h) Transporter will calculate and credit to Shippers as appropriate, interest on monies collected pursuant to Sections 14.2(a) through 14.2(f). Such interest will be calculated in accordance with Section 154.501(d) of the Commission's Regulations.

(i) After collection of the additional reservation charge from an Emergency Shipper pursuant to the provisions of Section 6.2(a)(vii) of the GT&C, Transporter will credit said additional charges actually collected from the Emergency Shipper to those firm Shippers that received less than their capacity scheduled for that Day. Such credit shall be made annually on a pro rata basis based upon the quantity of scheduled capacity which a Shipper did not receive divided by the sum of all such quantities for all such Shippers. This provision does not limit the rights of a firm Shipper whose capacity was allocated to the Emergency Shipper from seeking damages from that Shipper, where appropriate.

(j) Transporter will file a penalty crediting report annually at FERC.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

26. FUEL AND L&U (Continued)

26.7 Fuel Savings Sharing Mechanism - Transporter may elect to incur the cost of a capital project designated by Transporter to reduce the amount of Fuel consumed on its system in exchange for a share of the projected savings attributable to such capital project. For any such capital project designated by Transporter in an annual Fuel filing and placed into service, Transporter shall include in the Fuel retention calculation 80 percent of the projected annual Fuel consumption savings for a seven-Year period from the in-service date of the capital project (such projections to be made on the design conditions of the facility modification as applied to reasonably expected operating conditions). As a result, Transporter's system Fuel rates paid by its Shippers shall reflect 20 percent of such Fuel savings associated with the designated projects for the first seven Years following the in-service date of the project, although such savings are not expected to be detailed as a separate line item. Shippers will receive all actual Fuel savings associated with such projects thereafter. Transporter shall be solely responsible for all capital costs in a qualifying and designated project and shall not include such costs in its rates in future rate proceedings.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

15. REVENUE SHARING MECHANISM

15.1 This Section 15 will become applicable only when Transporter collects Short-Term Rates that exceed the related Long-Term Rates.

15.2 Total Jurisdictional Revenue, for purposes of this Section 15, shall only include revenue collected under Transporter's rate schedules. Total Jurisdictional Revenue shall not include amounts otherwise credited to Shippers under Transporter's Tariff, revenues otherwise not retained by Transporter or the other revenues specifically listed below.

(a) Total Jurisdictional Revenue shall not include: penalty revenue credited to Shippers; revenue associated with ACA Surcharges and any other FERC-required surcharges in which revenue collected by Transporter is not retained by Transporter, as in the case of the ACA Surcharge; revenue that compensates Transporter for the cost of service of new, incrementally-priced facilities added to Transporter's system after December 31, 2008, to the extent such facilities add new mainline or new lateral capacity to Transporter's system (to the extent such new lateral capacity does not utilize existing mainline capacity); revenue recorded to Account Nos. 490, 491, 492, 493, 494 and 495.

(b) For revenue crediting purposes, revenue for prior period adjustments will be considered as revenue for the production Month for which Transporter invoiced the service which generated such revenue.

15.3 Beginning January 1, 2009, if Transporter's Total Jurisdictional Revenue collections in a calendar year exceed the annual cost of service established in the Docket No. RP08-426-000 rate case, Transporter shall provide a credit to all Shippers by using the method described below.

(a) Transporter shall compute the amount of annual Total Jurisdictional Revenue that exceeds the annual cost of service.

(b) Transporter shall compute the amount of revenues from Short-Term Rate transactions to the extent the Short-Term Rate exceeded the related Long-Term Rate.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

15. REVENUE SHARING MECHANISM

15.3 (Continued)

(c) The lesser of the revenues computed pursuant to Sections 15.3(a) and 15.3(b) will be multiplied by 75% and that product will be credited to Shippers. Transporter shall retain the remaining 25%. If there is no revenue resulting from the computation pursuant to Section 15.3(a), no credit will be issued.

(d) Revenue crediting will occur in March of each year and shall be allocated among all Shippers pro rata based on the Total Jurisdictional Revenues received from each such Shipper in relation to the Total Jurisdictional Revenues received from all Shippers.

15.4 If Transporter provides revenue sharing credits for a yearly period, it will file a refund report with FERC detailing the applicable revenue sharing activity no later than June 1 of the following Year.

15.5 This Section 15 shall terminate upon the effectiveness of any general system-wide rate case filed after January 1, 2009.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

16. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to Rate Schedules FT-1, FTH-V, FT-H, FDBS, NNTD and NNTH Shippers when it is unable to schedule such Shippers' nominated and confirmed quantities on a firm daily basis, subject to the following conditions:

16.1 Reservation charge credits shall not be applicable:

(a) When a Shipper:

(i) fails to properly nominate or confirm pursuant to the scheduling timeline of Section 6.1 of the GT&C and the other scheduling provisions of the Tariff,

(ii) underdelivers gas to Transporter and adversely affects system integrity pursuant to Section 6.3 of the GT&C,

(iii) fails to deliver gas that conforms to the quality specifications detailed in Section 3 of the GT&C, or

(iv) does not comply with Critical Operating Condition requirements pursuant to Section 11.1(b).

(b) To quantities in excess of Shipper's TCD under its firm TSA, to quantities in excess of the Path Quantity or contractual MRQ specified at a particular Receipt Point or contractual MDQ specified at a particular Delivery Point or when the Operator exceeds the maximum MDO under an OPASA covering the Delivery Point; and

(c) To a primary firm Shipper that is unable to schedule at a Receipt or Delivery Point or mainline Segment due to the point or Segment being scheduled by an alternate firm Shipper that was properly scheduled in an earlier nomination cycle that is not eligible to be reduced (bumped) in the current cycle; and

(d) To transactions using point or path rights scheduled as Flow Point Secondary, Flow Path Secondary, First Alternate and Second Alternate Capacity, as defined in Section 1 of the GT&C. However, reservation charge credits shall be applicable to quantities scheduled to non-primary points, to the extent Transporter is unable to schedule Shipper's nominated quantities due to a constraint occurring on the portion of the primary Flow Path utilized by that Shipper for that Gas Day.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

16. RESERVATION CHARGE CREDIT (Continued)

16.2 Subject to the provisions of Section 16.1, reservation charge credits shall apply to:

(a) Quantities nominated and confirmed to primary delivery points in Cycle 2, but which Transporter was unable to schedule due to a capacity shortfall;

(b) Quantities scheduled to primary delivery points in Cycle 2 that are subsequently reduced in Cycle 3 due to a capacity shortfall; and

(c) Quantities nominated and confirmed to primary delivery points in Cycle 3 but which Transporter was unable to schedule due to a capacity shortfall.

16.3 Reservation charge credits shall be calculated as follows:

(a) The quantity on which credits are payable shall be calculated as follows and shall be adjusted for the requirements of Sections 16.1 and 16.2. The credit shall be payable on the sum of:

(i) 100% of the total for the Month of the Cycle 2 primary confirmed nominations minus the total for the Month of the Cycle 2 scheduled quantities as adjusted for purposes of this computation by Sections 16.1 and 16.2 (a) and (b);

(ii) 100% of the total for the Month of the new Cycle 3 primary confirmed nominations for each Day minus the total for the Month of the Cycle 3 scheduled quantities as adjusted for purposes of this computation by Sections 16.1 and 16.2(c).

In no event shall the same dth of gas be included more than once in such calculation.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

16. RESERVATION CHARGE CREDIT (Continued)

16.3 Reservation charge credits shall be calculated as follows (Contd.):

(b) During periods when Transporter does not experience a force majeure event:

(i) The reservation charge credit shall be the product of the quantity determined in Section 16.3(a) multiplied by the contract reservation rate stated on a daily basis.

(c) During periods when Transporter experiences a force majeure event:

(i) The reservation charge credit shall be the product of the quantity determined in Section 16.3(a) multiplied by the contract reservation rate stated on a daily basis times the percent of the currently effective reservation rates that represent Transporter's equity return and associated income taxes. This percentage will be re-determined on the effective date of a general system-wide rate change. Effective January 1, 2009, the percentage shall be 38.47%.

(ii) Reservation charge credits under discounted TSAs shall be applicable only to that portion of the discounted rate that exceeds the current non-equity return and associated tax portion of the maximum reservation rate. This percentage will be re-determined on the effective date of a general system-wide rate change. Effective January 1, 2009, the percentage shall be 61.53%.

(d) Any reservation charge credit payable shall be reflected on the Shipper's monthly invoice and shall be applied to offset any outstanding transportation past due balances owed by Shipper.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

16. RESERVATION CHARGE CREDIT (Continued)

16.4 Reservation charge credits applicable to TSAs that are not in effect due to termination or seasonal service shall be paid by Transporter to Shipper in dollars no later than the 15th Day of the second Month following the Month the credit was generated.

16.5 Notwithstanding the above nor the provisions of Rate Schedule FDBS, the following shall also apply to reservation charge credits for Rate Schedule FDBS service:

(a) Reservation charge credits shall not be applicable:

(i) When a Shipper nominates, and DP Operator has confirmed, in excess of 90% of a Delivery Point MDQ on the related FT TSA; or

(ii) To quantities in excess of Shipper's MDQ at a particular Delivery Point as specified on the Rate Schedule FDBS TSA.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

17. MISCELLANEOUS SURCHARGES

17.1 Annual Charge Adjustment Provision

(a) Purpose - This Section 17.1 establishes an Annual Charge Adjustment Provision ("ACA") which will permit Transporter to recover from its Shippers the annual charges assessed to Transporter by the Commission under Part 382 of the Commission's Regulations.

(b) Applicable Customers - The ACA is applicable to each rate schedule contained in Volume Nos. 1A and Volume No. 2 FERC Gas Tariff as identified on the Statement of Rates in each volume.

(c) Adjustment Date - The ACA unit charge shall be filed with the Commission by Transporter at least thirty (30) Days prior to the proposed Adjustment Date unless a shorter period is specifically requested and permitted by the Commission. The Adjustment Date shall be October 1 of each Year or as directed by an order of the Commission. On the Adjustment Date, Transporter shall increase or decrease the ACA unit charge to each of the applicable rate schedules as authorized by the Commission to be recovered by Transporter. For those rate schedules with a two-part rate, the ACA unit charge shall only apply to the usage component of such rate.

(d) Effective Date - The ACA unit charge shall become effective October 1 of each Year or as directed by an order of the Commission if:

(i) Transporter has paid the applicable annual charge in compliance with Section 382.103 of the Commission's Regulations; and

(ii) the ACA unit charge is not subject to suspension or refund obligation.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

17. MISCELLANEOUS SURCHARGES

17.2 Gas Research Institute Funding

(a) Purpose - Transporter has joined with other enterprises in the formation of and participation in the activities and financing of the Gas Research Institute ("GRI"), an Illinois non-profit corporation. GRI has been organized to sponsor research, development and demonstration ("RD&D") programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers and the general public.

(b) "Check the Box" Procedure - Transporter has agreed to be a collection agent for shippers who voluntarily choose to support GRI programs through a "check the box" procedure on Transporter's invoices. If requested by the shipper, Transporter will bill and collect on the monthly transportation invoice an amount specified by the shipper on behalf of GRI. The amounts collected will be remitted to GRI in accordance with the requirements of Section 17.2(c). The amounts collected pursuant to this procedure will not be part of Transporter's rates and the Commission will not review any such amounts or programs.

(c) Disposition of GRI Funding Revenues - Transporter shall remit to GRI the total revenues received from Shippers pursuant to Section 17.2(b) within fifteen (15) Days following the receipt thereof.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

18. WAIVERS

18.1 Penalty Waiver. Transporter may, in exercise of its reasonable discretion, and on a not unduly discriminatory basis, waive all or a part of any penalty which might otherwise apply. Transporter shall maintain a record of all waivers granted.

18.2 Waivers of Past or Future Defaults.

(a) Transporter may, from time to time and on a not unduly discriminatory basis, waive any of its rights hereunder and compliance with the provisions of this Tariff. All such waivers shall be limited to past defaults or other past occurrences or case-by-case in advance waivers addressing specific, short-term operational problems.

(b) Transporter shall record any such waivers in a log, which shall be posted for public inspection on its website in accordance with Part 358 of the Commission's Regulations.

18.3 Non-Waiver of Future Defaults

Failure to exercise any rights under this Tariff shall not be considered a waiver of such right or of any rights in the future. No waiver of any one or more defaults by the other party in the performance of any of the provisions of this Tariff, or the provisions of the service agreement incorporating the provisions of this Tariff, shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

19. DESCRIPTIVE HEADINGS

The descriptive headings of the provisions of the Executed TSA and of the GT&C are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. ELECTRONIC BULLETIN BOARD

20.1 Transporter's EBB is available at Transporter's designated Internet Website at www.elpaso.com. Transporter's Internet Web site provides a portfolio of electronic business services to Transporter's customers. Transporter's EBB is available on a not unduly discriminatory basis to any party that has access to the Internet. Information concerning access to the EBB may be obtained by contacting the Customer Service Department at (877) 520-3797. There is no charge to use the EBB.

20.2 Transporter's EBB shall provide such data as described in and shall be in compliance with FERC Order No. 636, et seq., by providing a means for a Releasing or Acquiring Shipper electing to release all or a portion of its firm transportation rights in accordance with Sections 9.3 and 9.4 to advertise such release.

20.3 Parties wishing to bid on released capacity or to compete with pre-arranged offers shall post their bids through the EBB. Only those parties who are prequalified with respect to creditworthiness in accordance with Section 9.18 may submit a bid during the open season in accordance with Section 9.8.

20.4 The EBB shall contain information concerning the availability of capacity:

(a) at Receipt Points;

(b) on the mainline;

(c) at Delivery Points; and

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

20. ELECTRONIC BULLETIN BOARD (Continued)

20.4 (Continued)
(d) whether the capacity is available from Transporter directly or through Transporter's Capacity Release Program set forth in Section 9.

20.5 Transporter shall post on the EBB notification of any of its uncommitted firm pipeline capacity.

20.6 Transporter shall post, daily, on the EBB notification of any unscheduled capacity available for interruptible transportation service, with bidding in accordance with the applicable provisions of Section 4.

20.7 EBB users shall have access to all the information specifically identified in FERC Order Nos. 636, 637 and 717. EBB access, including historical data, shall be available to state regulatory commissions and state consumer advocates on the same basis as any other party. Transporter shall maintain backup copies of the data contained on its EBB for three Years, which may be archived to off-line storage. Parties may access the on-line data directly through the EBB. In the event the data has been archived off-line, parties may request the data from Passport Services through Passport's electronic mail service, wherein such data shall be made available for downloading on user's computer. EBB users shall be allowed to download files so their contents can be reviewed in detail without tying up access to the EBB. Information on the most recent transactions shall be listed before older information. EBB users shall be able to split large files into smaller parts for ease of use. On-line help shall be available to assist the EBB users along with a search function allowing users to locate all information concerning a specific transaction, and menus that permit users to separately access offers to release capacity, capacity available directly from the pipeline, and standards of conduct information.

20.8 Transporter's currently effective Volume No. 1A Tariff, as revised from time to time, is posted on Transporter's EBB. Therefore, Transporter shall provide paper copies of the effective tariff to customers and interested state commissions only when specifically requested.

20.9 Shippers desiring to exchange information using Transporter's designated Internet site must first enter into an agreement conforming to the GISB Model Trading Partner Agreement.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

21. AFFILIATE-RELATED INFORMATION

21.1 The TSAs between Transporter and its affiliates, which employ marketing function employees, are identified on the EBB pursuant to Section 250.16(c)(2) of the Commission's Regulations. Transporter and its affiliates, which employ marketing function employees, will conduct their business together in conformance with the standards of conduct set forth in Section 358 of the Commission's Regulations and other applicable requirements of Order No. 717.

21.2 Transporter will not provide a preference in any pipeline services to a Shipper because that Shipper also purchases Natural Gas from Transporter or from its affiliate(s) with marketing function employees, or to an affiliate of Transporter, over Shippers who purchase Natural Gas from another merchant.

21.3 Transporter will provide nondiscriminatory access to all sources of supply in accordance with Part 284 of the Commission's regulations.

21.4 Notwithstanding Section 20.7 of the GT&C, Transporter shall retain its affiliate waiver log for five years from the date of posting.

22. ADVERSE CLAIMS TO NATURAL GAS

22.1 Notwithstanding Section 25.1 of the GT&C, Shipper agrees to indemnify and hold harmless Transporter, its officers, agents, employees and contractors against any liability, loss or damage whatsoever, including litigation expenses, court costs and attorneys' fees, suffered by Transporter, its officers, agents, employees or contractors, where such liability, loss or damage arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity, public or private, asserting ownership of or an interest in the Natural Gas tendered for transportation or the proceeds resulting from any sale of that Natural Gas. The receipt and delivery of Natural Gas under the Executed TSA shall not be construed to affect or change title to the Natural Gas.

23. RESERVED

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

24. TAXES

24.1 Shipper shall pay or cause to be paid all taxes and assessments imposed on Shipper with respect to Natural Gas transported prior to and including its delivery to Transporter, and Transporter shall pay or cause to be paid all taxes and assessments imposed on Transporter with respect to Natural Gas transported after its receipt by Transporter and prior to redelivery to Shipper, provided however, that Shipper shall pay to Transporter all taxes, levies or charges which Transporter may by law be required to collect from Shipper by reason of all services performed for Shipper.

24.2 Neither party shall be responsible or liable for any taxes or other statutory charges levied or assessed against any of the facilities of the other party used for the purpose of carrying out the provisions of the Executed TSA.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

25. INDEMNIFICATION/LIABILITY

25.1 Each party to the Executed TSA shall bear responsibility for all of its own breaches, tortious acts, or tortious omissions connected in any way with the Executed TSA causing damages or injuries of any kind to the other party or to any third party, unless otherwise expressly agreed in writing between the parties. Therefore, the offending party as a result of such offense shall hold harmless and indemnify the non-offending party against any claim, liability, loss, or damage whatsoever suffered by the non-offending party or by any third party. As used herein: the term "party" shall mean a corporation or partnership entity or individual and its officers, agents, employees and contractors; the phrase "damages or injuries of any kind" shall include without limitation litigation expenses, court costs, and attorneys' fees; and the phrase "tortious acts or tortious omissions" shall include without limitation sole or concurrent simple negligence, gross negligence, recklessness, and intentional acts or omissions.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

26. COMPLAINT PROCEDURES

26.1 The procedures used to address and resolve complaints by Shippers and potential Shippers are as follows:

(a) Any Shipper or potential Shipper may register a telephone complaint concerning requested and/or furnished transportation service by calling Transporter's customer assistance toll-free number 1-877-520-3797. Telephone complaints should provide the same information as provided in written complaints by a Shipper.

Written complaints by any Shipper or potential Shipper, clearly stating the issue(s), facts relied on by Shipper, and the Shipper's position, should be mailed by registered or certified mail, or delivered by hand to:

El Paso Natural Gas Company
Post Office Box 1087
Colorado Springs, CO 80944
Attention: Director
Marketing Department
(Street Address: 2 North Nevada,
Colorado Springs, CO 80903)

Upon receipt by Transporter, a complaint will be date stamped and recorded in the Transportation Service Complaint Log maintained by Transporter's Marketing Department.

(b) Transporter will respond initially to all complaints by the most appropriate communication means available within 48 hours and will respond to all complaints filed with Transporter in writing within 30 days. Transporter's written response will be mailed by registered or certified mail to Complainant and filed in the Transportation Service Complaint Log. The final resolution of the complaint will be dependent upon the nature of the complaint and the time necessary to investigate the complaint, verify the underlying cause(s) and determine the relevant facts.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

27. RESERVED

28. RESERVED

29. RESERVED

30. RESERVED

31. RESERVED

32. RESERVED

33. RESERVED

34. RESERVED

35. RESERVED

36. RESERVED

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

37. ARTICLE 11.2 PROVISIONS

Pursuant to the Commission's Order issued on March 20, 2006 in Docket No. RP05-422-000, this Section 37 is applicable to firm Rate Schedule FT-1 and FT-2 transportation service provided under applicable TSAs ("Section 37 TSAs") to the contracted Shippers that are parties to the Stipulation and Agreement in Docket No. RP95-363-000, et al. ("1996 Settlement").

37.1 Article 11.2(a) Rates - Article 11.2(a) Rates shall be used for purposes of invoicing transportation charges and reservation charge crediting. These rates shall be adjusted annually pursuant to Section 37.3 for Section 37 TSAs.

Rate Schedule FT-1

RESERVATION	MONTHLY	DAILY
Production Area	$ 3.7466	$ 0.1232
Texas	$ 5.4843	$ 0.1803
New Mexico	$ 6.3263	$ 0.2080
Arizona	$ 8.5831	$ 0.2822
Nevada	$ 8.6963	$ 0.2859
California	$ 10.1979	$ 0.3353

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California
Production Area	$ 0.0030	$ 0.0030	$ 0.0030	$ 0.0148
Texas	$ 0.0032	$ 0.0068	$ 0.0077	$ 0.0148
New Mexico	$ 0.0166	$ 0.0171	$ 0.0268	$ 0.0148
Arizona	$ 0.0219	$ 0.0250	$ 0.0338	$ 0.0148
Nevada	$ 0.0208	$ 0.0406	$ 0.0445	$ 0.0148
California	$ 0.0189	$ 0.0386	$ 0.0433	$ 0.0148

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California
Production Area	$ 0.0030	$ 0.0030	$ 0.0030	$ 0.0148
Texas	$ 0.0032	$ 0.0068	$ 0.0077	$ 0.0148
New Mexico	$ 0.0166	$ 0.0171	$ 0.0268	$ 0.0148
Arizona	$ 0.0219	$ 0.0250	$ 0.0338	$ 0.0148
Nevada	$ 0.0208	$ 0.0406	$ 0.0445	$ 0.0148
California	$ 0.0189	$ 0.0386	$ 0.0433	$ 0.0148

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

37. ARTICLE 11.2 PROVISIONS (Continued)
37.1 Article 11.2(a) Rates (Continued)

Rate Schedule FT-2

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California
Anadarko	$ 0.3034	$ 0.3101	$ 0.3030	$ 0.3481
Permian	$ 0.3034	$ 0.3030	$ 0.3120	$ 0.3481
San Juan	$ 0.3030	$ 0.3305	$ 0.3501	$ 0.3481
Texas	$ 0.3051	$ 0.3101	$ 0.3120	$ 0.3481
New Mexico	$ 0.3317	$ 0.3305	$ 0.3501	$ 0.3481
Arizona	$ 0.4879	$ 0.4913	$ 0.5086	$ 0.3481

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California
Anadarko	$ 0.0032	$ 0.0068	$ 0.0030	$ 0.0148
Permian	$ 0.0032	$ 0.0030	$ 0.0077	$ 0.0148
San Juan	$ 0.0030	$ 0.0171	$ 0.0268	$ 0.0148
Texas	$ 0.0032	$ 0.0068	$ 0.0077	$ 0.0148
New Mexico	$ 0.0166	$ 0.0171	$ 0.0268	$ 0.0148
Arizona	$ 0.0219	$ 0.0250	$ 0.0338	$ 0.0148

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

37. ARTICLE 11.2 PROVISIONS (Continued)

37.2 Rights and Conditions

(a) When Section 37 TSAs expire or are terminated by the shipper, the rights listed in this Section 37 shall no longer apply to such TSAs.

(b) In the event a Section 37 TSA uses service or re-designates service to an alternate delivery point in the same delivery zone as the primary delivery point(s) under that TSA, the service shall be invoiced at the Article 11.2(a) Rate. Should service be provided to or re-designated to an alternate delivery point other than the primary delivery point(s) under that TSA, the service shall be invoiced under the Out-of-Zone-Charge provisions contained in Sections 8.1(e), 8.1(f) and 8.1(g). However, the Article 11.2(a) reservation rates for the applicable zone shall be used in lieu of the maximum non-Article 11.2 tariff rates.

(c) Capacity released from a Section 37 TSA may be released at a reservation rate no higher than the applicable Article 11.2(a) rate. Such released capacity will be billed at the applicable Article 11.2(a) usage rate.

(d) If the Shippers applicable to this Section 37 acquire any permanent or temporary capacity releases, they will pay the reservation rate specified in the posted award of the capacity release for that capacity, rather than the Article 11.2(a) rate.

(e) For purposes of determining scheduling priority, pursuant to Section 6.2(a)(iii) of the GT&C, the Article 11.2(a) reservation rates will be considered equivalent to the maximum tariff rate.

(f) Article 11.2(a) rates shall not apply to any other firm transportation service under any rate schedule.

(g) Should a Section 37 TSA be subject to an Article 11.2(a) rate that exceeds the maximum non-Article 11.2 tariff rate for such service, this service shall be billed at the applicable maximum non-Article 11.2 tariff rate.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

37. ARTICLE 11.2 PROVISIONS (Continued)

37.3 The applicable Article 11.2(a) rates shall be subject to inflation escalation and will be adjusted according to the following provisions.

(a) Annual Inflation Adjustment - Effective January 1, 1998, and on each anniversary date thereafter, Transporter shall increase the Operations and Maintenance (O&M) and Other Taxes portion of the reservation and usage charges for Rate Schedule FT-1 and the rates for Rate Schedule FT-2 in effect for the preceding Year by 93% of the increase in the Implicit Price Deflator ("IPD") to the Gross Domestic Product ("GDP") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"), or a mutually agreed similar indicator should the GDP no longer be available on a continuing basis, or, failing such agreement, a similar indicator as approved by the Commission. Notwithstanding the above calculation, the annual increase in total rates will not be less than 1% or more than 4-1/2% of the prior Year's total rates. The resulting rates shall become the rates for purposes of applying the annual inflation adjustment for the succeeding Year.

(b) For the annual inflation adjustment to be effective January 1, 1998, the most recently published final IPD prior to the inflation adjustment filing will be compared to the IPD reported by the BEA for the same period of the prior Year to determine the annual change. For each rate change subject to this provision, the most recently published final IPD prior to the inflation adjustment filing will be compared to the prior Year's IPD to determine the annual change. If the BEA modifies the benchmark index for the IPD, then Transporter will use the restated IPD reported by the BEA instead of the IPD used by Transporter in its last inflation adjustment filing.

Reserved for future use.

Reserved for future use.

Fourth Revised Sheet No. 343 Fourth Revised Sheet No. 343
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Sixth Revised Sheet No. 345 Sixth Revised Sheet No. 345
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Second Revised Sheet No. 345A Second Revised Sheet No. 345A
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Sixth Revised Sheet No. 346 Sixth Revised Sheet No. 346
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Fourth Revised Sheet No. 347 Fourth Revised Sheet No. 347
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Fifth Revised Sheet No. 348 Fifth Revised Sheet No. 348
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Seventh Revised Sheet No. 349 Seventh Revised Sheet No. 349
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Sixth Revised Sheet No. 351 Sixth Revised Sheet No. 351
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Second Revised Sheet No. 351A Second Revised Sheet No. 351A
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Third Revised Sheet No. 351B Third Revised Sheet No. 351B
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Tenth Revised Sheet No. 352 Tenth Revised Sheet No. 352
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Third Revised Sheet No. 355 Third Revised Sheet No. 355
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Second Revised Sheet No. 356A Second Revised Sheet No. 356A
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Seventh Revised Sheet No. 357 Seventh Revised Sheet No. 357
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Seventh Revised Sheet No. 358 Seventh Revised Sheet No. 358
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Reserved for future use.

Reserved for future use.

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Third Revised Sheet No. 362C Third Revised Sheet No. 362C
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Second Revised Sheet No. 362D Second Revised Sheet No. 362D
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Third Revised Sheet No. 362E Third Revised Sheet No. 362E
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Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

32. IMBALANCE MANAGEMENT (continued)

32.2(f) Imbalance Trades (continued)

(v) Only trades which have the effect of reducing outstanding imbalances owed to or from Transporter are permitted (i.e., the maximum quantity which may be traded is the smaller of the excess or shortfall under the Shipper's end-of-month imbalance affected by the trade).

(vi) If a Shipper's imbalance is less than the amount it has agreed to trade with another Shipper, the Shipper will only be credited for the actual amount of the imbalance.

(vii) Transporter shall permit trade arrangements at no additional cost to the Shippers.

(g) DP Operators who have entered into operational balancing agreements ("OBAs") with Transporter that include the same cash out and Strained/Critical Operating Condition provisions as detailed in Sections 32 and 33 will be able to make use of the imbalance resolution opportunities, i.e. trading and physical make-up/paybacks, described in Sections 32.2(d) and 32.2(f). Such DP Operators do not include Operators of Delivery Points where Transporter is required to have an OBA, i.e., interstate pipelines and applicable intrastate pipelines or foreign pipelines that are the functional equivalent of an interstate or intrastate pipeline.

(h) Prior Period Measurement Adjustment(s) ("PPMA")

(i) In the event a PPMA decreases a Shipper's current monthly imbalance, the PPMA shall be applied in the current Month.

(ii) In the event a PPMA increases a Shipper's current monthly imbalance, the PPMA shall be applied in the Month following the Month in which the PPMA was made. Should an imbalance greater than five percent (5%) remain in the next Month (i.e., the Month following the Month in which the PPMA was made), Section 32.3(d) shall not be applicable to the PPMA imbalance-related quantities. In this event, PPMA imbalance-related quantities shall be cashed out at one hundred percent (100%) of the applicable Cash Out Index Price.

Fourth Revised Sheet No. 362F Fourth Revised Sheet No. 362F
Superseding: Third Revised Sheet No. 362F

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

32. IMBALANCE MANAGEMENT (continued)

32.3 Cash Out - All monthly imbalances shall be subject to the following cash out provisions. Such cash out shall be accomplished using the relevant Monthly Cash Out Index Price pursuant to Section 32.3(b), provided, however, that for purposes of cash out, monthly imbalances associated with PPMAs shall be deemed to have occurred consistent with Section 32.2(h).

(a) Determination of Cash Out Quantities - The term "cash out" shall refer to the valuation of an imbalance at a market-related price pursuant to the requirements of this section. Application of the cash out process will result in a monetary value due to the Shipper or Transporter which will result in reduction of the imbalance to the applicable threshold level.

(i) Transporter and Shipper shall cash out that portion of an imbalance that exceeds the thresholds described in Sections 32.3(a)(ii) and 32.3(a)(iii) by applying the applicable Cash Out Index Price to the imbalance quantity in excess of the threshold quantity. Any remaining end-of-month imbalance will be carried forward to be resolved in future Months as described in Sections 32.2 and 32.3.

(ii) The monthly threshold will be calculated by multiplying the Shipper's aggregate scheduled quantity in the applicable Month by the following percentages:

(1) The Month 1 threshold shall be 5%.
(2) The Month 2 threshold shall be 3%.
(2) The Month 3 threshold shall be 0%.

(iii) Small Quantity Monthly Imbalance: The cash out thresholds described in Section 32.3(a)(ii) will not apply to any TSA with an end-of-month imbalance less than 2,000 dth, unless the Shipper specifies otherwise. However, each January, Transporter will cash out any monthly Small Quantity Imbalances accrued during the 12 Months ended the previous November that were not resolved by the imbalance resolution methods described in Section 32.2. The cash out will be priced at 100% of the previous December System Cash Out Index price described in Section 32.3(c)(iv).

Fourth Revised Sheet No. 362G Fourth Revised Sheet No. 362G
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Reserved for future use.

Third Revised Sheet No. 362H Third Revised Sheet No. 362H
Superseding: Second Revised Sheet No. 362H

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

32. IMBALANCE MANAGEMENT (continued)

32.3(Continued)

(c) Cash out shall be based on the monthly determination of three calculated price indices (i.e. Monthly San Juan, Monthly Permian and Monthly System), depending on whether Shipper has one or more supply basins included in its TSA and whether Shipper has elected the extended Month 1 cash out. A single monthly price index calculated only for a specific supply basin will be used if Shipper has only that one supply basin in its TSA. If Shipper has only the Anadarko supply basin in its TSA, then the Permian Basin Index Prices will be used. System Cash Out Index Prices calculated for all supply basins will be used if Shipper has more than one supply basin in its TSA.

(i) The Monthly Permian Basin Cash Out Index Price shall be determined by using the simple average of the daily mid-point prices reported as delivered to El Paso's System at West Texas, Permian or Waha from the publications identified in Section 32.3(c)(v). The Monthly Permian Basin Cash Out Index Price will be calculated by summing the average daily prices for each day of the production Month and dividing by the number of Days in the Month.

(ii) The Monthly San Juan Basin Cash Out Index Price shall be determined by using the simple average of the daily mid-point prices reported as delivered to El Paso's System at Ignacio, San Juan, or New Mexico from the publications identified in Section 32.3(c)(v). The Monthly San Juan Basin Cash Out Index Price will be calculated by summing the average daily prices for each day of the production Month and dividing by the number of Days in the Month.

(iii) The Monthly California Border Cash Out Index Price shall be determined by using the higher of the daily prices of "SoCal Gas" or "Southern California Bdr Avg" from the publications identified in Section 32.3(c)(v). The Monthly California Border Cash Out Index Price will be calculated by summing the average daily prices for each day of the production Month and dividing by the number of Days in the Month.

Fourth Revised Sheet No. 362I Fourth Revised Sheet No. 362I
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Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

32. IMBALANCE MANAGEMENT (Continued)

32.3(c) (Continued)

(iv) The Monthly System Cash Out Index Price shall be computed by using the weighted average of the Monthly Permian Basin Index Price, the Monthly San Juan Basin Index Price, and the Monthly California Border Cash Out Index Price. The weighting is based on the quantities entering El Paso's System in each Production Area and scheduled as a California receipt during the previous quarter and will be updated quarterly.

(v) The trade publications referenced above are: Platt's Gas Daily (Daily Price Survey) and Natural Gas Intelligence Daily Gas Price Index (Cash Market Prices).

(vi) Transporter will report on its EBB, on a daily basis, the applicable Cash Out Index Prices as updated for the most recent published data available. No later than the 15th Day of each Month, Transporter will report the final Cash Out Index Prices applicable to the previous business Month. In the event any of the publications cease publication or to the extent a publication fails to report the applicable spot prices, then Transporter may substitute prices reported in a similar independent publication or continue the pricing formula using the remaining publication. If there is a permanent change in a publication, Transporter will file to revise its Tariff to identify a new publication within 60 Days of the change. Changes in the name, format or other method of reporting by the publications in Section 32.3(c)(v) above that do not materially affect the content shall not affect their use hereunder.

Fourth Revised Sheet No. 362J Fourth Revised Sheet No. 362J
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Third Revised Sheet No. 362K Third Revised Sheet No. 362K
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TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES

Daily Imbalance - For Receipt Points, the "daily imbalance quantity" is the difference between the daily scheduled quantity and the daily quantity measured at the Receipt Point (if such Receipt Point is not covered by an operational balancing agreement) for a Gas Day. For Delivery Points, "daily imbalance quantity" is the difference between the daily scheduled quantity and the daily quantity measured at a Delivery Point (if such Delivery Point is not covered by an operational balancing agreement) for a Gas Day. Any penalties or charges applicable to a daily imbalance quantity will be calculated as described later in this Section 33.

33.1 A Strained Operating Condition ("SOC") notice may be issued when Transporter, using its reasonable judgment, determines operating conditions exist where its pipeline system integrity is threatened and/or service to other Shippers and/or Operators may be adversely affected, and minor variations in receipt and delivery quantities from scheduled levels can not be accommodated. Transporter will determine whether it will issue an SOC based on the operating status of the pipeline system using the following criteria: weather forecast, system conditions-linepack, projected pressures at monitored locations, facility status-horsepower utilization and availability, and Transporter's operational judgment. Examples of operating conditions which may result in a declaration of an SOC include: (1) when a system outage occurs; (2) when extreme weather conditions develop; (3) when linepack exceeds (above or below) operational tolerances; (4) when injections or withdrawals cause Washington Ranch to reach its maximum daily capabilities; or (5) an Operator has demonstrated a consistent pattern of flowing quantities that do not reasonably match scheduled quantities.

(a) Transporter's website will contain a notice identifying the probability of an SOC declaration. The posting will be reviewed each nomination cycle and updated, as applicable. Probability notices will not be posted during an SOC event.

(i) Should the hourly average for any hour of the Gas Day for total system linepack fall below 7200 MMcf, a high probability condition will be triggered. Notification of the high probability for a system-wide SOC declaration will be automatically posted.

Eighth Revised Sheet No. 363 Eighth Revised Sheet No. 363
Superseding: Seventh Revised Sheet No. 363

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)
33.1 (Continued)

(e) When conditions threaten the operational integrity of the system, Transporter shall use reasonable efforts to resolve the situation causing the operational distress prior to declaring an SOC. Depending on the circumstances, Transporter may use any one or more of the following operational remedies:

(i) attempting to contact customers that are currently out of daily balance to coordinate adjustments to their scheduled quantities and actual flows;
(ii) injecting or withdrawing from Washington Ranch, as permitted by operational limitations, to bring linepack into acceptable levels; and/or
(iii) operationally offsetting, to the extent possible, packs and drafts on the critical areas of Transporter's system to minimize impact on customers.

(f) Transporter must declare an SOC before 12:00 p.m. (Mountain Clock Time) for such SOC to apply to the current Gas Day. Should Transporter declare an SOC after 12:00 p.m. (Mountain Clock Time), such SOC shall apply to the next Gas Day.

(g) An SOC will remain in effect until Transporter, in its reasonable judgment, determines that such operating conditions no longer exist and notifies its Shippers that it is lifting the SOC or that a Critical Operating Condition has been declared. Such notice will be provided using the notification procedures of Section 4.1(a)(xii) of the GT&C.

(h) When an SOC is in effect, Shipper(s) or Operator(s) in the SOC area are required to reduce daily imbalances at each scheduled Receipt Point or Delivery Point to the threshold level designated in Transporter's Notice of SOC. The threshold level will be determined solely by the operational judgment of Transporter based on the severity of the conditions necessitating the SOC.

(i) SOC Threshold
(A) The SOC threshold can range from 4% to 10% of scheduled quantities at the scheduled Delivery Point or 2,000 dth, whichever is greater.

(B) The SOC threshold can range from 4% to 10% of scheduled quantities at the scheduled Receipt Point or 2,000 dth, whichever is greater.

Fourth Revised Sheet No. 363A Fourth Revised Sheet No. 363A
Superseding: Third Revised Sheet No. 363A

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.1 (Continued)

(j) During an SOC, Shippers in an SOC area will have a catch-up nomination opportunity to resolve daily imbalances prior to the assessment of an SOC Daily Imbalance Charge. For each Gas Day ("Day 1") during which an SOC is in effect, Shippers in the SOC area will have the subsequent Gas Day ("Day 2") to reduce the previous Gas Day's daily imbalance to within the stated threshold level. For this nomination opportunity to reduce the otherwise applicable penalty, a Shipper's scheduled quantities, excluding the catch-up nomination(s) in the SOC area, may not cause a subsequent Day daily imbalance that is worse on a percentage basis, in the same direction, than its daily imbalance on the first Day of the SOC event.

(i) Catch-up Nominations: Delivery Points

(A) Shippers must submit a separately identified nomination to catch-up the Day 1 daily imbalance.

(B) Such nomination must be to the same Delivery Point as the original nomination.

(C) Such nomination will not be considered when evaluating a constraint at a Delivery Point.

(D) System constraints or supply failures will not excuse Shipper's requirement to balance within the Day 1 threshold level on Day 2.

(E) Any of a Shipper's Rate Schedule FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH and/or IT-1 TSAs may be used to submit a catch-up nomination.

Fifth Revised Sheet No. 363B Fifth Revised Sheet No. 363B
Superseding: Fourth Revised Sheet No. 363B

Reserved for future use.

Fifth Revised Sheet No. 363C Fifth Revised Sheet No. 363C
Superseding: Fourth Revised Sheet No. 363C

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.1 (l) Supply Failure

(i) Should a Draft SOC be declared due entirely or in significant part to the failure of supplying Interconnects to make scheduled deliveries to Transporter (Transporter's system receipts fail) and if such supply failure is specifically noted in the SOC declaration, any Shipper that generated a net pack daily imbalance within the declared SOC area and whose actions during the SOC are consistent with the condition described in Section 33.1(k)(i)(B) will have its Delivery Point imbalances netted within that SOC area for that Day.

(ii) Should a Draft SOC be declared due entirely or in significant part to the failure of supplying Interconnects to make scheduled deliveries to Transporter (Transporter's system receipts fail) and if such supply failure is specifically noted in the SOC declaration, any Shipper that generated a net pack daily imbalance within the declared SOC area and whose actions during the SOC are consistent with the condition described in Section 33.1(k)(ii)(B) will have its Receipt Point imbalances netted within that SOC area for that Day.

33.2 If the system condition prompting the declaration of an SOC persists, Transporter, using its reasonable judgment, may declare a Critical Operating Condition ("COC").

(a) A COC will be declared for a specific Shipper(s) and/or a specific location(s) if they can be identified, and a specific direction (i.e., Pack or Draft). If a specific shipper or location COC is not appropriate, the COC will be declared for the North System, the South System, or the entire system. The Notice of COC will be issued using the notification procedures of Section 4.1(a)(xii) of the GT&C.

Second Revised Sheet No. 363D Second Revised Sheet No. 363D
Superseding: First Revised Sheet No. 363D

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.1 (Continued)

(b) Without limitation of Transporter's exercise of its reasonable judgment to determine whether and the extent to which it will issue an SOC at any time, Transporter will either declare an SOC under the following circumstances or, if in the exercise of Transporter's reasonable judgment it does not declare an SOC under any of these circumstances, Transporter shall explain its reasons for not issuing an SOC by EBB posting within the next Business Day.

(i) when the average of six consecutive hours of the Gas Day for total system linepack falls below 7000 MMcf and Washington Ranch is on maximum (operationally) available withdrawal;

(ii) when the average of six consecutive hours of the Gas Day for total system linepack exceeds 7900 MMcf and Washington Ranch is on maximum (operationally) available injection.

(c) An SOC will be declared for a specific Shipper(s) and/or a specific location(s) if they can be identified, and a specific direction (i.e., Pack or Draft). If a specific shipper or location SOC is not appropriate, the SOC will be declared for the North System, the South System, or the entire system. Such notice will be provided using the notification procedures of Section 4.1(a)(xii) of the GT&C.

(d) Notification of an SOC declaration shall include identification of linepack status and whether the SOC is a Pack SOC or a Draft SOC.

(i) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. undertakes from Transporter at a Delivery Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. overtakes from Transporter at a Delivery Point(s)).

(ii) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. overdelivery into Transporter at a Receipt Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. underdelivery into Transporter at a Receipt Point(s)).

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TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.1 (h) (ii) For purposes of determining daily unauthorized overrun penalties, a Shipper's daily Safe Harbor Tolerance Quantities shall equal the greater of the posted SOC Safe Harbor Tolerance Percentage, pursuant to Section 33.5, multiplied by the TCD or 2,000 dth per Day. Such posted Safe Harbor Tolerance Percentage shall not be less than 4% or greater than 7%.

(iii) For purposes of determining hourly scheduling penalties, a Shipper's hourly Safe Harbor Tolerance Quantities shall equal the greater of the posted SOC Safe Harbor Tolerance Percentage, pursuant to Section 33.5, multiplied by the Shipper's Hourly Scheduled Entitlement (plus any no-notice quantities, if applicable) or 100 dth per hour. Such posted Safe Harbor Tolerance Percentage shall not be less than 4% or greater than 10% and will be applicable to the specified SOC area pursuant to this Section 33.1.

(i) During an SOC, an SOC Daily Imbalance Charge will be assessed to any Shipper in the SOC area whose daily imbalance quantity exceeds the threshold level stated in the Notice of SOC, unless reduced or eliminated pursuant to the provisions of Sections 33.1(j), 33.1(k) or 33.1(l). Such charge will be determined by multiplying the daily imbalance quantity by the Critical Condition Rate, pursuant to Section 1.10A of the GT&C and the Statement of Rates. The calculation of the quantities not subject to penalty will be consistent with Section 38.2(b)(iii)(A) if the Shipper has elected the NAESB Swing method.

(i) Pursuant to the Statement of Rates, the SOC Daily Imbalance Rate shall be determined based on the lower of the applicable delivery variance quantity or the delivery variance percentage. The charge assessed shall be determined based on a factor of the Critical Condition rate pursuant to Section 1.10A of the GT&C.

Third Revised Sheet No. 363A.01 Third Revised Sheet No. 363A.01
Superseding: Second Revised Sheet No. 363A.01

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.1 (j) (Continued)

(ii) Catch-up Nominations: Receipt Points

(A) Shippers must submit a separately identified nomination to catch-up the Day 1 daily imbalance.

(B) Such nomination must be to the same Receipt Point as the original nomination.

(C) System constraints or supply failures will not excuse Shipper's requirement to balance within the Day 1 threshold level on Day 2.

(D) Any of a Shipper's Rate Schedule FT-1, FT-2, FTH-V, FT-H, NNTD, NNTH and/or IT-1 TSAs may be used to submit a catch-up nomination.

Second Revised Sheet No. 363B.01 Second Revised Sheet No. 363B.01
Superseding: First Revised Sheet No. 363B.01

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)
33.2 (Continued)

(b) Declaration of a COC shall include identification of linepack status and whether the COC is a Pack COC or a Draft COC.

(i) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. undertakes from Transporter at a Delivery Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. overtakes from Transporter at a Delivery Point(s)).

(ii) A "Pack" designation shall be applied to flow variances that exacerbate a high linepack condition (e.g. overdelivery into Transporter at a Receipt Point(s)). A "Draft" designation shall be applied to flow variances that exacerbate a low linepack condition (e.g. underdelivery into Transporter at a Receipt Point(s)).

(c) A COC will remain in effect until Transporter, in its reasonable judgment, determines that such operating conditions no longer exist and notifies its Shippers that it is lifting the COC. Such Notice will be provided using the notification procedures of Section 4.1(a)(xii) of the GT&C.

(d) Except as provided in Section 33.2(e), Transporter must declare a COC before 12:00 p.m. (Mountain Clock Time) for such COC to apply to the current Gas Day. Should Transporter declare a COC after 12:00 p.m. (Mountain Clock Time), such COC shall apply to the next Gas Day. If a COC is declared, Shippers in the COC area must be in balance on the first Gas Day for which at least a four hour scheduling opportunity is available.

(e) In the event of an emergency situation where safety or the integrity of the segment, lateral or overall system is at immediate risk, Transporter may invoke a COC immediately without first declaring an SOC ("Emergency COC").

(i) Transporter may declare an Emergency COC on a delivery lateral(s) if it believes safety, lateral integrity, or service to other Shippers is at immediate risk. If this provision is terminated or revised, then Section 4.6 of Rate Schedule OPAS invoice the applicable MDO/MHO violation penalties pursuant to the Statement of Rates.

Seventh Revised Sheet No. 364 Seventh Revised Sheet No. 364
Superseding: Substitute Sixth Revised Sheet No. 364

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.2 (h) (iii) The COC Daily Imbalance Charge for the first Gas Day of an Emergency COC, as defined in Section 33.2(e) above, will be determined by multiplying the daily imbalance quantity in excess of 3% of scheduled quantities or 2,000 dth, whichever is greater, by the Critical Condition Rate. Such charge for the subsequent Gas Day(s), if any, of an Emergency COC event will be determined by multiplying the total daily imbalance quantity by the Critical Condition Rate, as set forth in Section 1.10A of the GT&C.

(iv) The COC Daily Imbalance Charge for a non-Emergency COC will be determined by multiplying the total daily imbalance quantity by the Critical Condition Rate.

(v) Pursuant to the Statement of Rates, the COC Daily Imbalance Charge shall be determined based on the applicable delivery variance quantity or the delivery variance percentage. The charge assessed shall be determined based on a factor of the Critical Condition Rate, pursuant to Section 1.10A of the GT&C.

Fourth Revised Sheet No. 364A Fourth Revised Sheet No. 364A
Superseding: Third Revised Sheet No. 364A

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First Revised Sheet No. 364B First Revised Sheet No. 364B
Superseding: Original Sheet No. 364B

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Superseding: First Revised Sheet No. 364.01

Reserved for future use.

Second Revised Sheet No. 364.02 Second Revised Sheet No. 364.02
Superseding: First Revised Sheet No. 364.02

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.4 Shippers may rely on the operational flow data posted by Transporter as to daily receipt and delivery quantities in taking corrective actions to manage daily imbalances. If Shipper relied upon posted flow data and Shipper took actions to address a daily imbalance based upon such data, such reliance will not cause an SOC or COC Daily Imbalance Charge to be assessed. Transporter will review the accuracy of all daily imbalance quantities posted based on such operational flow data. The SOC and COC Daily Imbalance Charge quantity will be based on the lesser of the daily imbalance calculated pursuant to that operational flow data or the actual measured quantity as reported at the end of the Month.

33.5 Transporter shall provide, as soon as available, SOC/COC Information.

(a) Preliminary Notifications and Follow-up Reports. Transporter will post on its EBB a Notice of SOC/COC containing the following provisions:

1. time and date of issuance;

2. Gas Day and time that the SOC/COC is considered to be effective;

3. affected areas/parties;

4. the applicable threshold level pursuant to Section 33.1(h), whether the problem is related to a Pack or Draft of the system and the status of linepack (i.e., high linepack or low linepack) pursuant to Sections 33.1 and 33.2;

5. status of the applicable operational variables described above in Section 33.1 causing the SOC/COC;

6. required actions to remedy the operational condition necessitating the SOC/COC;

7. any other terms Transporter may reasonably require to ensure the effectiveness of the SOC/COC; and

8. Threshold percentage for application of SOC or COC Daily Imbalance Charges.

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.5 (b) After the SOC or COC is lifted, Transporter will post on the EBB a review of the event requiring the issuance of the SOC/COC and the actions that were taken to resolve the SOC/COC event. This review will include, but not be limited to:

1. duration of SOC/COC;

2. areas/parties affected by the SOC/COC;

3. applicable operating conditions including, but not limited to, Washington Ranch withdrawals/injections and inventory levels;

4. actions taken by Transporter and known to be taken by Shippers that remedied the event requiring the issuance of the SOC/COC.

33.6 Reserved

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

33. STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES (Continued)

33.7 Nothing in this Section 33 is intended to supersede provisions of operational balancing agreements ("OBAs") at meters where Transporter is required to have an OBA, i.e., interstate pipelines and applicable intrastate pipelines or foreign pipelines that are the functional equivalent of an interstate or intrastate pipeline.

33.8 RESERVED

33.9 If an SOC or COC has been declared or a warning of an impending SOC or COC has been issued in a specified direction (i.e., Pack or Draft), any hourly scheduling penalty or daily unauthorized overrun penalty assessed for actions in the opposite direction in the affected area will be billed at the non-Critical Condition rate during the SOC or COC, whether or not Transporter requested the Shipper to go out of balance in that direction, pursuant to Section 2.8 of Rate Schedule FT-1, Section 2.6 of Rate Schedule FT-2, Section 3.5 of Rate Schedule FTH-V, Section 3.6 of Rate Schedule FT-H, Section 3.7 of Rate Schedule NNTD and/or Section 3.8 of Rate Schedule NNTH.

33.10 COC Safe Harbor Tolerance Quantities.

(a) For purposes of determining daily unauthorized overrun penalties during a COC, a Shipper's daily Safe Harbor Tolerance Quantities shall equal the greater of 3% multiplied by the TCD or 2,000 dth per Day.

(b) For purposes of determining hourly scheduling penalties during a COC, a Shipper's hourly Safe Harbor Tolerance Quantities shall equal the greater of 3% multiplied by the Shipper's Hourly Scheduled Entitlement (plus any no-notice quantities, if applicable) or 100 dth per hour and will be applicable to the specified COC area pursuant to Section 33.1.

33.11 If in Transporter's reasonable judgment its error (e.g., computer system failure or data integrity discrepancy) causes Shipper to experience an SOC or COC Daily Imbalance Charge, such charge will not be assessed.

Reserved for future use.

Reserved for future use.

Second Revised Sheet No. 369 Second Revised Sheet No. 369
Superseding: First Revised Sheet No. 369

Reserved for future use.

Second Revised Sheet No. 370 Second Revised Sheet No. 370
Superseding: First Revised Sheet No. 370

Reserved for future use.

Third Revised Sheet No. 371 Third Revised Sheet No. 371
Superseding: Second Revised Sheet No. 371

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

35. DISCOUNTED RATES (Continued)

35.1 (Continued)

8) that provides for increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the rate for a separate service provided under another rate schedule;

9) where the rate provision incorporates a mutually agreeable marketing fee pursuant to Section 28.17; and/or

10) that includes a provision that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sheets. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

35.2 Comparable Discounts: If Transporter agrees to provide its marketing or energy affiliate a discount for any pipeline service, Transporter shall make such discounted rate contemporaneously available to similarly situated unaffiliated Shippers.

35.3 In the event Transporter discounts the total rate under Shipper's firm TSA, the reservation charge component will be discounted.

(a) The minimum usage charge and the ACA Surcharge (pursuant to Section 21) are not discountable rate components.

Sixth Revised Sheet No. 372 Sixth Revised Sheet No. 372
Superseding: First Rev Fourth Revised Sheet No. 372

Reserved for future use.

Reserved for future use.

Second Revised Sheet No. 373A Second Revised Sheet No. 373A
Superseding: Second Rev Original Sheet No. 373A

Reserved for future use.

Second Revised Sheet No. 373B Second Revised Sheet No. 373B
Superseding: First Revised Sheet No. 373B

Reserved for future use.

Second Revised Sheet No. 373B.01a Second Revised Sheet No. 373B.01a
Superseding: First Revised Sheet No. 373B.01a

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Ninth Revised Sheet No. 374 Ninth Revised Sheet No. 374
Superseding: Eighth Revised Sheet No. 374

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Superseding: First Revised Sheet No. 374A

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Reserved for future use.

Reserved for future use.

Second Revised Sheet No. 378 Second Revised Sheet No. 378
Superseding: First Revised Sheet No. 378

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Superseding: First Revised Sheet No. 378A

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

38. ALLOCATION OF DELIVERY QUANTITIES (Continued)
38.2(b) Swing PDA Method (Continued)

(i) Any TSA for service under Rate Schedules IT-1, FT-1, FT-2, FTH-V, FT-H, NNTD or NNTH may be designated by the DP Operator at a Delivery Point as the Swing TSA.

(ii) Daily and hourly gas quantities will be allocated to the Swing TSA in accordance with this Section 38.2(b) regardless of whether any quantities are scheduled under the Swing TSA.

(iii) (A) For purposes of the SOC and COC penalty provisions in Critical Conditions under Section 33, for each Gas Day, the Safe Harbor Tolerance Quantities for the Swing TSA at the Delivery Point (which tolerance quantities along with the sum of all daily scheduled quantities, not including HEEN scheduled quantities, plus any no-notice quantities, if applicable, shall not be subject to SOC/COC penalties), shall equal the higher of 1) the product of the applicable Safe Harbor Tolerance Percentage, multiplied by the sum of the total daily scheduled quantities plus any no-notice quantities, if applicable, under all TSAs under which gas is delivered at the Delivery Point, or 2) 2,000 dth.

(B) For purposes of the hourly scheduling penalty provisions in Critical and non-Critical Conditions under Section 43, for each hour of the Gas Day, the Safe Harbor Tolerance Quantities for the Swing TSA at the Delivery Point (which tolerance quantities along with the sum of the Hourly Scheduled Entitlements and any Rate Schedule IHSW quantities, if applicable, shall not be subject to hourly scheduling penalties), shall equal the higher of 1) the product of the applicable Safe Harbor Tolerance Percentage, multiplied by the sum of the total Hourly Scheduled Entitlements plus any no-notice quantities, if applicable, under all TSAs under which gas is delivered at the Delivery Point, or 2) 100 dth in Critical Conditions and 200 dth in non-Critical Conditions.

Third Revised Sheet No. 378B Third Revised Sheet No. 378B
Superseding: Second Revised Sheet No. 378B

Reserved for future use.

Second Revised Sheet No. 378C Second Revised Sheet No. 378C
Superseding: First Revised Sheet No. 378C

Reserved for future use.

First Revised Sheet No. 378D First Revised Sheet No. 378D
Superseding: Original Sheet No. 378D

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

38. RIGHT-OF-WAY ("ROW") SURCHARGE (Continued)

38.2 Procedures (Continued)

(b) No later than March 31 of each year after 2006, Transporter shall file with the Commission an Annual ROW Cost Filing to be effective May 1 explaining the calculation of the forecasted annual cost, the true-up computation of the prior year cost and revenue, and the development of the new surcharge rate.

(c) Annual filings shall include a true-up provision to reconcile any over- or under-recovery of costs.

(d) The ROW Surcharge shall be calculated at the end of each annual period by dividing the cost of the annual ROW payment by Transporter's actual transportation billing determinants, adjusted for discounts, for all transportation rate schedules except Rate Schedules PAL and ISS.

38.3 Surcharge. The surcharge will be applied to the volumetric (usage) component of the rate under all rate schedules included in this Volume No. 1-A Tariff, except for Rate Schedules PAL and ISS service. The surcharge will be discountable at Transporter's discretion.

38.4 ROW Usage Deferred Account. Transporter shall maintain a Deferred Account for the period of 12 months ending March 31 ("Deferral Period") prior to the beginning of each ROW annual period.

(a) Annually, Transporter shall determine the actual ROW costs (for periods of less than 12 months, the annual costs shall be allocated pro rata) and shall compare those costs to actual monthly revenue.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

38. RIGHT-OF-WAY ("ROW") SURCHARGE (Continued)

38.4 ROW Usage Deferred Account (Continued)

(b) Each month, Transporter shall record such difference in a sub-account of FERC Account No. 186 of the Uniform System of Accounts, which Transporter has designated as a ROW Deferred Account. Interest shall be computed on the balance in the ROW Deferred Account, positive or negative, based on the method prescribed in the Commission's Regulations.

(c) In each Annual ROW Cost Filing, Transporter shall adjust its ROW Surcharge, either positively or negatively, to recover or return the balances in the Applicable FERC Account No. 186 sub-account.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

39. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to Rate Schedules FT-1, FTH-V, FT-H, FDBS, NNTD and NNTH Shippers when it is unable to schedule such Shippers' nominated and confirmed quantities on a firm daily basis, subject to the following conditions:

39.1 Reservation charge credits shall not be applicable:

(a) When a Shipper:

(i) fails to properly nominate or confirm pursuant to the scheduling timeline of Section 4.1 of the GT&C and the other scheduling provisions of the Tariff,

(ii) underdelivers gas to Transporter and adversely affects system integrity pursuant to Section 4.3 of the GT&C,

(iii) fails to deliver gas that conforms to the quality specifications detailed in Section 5 of the GT&C, or

(iv) does not comply with Critical Operating Condition requirements pursuant to Section 33.2.

(b) To quantities in excess of Shipper's TCD under its firm TSA, to quantities in excess of the Path Quantity or contractual MRQ specified at a particular Receipt Point or contractual MDQ specified at a particular Delivery Point or when the Operator exceeds the maximum MDO under an OPASA covering the Delivery Point; and

(c) To a primary firm Shipper that is unable to schedule at a Receipt or Delivery Point or mainline Segment due to the point or Segment being scheduled by an alternate firm Shipper that was properly scheduled in an earlier nomination cycle that is not eligible to be reduced (bumped) in the current cycle; and

(d) To transactions using point or path rights scheduled as Flow Point Secondary, Flow Path Secondary, First Alternate and Second Alternate Capacity, as defined in Section 1 of the GT&C. However, reservation charge credits shall be applicable to quantities scheduled to non-primary points, to the extent Transporter is unable to schedule Shipper's nominated quantities due to a constraint occurring on the portion of the primary Flow Path utilized by that Shipper for that Gas Day.

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

39. RESERVATION CHARGE CREDIT (Continued)

39.2 Subject to the provisions of Section 39.1, reservation charge credits shall apply to:

(a) Quantities nominated and confirmed to primary delivery points in Cycle 2, but which Transporter was unable to schedule due to a capacity shortfall;

(b) Quantities scheduled to primary delivery points in Cycle 2 that are subsequently reduced in Cycle 3 due to a capacity shortfall; and

(c) Quantities nominated and confirmed to primary delivery points in Cycle 3 but which Transporter was unable to schedule due to a capacity shortfall.

(d) Notwithstanding the above, any reservation charge credits due a Shipper as a result of this Section 39.2 shall be reduced accordingly if any quantities, as noted in this Section 39.2, are scheduled and taken in a subsequent cycle(s).

39.3 Reservation charge credits shall be calculated as follows:

(a) The quantity on which credits are payable shall be calculated as follows and shall be adjusted for the requirements of Sections 39.1 and 39.2. The credit shall be payable on the sum of:

(i) 100% of the total for the Month of the Cycle 2 primary confirmed nominations minus the total for the Month of the Cycle 2 scheduled quantities as adjusted for purposes of this computation by Sections 39.1 and 39.2 (a) and (b);

(ii) 100% of the total for the Month of the new Cycle 3 primary confirmed nominations for each Day minus the total for the Month of the Cycle 3 scheduled quantities as adjusted for purposes of this computation by Sections 39.1 and 39.2(c).

In no event shall the same dth of gas be included more than once in such calculation.

Third Revised Sheet No. 382 Third Revised Sheet No. 382
Superseding: First Revised Sheet No. 382

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

39. RESERVATION CHARGE CREDIT (Continued)

39.3 Reservation charge credits shall be calculated as follows (Contd.):

(b) During periods when Transporter does not experience a force majeure event:

(i) The reservation charge credit shall be the product of the quantity determined in Section 39.3(a) multiplied by the contract reservation rate stated on a daily basis.

(c) During periods when Transporter experiences a force majeure event:

(i) The reservation charge credit shall be the product of the quantity determined in Section 39.3(a) multiplied by the contract reservation rate stated on a daily basis times the percent of the currently effective reservation rates that represent Transporter's equity return and associated income taxes. This percentage will be re-determined on the effective date of a general system-wide rate change. Effective January 1, 2009, the percentage shall be 38.47%.

(ii) Reservation charge credits under discounted TSAs shall be applicable only to that portion of the discounted rate that exceeds the current non-equity return and associated tax portion of the maximum reservation rate. This percentage will be re-determined on the effective date of a general system-wide rate change. Effective January 1, 2009, the percentage shall be 61.53%.

(d) Any reservation charge credit payable shall be reflected on the Shipper's monthly invoice and shall be applied to offset any outstanding transportation past due balances owed by Shipper.

Fourth Revised Sheet No. 383 Fourth Revised Sheet No. 383
Superseding: Third Revised Sheet No. 383

Reserved for future use.

Fourth Revised Sheet No. 384 Fourth Revised Sheet No. 384
Superseding: Third Revised Sheet No. 384

Reserved for future use.

Reserved for future use.

Second Revised Sheet No. 386 Second Revised Sheet No. 386
Superseding: First Revised Sheet No. 386

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

41. RESERVED

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Reserved for future use.

Fifth Revised Sheet No. 388 Fifth Revised Sheet No. 388
Superseding: Fourth Revised Sheet No. 388

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

41. PIPELINE INTEGRITY PLAN ("PIP") SURCHARGE (Continued)

41.4 No later than December 1, 2007, Transporter shall submit a second PIP Surcharge filing to establish the PIP Surcharge to be effective for the one-year period beginning January 1, 2008. The second year surcharge shall be calculated as the sum of: 1) the cost of service effect of Qualifying Capital Expenditures in calendar years 2006 and 2007 adjusted for the Qualifying Capital Expenditures' associated accumulated depreciation and ADIT as of December 31, 2007, and 2) the PIP O&M Allowance for 2007, divided by total transportation throughput (excluding services provided under Rate Schedules FT-2, PAL, IHSW and ISS) for 2007 (all based on actual experience to the extent available, and projections for any Months for which actual data are not available at the time of the filing). Notwithstanding any other provision of the Docket No. RP05-422 Settlement and regardless of Transporter's actual expenditures, costs, or true-ups, the Qualifying PIP Expenditures for recovery in 2008 shall not exceed a cumulative amount of $120 million in Qualifying Capital Expenditures for 2006 and 2007, and the PIP Surcharge to be applied in 2008 shall not exceed $0.0125 per dth. In addition to the foregoing, and subject to the above limitations, the second year surcharge calculation shall also contain a true-up adjustment that will reflect Transporter's actual Qualifying PIP Expenditures in 2006 and will reflect 2007 throughput (using actual data to the extent known, and excluding volumes under Rate Schedules FT-2, PAL, IHSW and ISS).

41.5 In addition to the filing to establish the PIP Surcharge to be effective for the one-year period beginning January 1, 2008, pursuant to Section 41.4 above, Transporter shall have the right to file for an adjusted PIP Surcharge rate no later than July 31, 2008 to adjust the 2008 calendar year surcharge to reflect final accounting data for Qualifying Capital Expenditures and PIP O&M Allowance for 2007. Such true-up adjustment will be based on 2007 total transportation throughput (excluding services provided under Rate Schedules FT-2, PAL, IHSW and ISS) to determine the rate. Transporter will have a right to adjust past invoices in 2008 as required to reflect such adjusted rate.

Second Revised Sheet No. 388A Second Revised Sheet No. 388A
Superseding: First Revised Sheet No. 388A

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

41. PIPELINE INTEGRITY PLAN ("PIP") SURCHARGE (Continued)

41.6 To allow for a true-up calculation for 2008 PIP collections solely to reflect the difference between the estimated transportation throughput (excluding Rate Schedules FT-2, PAL, IHSW and ISS volumes) used to set the PIP Surcharge and actual 2008 transportation throughput (excluding Rate Schedules FT-2, PAL, IHSW and ISS volumes), any amounts under-collected or over-collected under the 2008 PIP Surcharge shall be directly invoiced, billed or credited on or about March 31, 2009, subject to the agreed-upon rate limitation in Section 41.4. Transporter shall file a final informational true-up report with FERC within 60 Days of March 31, 2009.

41.7 Except for the true-up filing described in Section 41.6 above, the PIP Surcharge shall terminate immediately prior to the effective date of Transporter's next general rate change (January 1, 2009). At that time, Transporter shall be entitled to propose to include, among other things, the costs of all Qualifying Capital Expenditures (adjusted for applicable depreciation, as provided for in the 2007 and 2008 PIP Surcharge mechanism set forth above) as part of its proposed rate base. Shippers shall reserve all rights to challenge inclusion of these costs in the 2009 rate case.

41.8 Shippers shall have the right to challenge Transporter's PIP Surcharge filings but only with respect to: 1) whether the capital expenditures included are Qualifying Capital Expenditures; 2) whether the filed PIP O&M Allowance relates solely to pipeline integrity-related O&M costs; 3) whether the costs were prudently incurred and the PIP Plan was prudently implemented; and 4) whether the surcharge is properly calculated.

Second Revised Sheet No. 388B Second Revised Sheet No. 388B
Superseding: First Revised Sheet No. 388B

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

41. PIPELINE INTEGRITY PLAN ("PIP") SURCHARGE (Continued)

41.9 Nothing herein prohibits Shippers from challenging the prudence of Transporter's implementation of the PIP Plan or the prudence of the level of costs incurred therein; however, Shippers cannot challenge costs on the grounds that they are related to the following activities: 1) pipeline integrity/make ready; 2) pipeline integrity program-associated remediation; 3) pipeline integrity program-associated replacement; or 4) pipeline integrity program renovation. In this regard, Shippers recognize and accept that Transporter's Pipeline Integrity Program will be applied to all lines of six inches in diameter and larger irrespective of any less stringent general industry standard or regulatory or governmental mandate, and that this fact may not be used by any Shipper to challenge Transporter's PIP Surcharge on any basis.

41.10 No later than 30 Days prior to the submission of a PIP Surcharge filing, and to the extent the information is available at the time, Transporter shall provide to each Shipper, a detailed written description of all capital expenditures to be included as Qualifying Capital Expenditures in Transporter's upcoming filing, including:

(a) For each project: 1) the location of the work, 2) a description of the type of work and why it was necessary for pipeline integrity purposes, 3) whether the work was required by the Pipeline Safety Improvement Act of 2002 or goes beyond those requirements, and 4) the actual or estimated costs of the project; and

(b) Information detailing the basis of the PIP O&M Allowance to be included in the filing, with an explanation of how those expenditures were required and reasonable for pipeline integrity purposes.

(c) If the initial filing is made after January 1, 2007 as a result of the timing of the approval of the Docket No. RP05-422 Settlement, such information will be made available at the time of the filing or directly following the filing.

First Revised Sheet No. 388C First Revised Sheet No. 388C
Superseding: Original Sheet No. 388C

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

42. REVENUE SHARING MECHANISM

42.1 This Section 42 will become applicable only when Transporter collects Short-Term Rates that exceed the related Long-Term Rates.

42.2 Total Jurisdictional Revenue, for purposes of this Section 42, shall only include revenue collected under Transporter's rate schedules. Total Jurisdictional Revenue shall not include amounts otherwise credited to Shippers under Transporter's Tariff, revenues otherwise not retained by Transporter or the other revenues specifically listed below.

(a) Total Jurisdictional Revenue shall not include: penalty revenue credited to Shippers; revenue associated with ACA Surcharges and any other FERC-required surcharges in which revenue collected by Transporter is not retained by Transporter, as in the case of the ACA Surcharge; revenue received for Fuel and L&U, and Fuel savings sharing pursuant to Section 26.7; revenue that compensates Transporter for the cost of service of new, incrementally-priced facilities added to Transporter's system after December 31, 2008, to the extent such facilities add new mainline or new lateral capacity to Transporter's system (to the extent such new lateral capacity does not utilize existing mainline capacity); revenue recorded to Account Nos. 490, 491, 492, 493, 494 and 495.

(b) For revenue crediting purposes, revenue for prior period adjustments will be considered as revenue for the production Month for which Transporter invoiced the service which generated such revenue.

42.3 Beginning January 1, 2009, if Transporter's Total Jurisdictional Revenue collections in a calendar year exceed the annual cost of service established in the Docket No. RP08-___ rate case, Transporter shall provide a credit to all Shippers by using the method described below.

(a) Transporter shall compute the amount of annual Total Jurisdictional Revenue that exceeds the annual cost of service.

(b) Transporter shall compute the amount of revenues from Short-Term Rate transactions to the extent the Short-Term Rate exceeded the related Long-Term Rate.

Fifth Revised Sheet No. 389 Fifth Revised Sheet No. 389
Superseding: Fourth Revised Sheet No. 389

Reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

42. REVENUE SHARING MECHANISM

42.3 (Continued)

(c) The lesser of the revenues computed pursuant to Sections 42.3(a) and 42.3(b) will be multiplied by 75% and that product will be credited to Shippers. Transporter shall retain the remaining 25%. If there is no revenue resulting from the computation pursuant to Section 42.3(a), no credit will be issued.

(d) Revenue crediting will occur in March of each year and shall be allocated among all Shippers pro rata based on the Total Jurisdictional Revenues received from each such Shipper in relation to the Total Jurisdictional Revenues received from all Shippers.

42.4 If Transporter provides revenue sharing credits for a yearly period, it will file a refund report with FERC detailing the applicable revenue sharing activity no later than June 1 of the following Year.

42.5 This Section 42 shall terminate upon the effectiveness of any general system-wide rate case filed after January 1, 2009.

Third Revised Sheet No. 389A Third Revised Sheet No. 389A
Superseding: Second Revised Sheet No. 389A

Reserved for future use.

42. REVENUE SHARING MECHANISM (Continued)

(e) For the calendar year 2008 "Tier 1 Crediting", to the extent Transporter's Total Jurisdictional Revenue collections, exceed $555 million but are up to $575 million, Transporter shall credit to eligible Shippers 60% of the revenue in excess of $555 million. The revenue shall be allocated to the following eligible Shipper contracts: 1) maximum rate TSAs, 2) Section 37 TSAs, except Rate Schedule FT-2 TSAs, and 3) other TSAs that provide for the payment of the PIP surcharge resulting in incremental revenue in addition to other contract charges. Revenue crediting will occur no later than the March 2009 statement and shall be allocated among the eligible Section 42.1(e) TSAs pro rata based on the Total Jurisdictional Revenue received from each eligible Section 42.1(e) TSA in relation to the Total Jurisdictional Revenue received from all eligible Section 42.1(e) TSAs. Revenue under TSAs where no PIP Surcharge is paid will be excluded from calculating the allocation of any amount to be credited.

(f) For the calendar year 2008 "Tier 2 Crediting", to the extent Transporter's Total Jurisdictional Revenue collections exceed $575 million, Transporter shall credit to eligible Shippers 80% of the revenue in excess of $575 million. Such revenue credit is in addition to the amounts to be credited pursuant to Section 42.1(e) and will occur no later than the March 2009 statement. The amount to be credited shall be allocated among all Shippers pro rata based on the Total Jurisdictional Revenues received from each Shipper in relation to the Total Jurisdictional Revenues received from all Shippers in 2008. Such revenue credit is in addition to the amounts to be credited pursuant to Section 42.1(e) above.

(g) If Transporter provides revenue sharing credits for a yearly period, it will file a refund report with FERC detailing the applicable revenue sharing activity no later than June 1 of the following year.

Second Revised Sheet No. 389B Second Revised Sheet No. 389B
Superseding: First Revised Sheet No. 389B

Reserved for future use.

Sheet Nos. 390 - 392 Sheet Nos. 390 - 392 : Pending

Sheet Nos. 390 through 392
have been reserved for future use.

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

43. PENALTIES

The penalty provisions found in this Section 43 shall be applicable to Rate Schedules FT-1, FT-2, FTH-V, FT-H, NNTH, NNTD and IT-1 as described below.

43.1 Shipper shall pay only one penalty/charge when Shipper's actions result in hourly scheduling penalties, daily unauthorized overrun penalties, and/or Critical Condition charges. Shipper shall pay the highest of the hourly scheduling penalty pursuant to this Section 43, the daily unauthorized overrun penalty pursuant to the applicable rate schedule, or the Critical Condition charge pursuant to Section 33 of the GT&C.

(a) Shipper's invoice(s) shall not include assessment for a charge or penalty of less than two hundred dollars ($200).

43.2 Hourly Scheduling Penalty

(a) Shipper shall pay an hourly scheduling penalty in each hour when Shipper's Hourly Scheduling Penalty Quantity exceeds the sum of: 1) the applicable Safe Harbor Tolerance Quantities specified in Section 43.2(b), and 2) any Rate Schedule IHSW quantities, if applicable, at a Delivery Point. In any such hour, Shipper shall pay an amount obtained by multiplying the hourly scheduling penalty rate set forth on the Statement of Rates by the Hourly Scheduling Penalty Quantity less: 1) the applicable Safe Harbor Tolerance Quantities specified in Section 43.2(b), and 2) any Rate Schedule IHSW quantities, if applicable.

(b) In non-Critical Conditions, Shipper is entitled to the hourly Safe Harbor Tolerance Quantities equal to the greater of 13% of Shipper's Hourly Scheduled Entitlement at the Delivery Point or 200 dth per hour. In Critical Conditions, Shipper is entitled to hourly Safe Harbor Tolerance Quantities as determined and applied pursuant to Sections 33.1(h)(iii) and 33.10.

(c) For purposes of the allocation of delivery quantities, hourly scheduling penalties shall be treated in accordance with Section 38.

(d) During any period in which Transporter utilizes flow control equipment at a location to restrict gas flow pursuant to Section 4.1(a)(xiii) of the GT&C, hourly scheduling penalties will not be assessed at that location.

Third Revised Sheet No. 392A Third Revised Sheet No. 392A
Superseding: Substitute Second Revised Sheet No. 392A

Reserved for future use.

Second Revised Sheet No. 393 Second Revised Sheet No. 393
Superseding: First Revised Sheet No. 393

Reserved for future use.

Second Revised Sheet No. 394 Second Revised Sheet No. 394
Superseding: First Revised Sheet No. 394

Reserved for future use.

Reserved for future use.

FORMS OF SERVICE AGREEMENTS

Preliminary Statement

Pursuant to Transporter's "Tariff Re-Organization" filing in Docket No. RP10-___; and subsequent filing pursuant to the electronic tariff requirements of Docket No. RM01-5, the pro forma service agreements contained in this Tariff are modified to reflect revised GT&C section references. (See below for the new section references.) As such, the currently Executed TSAs shall remain in effect and shall not be rendered non-conforming due to these modified references.

Former Section Reference	Current Section Reference
Section 20.16(f)	Section 4.14(f)
Section 20.20(c)	Section 4.2(c)
Section 6	Section 12
Section 20.12	Section 8.1(e)
Section 4.1	Section 6.1
Section 6	Section 12
Section 20.16	Section 4.14
Section 4.2	Section 6.2

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
DATED:

The Parties identified below, in consideration of their mutual promises agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule FT-1 and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Transportation service at and between Receipt and Delivery Points shall utilize a Flow Path and be transported on a firm basis in accordance with the Tariff.

   Receipt Points, Delivery Points and Flow Paths: Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the Receipt Points identified in Exhibit A. Transporter agrees to provide firm transportation service and deliver gas to Shipper (or for Shipper's account) at the Delivery Points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Exhibit A. Minimum and maximum delivery pressures, as applicable, are listed on Exhibit A.

6. Rates and Surcharges: As set forth in Exhibit B, Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule FT-1.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
(Continued)

8. Negotiated Rate Agreement: Yes_____ No_____

9. Term of Agreement: Beginning: _____
Extending through:_____

This agreement shall continue in full force and effect from _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon (365 Days -or- some other mutually agreed upon period of time) notice.

10. Effect on Prior Period Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. Firm Transportation Contract Demand ("TCD"):

TCD (Dth/d)	Time Period

12. Right-Of-First-Refusal. Upon mutual agreement of the Parties, the right-of-first-refusal, pursuant to Section 4.14(f) of the General Terms and Conditions, shall apply to this Agreement.

A right-of-first-refusal shall not apply to this Agreement pursuant to Section 4.2(c) of the General Terms and Conditions. (Use only when applicable.)

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
(Continued)

13. Notices, Statements, and Bills:

To Shipper:

_____
_____
_____
Attn: _____

To Transporter:

_____
_____
_____
Attn: _____

Routine communication may be mailed by ordinary mail or posted on El Paso's EBB. Operating communications by telephone, facsimile or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation. Payments to El Paso for services rendered hereunder shall be made in accordance with Section 12 of the General Terms and Conditions.

14. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

15. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction. (Agreements executed prior to January 1, 2006 will be subject to the governing law provisions stated in such Agreements.)

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
(Continued)

IN WITNESS HEREOF, the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the Day and Year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
(Continued)
EXHIBIT A
To The
Transportation Service Agreement
Dated _____,
Between El Paso Natural Gas Company
and _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Month 1/
Primary Receipt Point (including, among other things, name, scheduling code, DRN Code(s)) 2/
Primary Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Alternate Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Alternate Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Flow Path 3/
Maximum Quantity (dth/d) 4/
Use as appropriate:
Maximum Quantity - Meter (dth/d)5/
-or-
Maximum Quantity - D-Code (dth/d) 5/
Meter Name(s) and CMQ(s) 6/
Delivery Pressure (p.s.i.g.) Not less than 7/
Delivery Pressure (p.s.i.g.) Not greater than 7/

Shipper's Transportation Contract Demand: See Paragraph 11

1/ The calendar Month the specified rights are in effect during the term of the Agreement.
2/ Necessary pressure to enter the El Paso System and, except as otherwise noted, not in excess of.
3/ As defined in Section 8.1(e) of the GT&C of El Paso's Tariff.
4/ The "Maximum Quantity" means the daily Maximum Receipt Quantity, Maximum Delivery Quantity, or Path Quantity, as applicable.
5/ The sum of the Maximum Quantities identified above is equal to Shipper's Transportation Contract Demand for that Month.
6/ The sum of the CMQs identified above is equal to Shipper's D-Code Maximum Quantity for that Month.
7/ Unless otherwise specified on this Exhibit A, the delivery pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; provided, however, El Paso reserves the right to deliver quantities at pressures up to the MAOP of that facility.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
(Continued)

EXHIBIT B

To The
Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit B, if applicable:

Primary Delivery Point(s)
Effective Date
Reservation Rate 1/
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION
SERVICE UNDER RATE SCHEDULE IT-1
(Continued)

EXHIBIT A

To The
Transportation Service Agreement
Dated _____
Between El Paso Natural Gas Company
and _____

Usage Rate (Note 1)	Term of Rate	Fuel	Surcharges (Note 2)

NOTES:

(1) Unless otherwise agreed by the Parties in writing, the Usage Rate for service shall be El Paso's then-effective maximum rate for service under Rate Schedule IT, or other superseding Rate Schedule, as such rates may be changed from time to time. El Paso and Shipper may also agree to a discount using one of the discount types described in Section 35 of the Tariff.

(2) Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates sheet in the Tariff, as they may be changed from time to time, unless otherwise agreed to by the parties.

A. Effective Date of this Exhibit A: _____

B. Supersedes Exhibit A Effective: _____

_____ EL PASO NATURAL GAS COMPANY

By_____ By_____

Date_____ Date_____

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2

THIS AGREEMENT is made and entered into as of this ____ day of ____, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, hereinafter referred to as "El Paso," and _____, a _____ corporation, hereinafter referred to as "Shipper"

WHEREAS, El Paso owns and operates a natural gas transmission system; and

WHEREAS,

NOW THEREFORE, in consideration of the representations, covenants and conditions herein contained, El Paso and Shipper agree as of the date first above written as follows:

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2

ARTICLE I

Gas to be Transported

1.1 Subject to the terms and provisions of this Agreement and of El Paso's Rate Schedule FT-2, El Paso agrees to receive on each day at each receipt point, such quantity of natural gas, if any, up to the Maximum Receipt Quantity specified for each receipt point on Exhibit A, not to exceed the physical capacity of such point, as may be tendered to El Paso by Shipper (or for Shipper's account), and to transport such quantity on a firm basis for Shipper; provided, however, that Shipper is obligated to tender or cause to be tendered its full requirements on any day for transportation by El Paso and, provided further, that a full requirements shipper's Maximum Delivery Quantity on any day shall be its full requirements on that day, up to a maximum of 10,000 dth per day. Shipper's full requirements means natural gas sufficient to supply the requirements of Shipper in serving [identify consumers (i.e., residential, non-residential, irrigation, etc.)] situated in each community or area shown on Exhibit B hereto unless otherwise indicated thereon, including all gas lost or unaccounted for by the Shipper and all gas otherwise used or resold by the Shipper in those communities and areas shown on Exhibit B hereto, but in no event shall the quantity for each such community or area exceed that shown on Exhibit B.

1.2 In addition to the quantity which Shipper may tender or cause to be tendered to El Paso at each receipt point each day for firm transportation in accordance with paragraph 1.1, Shipper shall tender or cause to be tendered to El Paso at that point that quantity of natural gas as may be required from time to time to compensate El Paso for Fuel and L&U for volumes associated with such transportation. Such additional quantity is additive to (and shall not be considered as constituting a part of) Shipper's Maximum Receipt Quantity at such receipt point.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

1.3 In accordance with Section 6.1 of the General Terms and Conditions incorporated by reference in Rate Schedule FT-2, El Paso shall deliver and Shipper shall accept or cause to be accepted at the delivery point(s) referenced in paragraph 2.2 of Article II, a quantity of natural gas equivalent, on a dth basis, to the sum of the quantities of natural gas received by El Paso at the receipt points for transportation hereunder in accordance with paragraph 1.1

1.4 If on any day El Paso should determine that the transportation capacity of its facilities is insufficient to transport all volumes of natural gas up to the Shipper's full requirements, up to a maximum of 10,000 Dth per day, as tendered for transportation under this Agreement and by other shippers under similar, firm transportation agreements, El Paso shall allocate the available transportation capacity on the basis set forth in the General Terms and Conditions incorporated by reference in El Paso's Rate Schedule FT-2.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

ARTICLE II

Receipt Point(s), Delivery Point(s)
and Delivery Pressures

2.1 The Receipt Point(s) at which Shipper shall cause natural gas to be tendered to El Paso for transportation hereunder are described in Exhibit A to this Agreement. The delivery pressure and other pertinent factors are also set forth in Exhibit A.

2.2 The Delivery Point(s) at which El Paso shall deliver hereunder, are described in Exhibit B to this Agreement. The delivery pressure and other pertinent factors applicable to the Delivery Point(s) are also set forth in Exhibit B.

ARTICLE III

Rate, Rate Schedule(s) and General Terms and Conditions

3.1 Shipper shall pay El Paso for services rendered hereunder in accordance with El Paso's Rate Schedule FT-2, or superseding rate schedule(s), on file with and subject to the jurisdiction of the Commission and lawfully in effect from time to time.

3.2 The parties hereto agree that El Paso shall have the right from time to time to propose and file with the Commission, in accordance with Section 4 of the Natural Gas Act, changes, amendments, revisions and modifications in:

(a) the rate(s) and Rate Schedule incorporated by reference as a part of this Agreement pursuant to this Article III; and

(b) the General Terms and Conditions incorporated by reference in said Rate Schedule, which are applicable hereto;

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

provided, however, that Shipper shall have the right to protest any such changes before the Commission (or successor governmental agency) or other authorities and to exercise any other rights that Shipper may have with respect thereto.

3.3 This Agreement in all respects is subject to the provisions of El Paso's Rate Schedule FT-2, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said transportation rate schedule filed by El Paso with the Commission, all of which are by reference made a part hereof.

3.4 Certain of the General Terms and Conditions may be adjusted for the purpose of this Agreement and any such adjustments shall be set forth in Exhibit C to this Agreement.

ARTICLE IV

Regulatory Requirements and Conditions Precedent

4.1 The transportation arrangements provided for in this Agreement are subject to the provisions of _____ the Commission's Regulations, as amended from time to time

4.2 Transportation of natural gas provided for under the terms and provisions of this Agreement shall not commence until the following conditions have been met:

(Paragraph 4.2 is be utilized only when applicable)

ARTICLE V

Term

5.1 This Agreement shall become effective

5.2 After this Agreement becomes effective, it shall continue in full force and effect

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

5.3 Termination of this Agreement shall not relieve El Paso or Shipper of the obligation to correct any volume imbalances hereunder, or either party of the obligation, if any, to pay monies to the other party.

ARTICLE VI

Cancellation of Prior Contracts

6.1 When this Agreement becomes effective, it supersedes and cancels as of the effective date hereof the following contracts between the parties hereto:

(Paragraph 6.1 to be utilized only when applicable)

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

ARTICLE VII

Notices

7.1 Any formal notice, request or demand that either party gives to the other respecting this Agreement shall be in writing and shall be mailed by registered or certified mail or delivered in hand to the following address of the other party:

El Paso: El Paso Natural Gas Company
Post Office Box 1087
Colorado Springs, CO 80944
Attention: Director, _____
_____

Shipper:

or to such other address as a party shall designate by formal written notice. Routine communications may be mailed by ordinary mail. Operating communications by telephone, facsimile or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation. Payments to El Paso for services rendered hereunder shall be made in accordance with Section 12 of the General Terms and Conditions incorporated by reference in Rate Schedule FT-2.

ARTICLE VIII

Other Operating Provisions

(This Article to be utilized when necessary
to specify other operating provisions)

ARTICLE IX

Miscellaneous

9.1 El Paso and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the General Terms and Conditions incorporated by reference in El Paso's Rate Schedule FT-2.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

9.2 All substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, except substances expressly reserved for Shipper, that El Paso recovers in the course of transporting the quantities of natural gas tendered hereunder to Shipper shall be El Paso's sole property and El Paso shall not be obligated to account to Shipper for any value, whether or not realized by El Paso, that may attach or be said to attach to such substances.

9.3 Exhibits A, B and C, attached to this Agreement, are hereby incorporated by reference as part of this Agreement. The parties may amend Exhibits A, B or C by mutual agreement, which amendments shall be reflected in a revised Exhibit A, B or C and shall be incorporated by reference as part of this Agreement.

9.4 With El Paso's prior consent, which shall not be unreasonably withheld, Shipper may convert any one or more full requirements delivery point(s) hereunder to delivery point(s) with a fixed Maximum Delivery Quantity or reduce the Maximum Delivery Quantity for any delivery point that has a Maximum Delivery Quantity. Shipper may provide El Paso with one year's prior written notice of Shipper's desire to effect such conversion or reduction. The notice shall specify the applicable Maximum Delivery Quantity for each delivery point to be converted or reduced, which Maximum Delivery Quantity shall not be more than the actual delivery capacity for such delivery point(s). Conversion of any one or more points hereunder shall not affect the full requirements status of Shipper's remaining delivery point(s); however, Shipper's service will continue to be limited to no more than 10,000 Dth per day under its Agreement. If El Paso does not notify Shipper in writing within one hundred eighty (180) days after receiving such notice that El Paso objects to such conversion or reduction, El Paso shall be deemed to have consented thereto.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

IN WITNESS HEREOF, the parties have caused this Agreement to be (electronically executed or executed in two (2) original counterparts - choose one as applicable), by their duly authorized officers, the day and year first set forth herein.

ATTEST: EL PASO NATURAL GAS COMPANY

By_____ By_____
(Title) (Title)

ATTEST: _____
(Acquiring Shipper)

By_____ By_____
(Title) (Title)

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

EXHIBIT A

To The
Transportation Service Agreement
Dated _____
Between El Paso Natural Gas Company
and _____

Receipt Point(s)	Delivery Pressure(s) (psig)*	Maximum Daily Quantity ( )

* Necessary pressure to enter the El Paso System and, except as otherwise noted, not in excess of.

A. Effective Date of this Exhibit A: _____

B. Supersedes Exhibit A Effective: _____

_____ EL PASO NATURAL GAS COMPANY

By_____ By_____

Date_____ Date_____

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

EXHIBIT B

To The
Transportation Service Agreement
Dated _____
Between El Paso Natural Gas Company
and _____

Delivery Point(s)	Maximum Delivery Quantity ( )

Unless otherwise specified on this exhibit, the delivery pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; however, El Paso reserves the right to deliver quantities at pressures up to the MAOP of that facility.

El Paso shall be obligated to deliver hereunder, up to a maximum of 10,000 dth per day, in accordance with paragraph 1.3 of the Agreement and Section 6.2 of the General Terms and Conditions contained in El Paso's Volume No. 1-A Tariff, or superseding tariff, up to Shipper's full requirements, except for those delivery point(s) which have a specific Maximum Delivery Quantity set forth; provided, however, that El Paso shall be obligated to deliver hereunder only Shipper's quantities of natural gas received pursuant to this Agreement in the aggregate at all delivery point(s). El Paso's obligation to deliver up to Shipper's full requirements is limited by operational and capacity limitations existing from time to time for the facilities at each delivery point; El Paso shall not be required to construct additional facilities required to make deliveries of natural gas in quantities exceeding such operational and capacity limitations, except as otherwise undertaken in El Paso's Stipulation and Agreement filed at Docket No. RP88-44-000.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
DATED:

The Parties identified below, in consideration of their mutual promises agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule FT-1 and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Transportation service at and between Receipt and Delivery Points shall utilize a Flow Path and be transported on a firm basis in accordance with the Tariff.

   Receipt Points, Delivery Points and Flow Paths: Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the Receipt Points identified in Exhibit A. Transporter agrees to provide firm transportation service and deliver gas to Shipper (or for Shipper's account) at the Delivery Points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Exhibit A. Minimum and maximum delivery pressures, as applicable, are listed on Exhibit A.

6. Rates and Surcharges: As set forth in Exhibit B, Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule FT-1.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

EXHIBIT B
(Continued)

A. Effective Date of this Exhibit B: _____

B. Supersedes Exhibit B Effective: _____

EL PASO NATURAL GAS COMPANY

By_____ By_____

Date_____ Date_____

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-2
(Continued)

EXHIBIT C

To The
Transportation Service Agreement
Dated _____
Between El Paso Natural Gas Company
and _____

The following shall apply in substitution for the identified provisions of the General Terms and Conditions of El Paso's Tariff:

Section of General Terms and Conditions	Substitute Provision

A. Effective Date of this Exhibit C: _____

B. Supersedes Exhibit C Effective: _____

_____ EL PASO NATURAL GAS COMPANY

By_____ By_____

Date_____ Date_____

Reserved for future use.

FORM OF SERVICE AGREEMENT
APPLICABLE TO HOURLY FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FT-H
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule FT-H and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Firm Hourly Transportation Service: _____
(Three Hour Enhanced "FTH-3", Twelve Hour Peaking "FTH-12", Sixteen Hour Peaking "FTH-16" or Eight Hour Peaking "FTH-8")
(insert as applicable)

   Transportation service at and between primary receipt points and primary delivery points shall utilize a Flow Path and shall be transported on a firm basis in accordance with the Tariff.

   Receipt Points, Delivery Points and Flow Paths: Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the primary receipt points identified in Exhibit A. Transporter agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.

6. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule FT-H.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

FORM OF SERVICE AGREEMENT
APPLICABLE TO HOURLY FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FT-H
(Continued)

8. Negotiated Rate Agreement: Yes _____ No _____

9. Term of Agreement: Beginning: _____
Extending through: _____

This Agreement shall continue in full force and effect _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon (365 Days -or- some other mutually agreed upon period of time) notice.

10. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. Transportation Contract Demand ("TCD"):

TCD (Dth/d)	Time Period
---	---
---	---
---	---

12. Right-Of-First-Refusal. The right-of-first-refusal, pursuant to Section 4.14, shall (or shall not) apply to this Agreement.

13. Notices, Statements, and Bills:

To Shipper:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO HOURLY FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FT-H
(Continued)

14. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

15. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS HEREOF, the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the Day and Year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO HOURLY FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FT-H
(Continued)

EXHIBIT A
To The
Hourly Firm Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Month
Primary Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Primary Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Alternate Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Alternate Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Flow Path
Use as appropriate:
Maximum Quantity - Meter (dth/d)1/
-or-
Maximum Quantity - D-Code (dth/d) 1/
Meter Name(s) and CMQ(s) 2/
Delivery Pressure (p.s.i.g.) Not less than 3/
Delivery Pressure (p.s.i.g.) Not greater than 3/

Shipper's Transportation Contract Demand: See Paragraph 11

1/ The sum of the Maximum Quantities identified above is equal to Shipper's Transportation Contract Demand for that Month.

2/ The sum of the CMQs identified above is equal to Shipper's D-Code Maximum Quantity for that Month.

3/ Unless otherwise specified on this Exhibit A, the pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; provided, however, El Paso reserves the right to deliver quantities at pressures up to the MAOP of that facility.

FORM OF SERVICE AGREEMENT
APPLICABLE TO HOURLY FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FT-H
(Continued)

EXHIBIT B

To The
Hourly Firm Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit B, if applicable:

Primary Delivery Point(s)
Effective Date
Reservation Rate 1/
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
(Continued)

ARTICLE VII

Notices

7.1 Any formal notice, request or demand that either party gives to the other respecting this Agreement shall be in writing and shall be mailed by registered or certified mail or delivered in hand to the following address of the other party:

El Paso:

Shipper:

or to such other address as a party shall designate by formal written notice. Routine communications may be mailed by ordinary mail or posted on El Paso's EBB. Operating communications by telephone, facsimile or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation. Payments to El Paso for services rendered hereunder shall be made in accordance with Section 6 of the General Terms and Conditions incorporated by reference in Rate Schedule FT-1.

ARTICLE VIII

Other Operating Provisions

(This Article to be utilized when necessary
to specify other operating provisions)

ARTICLE IX

Miscellaneous

9.1 El Paso and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the General Terms and Conditions incorporated by reference in El Paso's Rate Schedule FT-1.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule FTH-V and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Transportation service at and between primary receipt and delivery points shall occur on a firm basis in accordance with the Tariff.

   Receipt Points, Delivery Points and Flow Paths: Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the primary receipt points identified in Exhibit A. Transporter agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.

6. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule FTH-V.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

8. Negotiated Rate Agreement: Yes _____ No _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

9. Term of Agreement: Beginning: _____
Extending through: _____

This Agreement shall continue in full force and effect from _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon (365 Days -or- some other mutually agreed upon period of time) notice.

10. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. Transportation Contract Demand ("TCD")*:

TCD (Dth/d)	Time Period
---	---
---	---
---	---

* Shipper's TCD may not exceed 10,000 dth/d, pursuant to the provisions of Rate Schedule FTH-V.

12. Right-Of-First-Refusal. The right-of-first-refusal, pursuant to Section 4.14, shall (or shall not) apply to this Agreement.

13. Notices, Statements, and Bills:

To Shipper:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

14. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

15. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS HEREOF, the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the Day and Year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

EXHIBIT A
To The
Firm Hourly Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Month
Primary Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Primary Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Alternate Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Alternate Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Flow Path
Use as appropriate:
Maximum Quantity - Meter (dth/d) 1/
-or-
Maximum Quantity - D-Code (dth/d) 1/
Meter Name(s) and CMQ(s) 2/
Delivery Pressure (p.s.i.g.) Not less than 3/
Delivery Pressure (p.s.i.g.) Not greater than 3/

Shipper's Transportation Contract Demand: See Paragraph 11

1/ The sum of the Maximum Quantities identified above is equal to Shipper's Transportation Contract Demand for that Month.

2/ The sum of the CMQs identified above is equal to Shipper's D-Code Maximum Quantity for that Month.

3/ Unless otherwise specified on this Exhibit A, the pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; provided, however, El Paso reserves the right to deliver quantities at pressures up to the MAOP of that facility.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

EXHIBIT B

To The
Firm Hourly Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit B, if applicable:

Primary Delivery Point(s)
Effective Date
Reservation Rate 1/
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT-1
(Continued)

EXHIBIT C

To The
Transportation Service Agreement
Dated _____
Between El Paso Natural Gas Company
and _____

The following shall apply in substitution for the identified provisions of the General Terms and Conditions of El Paso's Tariff:

Section of General Terms and Conditions	Substitute Provision

A. Effective Date of this Exhibit C: _____

B. Supersedes Exhibit C Effective: _____

_____	EL PASO NATURAL GAS COMPANY
By_____	By_____
Date_____	Date_____

Effective Date: 07/01/1994 Status: Effective
FERC Docket: GT94- 46-000
Sheet Nos. 427 Through 431 Sheet Nos. 427 Through 431 : Effective

Reserved Sheets

Original Sheet Nos. 427 through 431 have been reserved.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM DAILY BALANCING SERVICE
UNDER RATE SCHEDULE FDBS
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule FDBS and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Firm Daily Balancing Service: _____
   (FDBS-A annual, FDBS-S summer, or FDBS-W winter, as applicable)

   Firm Daily Balancing Service for Natural Gas quantities delivered at primary delivery point(s) applicable to Rate Schedule FT-1 and FT-H scheduled quantities.
   Companion Rate Schedule FT-1/FT-H agreement(s) _____

   Delivery Points: Shipper has Rate Schedule FT-1 and/or FT-H transportation service agreements with primary delivery point(s) identified in Exhibit A. Transporter agrees to provide firm daily balancing service at such points.

6. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule FDBS.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM DAILY BALANCING SERVICE
UNDER RATE SCHEDULE FDBS
(Continued)

8. Negotiated Rate Agreement: Yes _____ No _____

9. Term of Agreement: Beginning: _____
Extending through: _____

This Agreement shall continue in full force and effect _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon (365 Days -or- some other mutually agreed upon period of time) notice.

10. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. Transportation Contract Demand ("TCD"):

TCD (Dth/d)	Time Period

12. Right-Of-First-Refusal. The right-of-first-refusal, pursuant to Section 4.14, shall (or shall not) apply to this Agreement.

13. Notices, Statements, and Bills:

To Shipper:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM DAILY BALANCING SERVICE
UNDER RATE SCHEDULE FDBS
(Continued)

14. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

15. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS HEREOF, the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the Day and Year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM DAILY BALANCING SERVICE
UNDER RATE SCHEDULE FDBS
(Continued)

EXHIBIT A

To The
Firm Daily Balancing Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

Shipper's Transportation Contract Demand: See Paragraph 11

The following data elements shall be described on this Exhibit A, if applicable:

Primary Delivery Point(s)
Effective Dates
Use as appropriate:
Maximum Quantity - Meter (dth/d)1/
-or-
Maximum Quantity - D-Code (dth/d) 1/
Meter Name(s) and CMQ(s) 2/

1/ The sum of the Maximum Quantities identified above is equal to Shipper's Transportation Contract Demand for that Month.

2/ The sum of the CMQs identified above is equal to Shipper's D-Code Maximum Quantity for that Month.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM DAILY BALANCING SERVICE
UNDER RATE SCHEDULE FDBS
(Continued)

EXHIBIT B

To The
Firm Daily Balancing Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit B, if applicable:

Primary Delivery Point(s)
Effective Date
Reservation Rate 1/
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - DAILY
UNDER RATE SCHEDULE NNTD
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule NNTD and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Transportation Service: Daily no-notice transportation service at and between primary receipt points and primary delivery points shall utilize a Flow Path and shall be transported on a firm basis in accordance with the Tariff.

   Receipt Points, Delivery Points and Flow Paths: Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the primary receipt points identified in Exhibit A. Transporter agrees to provide daily no-notice transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.

6. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule NNTD.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - DAILY
UNDER RATE SCHEDULE NNTD
(Continued)

8. Negotiated Rate Agreement: Yes _____ No _____

9. Term of Agreement: Beginning: _____
Extending through: _____

This Agreement shall continue in full force and effect _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon (365 Days -or- some other mutually agreed upon period of time) notice.

10. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. No-Notice Transportation Contract Demand ("TCD"):

TCD (Dth/d)	Time Period

12. Right-Of-First-Refusal. The right-of-first-refusal, pursuant to Section 4.14, shall (or shall not) apply to this Agreement.

13. Notices, Statements, and Bills:

To Shipper:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - DAILY
UNDER RATE SCHEDULE NNTD
(Continued)

14. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

15. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS HEREOF, the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the Day and Year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - DAILY
UNDER RATE SCHEDULE NNTD
(Continued)

EXHIBIT A

To The
Daily No-Notice Firm Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Month
Primary Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Primary Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Alternate Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Alternate Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Flow Path
Use as appropriate:
Maximum Quantity - Meter (dth/d)1/
-or-
Maximum Quantity - D-Code (dth/d) 1/
Meter Name(s) and CMQ(s) 2/
Delivery Pressure (p.s.i.g.) Not less than 3/
Delivery Pressure (p.s.i.g.) Not greater than 3/

Shipper's Transportation Contract Demand: See Paragraph 11

1/ The sum of the Maximum Quantities identified above is equal to Shipper's Transportation Contract Demand for that Month.

2/ The sum of the CMQs identified above is equal to Shipper's D-Code Maximum Quantity for that Month.

3/ Unless otherwise specified on this Exhibit A, the pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; provided, however, El Paso reserves the right to deliver quantities at pressures up to the MAOP of that facility.

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - DAILY
UNDER RATE SCHEDULE NNTD
(Continued)

EXHIBIT B

To The
Daily No-Notice Firm Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit B, if applicable:

Primary Delivery Point(s)
Effective Date
Reservation Rate 1/
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - HOURLY
UNDER RATE SCHEDULE NNTH
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule NNTH and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Hourly No-Notice Firm Transportation Service: _____
(Three Hour Enhanced "NNTH-3", Twelve Hour Peaking "NNTH-12", or Sixteen Hour Peaking "NNTH-16" - insert as applicable)

   Transportation Service: Hourly no-notice transportation service at and between primary receipt points and primary delivery points shall utilize a Flow Path and shall be transported on a firm basis in accordance with the Tariff.

   Receipt Points, Delivery Points and Flow Paths: Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the primary receipt points identified in Exhibit A. Transporter agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.

6. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule NNTH.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - HOURLY
UNDER RATE SCHEDULE NNTH
(Continued)

8. Negotiated Rate Agreement: Yes _____ No _____

9. Term of Agreement: Beginning: _____
Extending through: _____

This Agreement shall continue in full force and effect _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon (365 Days -or- some other mutually agreed upon period of time) notice.

10. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. No-Notice Transportation Contract Demand ("TCD"):

TCD (Dth/d)	Time Period

12. Right-Of-First-Refusal. The right-of-first-refusal, pursuant to Section 4.14, shall (or shall not) apply to this Agreement.

13. Notices, Statements, and Bills:

To Shipper:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - HOURLY
UNDER RATE SCHEDULE NNTH
(Continued)

14. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

15. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS HEREOF, the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the Day and Year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - HOURLY
UNDER RATE SCHEDULE NNTH
(Continued)

EXHIBIT A

To The
Hourly No-Notice Firm Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Month
Primary Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Primary Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Alternate Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Alternate Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Flow Path
Use as appropriate:
Maximum Quantity - Meter (dth/d)1/
-or-
Maximum Quantity - D-Code (dth/d) 1/
Meter Name(s) and CMQ(s) 2/
Delivery Pressure (p.s.i.g.) Not less than 3/
Delivery Pressure (p.s.i.g.) Not greater than 3/

Shipper's Transportation Contract Demand: See Paragraph 11

1/ The sum of the Maximum Quantities identified above is equal to Shipper's Transportation Contract Demand for that Month.

2/ The sum of the CMQs identified above is equal to Shipper's D-Code Maximum Quantity for that Month.

3/ Unless otherwise specified on this Exhibit A, the pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; provided, however, El Paso reserves the right to deliver quantities at pressures up to the MAOP of that facility.

FORM OF SERVICE AGREEMENT
APPLICABLE TO NO-NOTICE TRANSPORTATION SERVICE - HOURLY
UNDER RATE SCHEDULE NNTH
(Continued)

EXHIBIT B

To The
Hourly No-Notice Firm Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit B, if applicable:

Primary Delivery Point(s)
Effective Date
Reservation Rate 1/
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

Fifth Revised Sheet No. 447 Fifth Revised Sheet No. 447
Superseding: Fourth Revised Sheet No. 447

Reserved for future use.

FORM OF PAL SERVICE AGREEMENT
APPLICABLE TO PARKING AND LENDING SERVICE
UNDER RATE SCHEDULE PAL(1)
(Continued)

Exhibit A

Requested By:

	EL PASO NATURAL GAS COMPANY
(Shipper Name)	
By:	By:
Name:	Name:
Date:	Date:

Effective Date: 05/01/2005 Status: Effective
FERC Docket: RP04-248-003

Second Revised Sheet No. 449 Second Revised Sheet No. 449 : Effective
Superseding: Original Sheet No. 449

Reserved for future use.
Second Revised Sheet No. 449 and
First Revised Sheet Nos. 450 - 458

TRADING PARTNER AGREEMENT
for the Electronic Data Interchange
of Information Over the Public Internet
(Continued)

Section 3. Transaction Terms. (Continued)

3.3. Validity and Enforceability.

3.3.1. This Agreement has been executed by the parties to evidence their mutual intent to create binding obligations pursuant to the electronic transmission and receipt of Documents specifying certain of the applicable terms.

3.3.2. Any Document properly transmitted pursuant to this Agreement shall be considered to be a "writing" or "in writing"; and any such Document when containing, or to which there is affixed, a Signature Code ("Signed Document") shall be deemed for all purposes to have been "signed" and to constitute an "original" when printed from electronic files or records established and maintained in the normal course of business.

3.3.3. The parties agree not to contest the validity or enforceability of any Signed Document under the provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound thereby. Signed Documents, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Signed Documents under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Signed Documents were not originated or maintained in documentary form.

Section 4. Miscellaneous.

4.1. Term. This Agreement shall be effective as of the date fully executed by the parties and shall remain in effect until terminated by either party with not less than 30 days prior written notice specifying the effective date of termination; provided, however, that written notice for purposes of this paragraph shall not include notice provided in an EDI format; further provided, however, that a termination pursuant to this section shall not affect the respective obligations or rights of the parties arising under any Documents or otherwise under this Agreement prior to the effective date of termination.

TRADING PARTNER AGREEMENT
for the Electronic Data Interchange
of Information Over the Public Internet
(Continued)

Section 4. Miscellaneous. (Continued)

4.2. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, then as of such determination, this Agreement in its entirety shall be deemed ineffective and unenforceable by the parties.

4.3. Entire Agreement. This Agreement, the Appendix and any duly executed amendments or exhibits thereto shall constitute the complete agreement of the parties relating to the matters specified in this Agreement and supersede all prior representations or agreements, whether oral or written, with respect to such matters. No oral modification or waiver of any of the provisions of this agreement shall be binding on either party. No obligation to enter into any Transaction is to be implied from the execution or delivery of this Agreement. This Agreement is solely for the benefit of, and shall be binding solely upon, the parties their agents and their respective successors and permitted assigns. This Agreement is not intended to benefit and shall not be for the benefit of any party other than the parties hereto and no other party shall have any right, claim or action as a result of this Agreement. There are no third party beneficiaries to this Agreement.

4.4. Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the state of Texas, without regard to its conflicts of laws provisions.

4.5. Force Majeure. No party shall be liable for any failure to perform its obligations in connection with any Transaction or any Document, where such failure results from any act of God or other cause beyond such party's reasonable control (including, without limitation, any mechanical, electronic or communications failure) which prevents such party from transmitting or receiving any documents and which, by the exercise of due diligence, such party is unable to prevent or overcome.

TRADING PARTNER AGREEMENT
for the Electronic Data Interchange
of Information Over the Public Internet
(Continued)

Section 4. Miscellaneous. (Continued)

4.6. Exclusion of Damages. Neither party shall be liable to the other for any special, incidental, exemplary or consequential damages arising from or as a result of any delay, omission or error in the electronic transmission or receipt of any Documents pursuant to this Agreement, even if either party has been advised of the possibility of such damages and REGARDLESS OF FAULT. Damages are limited to direct damages to software and hardware arising from this Agreement and shall be set forth in the Appendix.

4.7. Notices. Unless otherwise provided in this Agreement, all notices required or permitted to be given with respect to this Agreement shall be given by mailing the same postage prepaid, or given by fax or by courier, or by other methods specified in the Appendix to the addressee party at such party's address as set forth in the Appendix. Either party may change its address for the purpose of notice hereunder by giving the other party no less than five (5) days prior written notice of such new address in accordance with the preceding provisions.

4.8. Assignment. This Agreement may not be assigned or transferred by either party without the prior written approval of the other party, which approval shall not be unreasonably withheld; provided, any assignment or transfer, whether by merger or otherwise, to a party's affiliate or successor in interest shall be permitted without prior consent if such party assumes this Agreement.

4.9. Waivers. No forbearance by any party to require performance of any provision of this Agreement shall constitute or be deemed a waiver of such provision or any other or the right thereafter to enforce it.

4.10. Counterparts. This Agreement may be executed in any number of original counterparts all of which shall constitute but one and the same instrument.

TRADING PARTNER AGREEMENT
for the Electronic Data Interchange
of Information Over the Public Internet
(Continued)

Section 4. Miscellaneous. (Continued)

4.11. Superseding Conflicts. If either party to this Agreement determines that this Agreement or any provision thereof is in conflict with either that party's existing tariff or any obligation imposed by a governmental entity exercising jurisdiction over that party, then that party shall give notice to the other defining which terms of this Agreement are affected, and the reasons therefor, and may provide notice of termination of this Agreement as provided in Section 4.7, effective immediately upon receipt of such notice by the other party to this Agreement.

4.12. Special Provisions.

Company: _____

By: _____
Name: _____
Title: _____
Date: _____

Trading Partner: _____

By: _____
Name: _____
Title: _____
Date: _____

APPENDIX
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT
between _____
and _____
DATE _____
TO BE EFFECTIVE _____ (DATE)

COMPANY NAME _____

STREET _____

CITY _____

STATE/PROVINCE/COMMONWEALTH _____

ZIP/POSTAL CODE _____

ATTENTION _____
(NAME, TITLE)

PHONE _____

FAX _____

OTHER NOTICE METHOD
& ADDRESS (e-mail) _____

DUNS NUMBER _____

COMPANY NAME _____

STREET _____

CITY _____

STATE/PROVINCE/COMMONWEALTH _____

ZIP/POSTAL CODE _____

ATTENTION _____
(NAME, TITLE)

PHONE _____

FAX _____

OTHER NOTICE METHOD
& ADDRESS (e-mail) _____

DUNS NUMBER _____

APPENDIX
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT
between _____
and _____
DATE _____
TO BE EFFECTIVE _____ (DATE)

RECEIPT COMPUTER:

COMPANY NAME: _____
INTERNET ADDRESS (URL) _____
ISA QUALIFIER _____
ISA ID _____

FOR PUBLIC KEY CHANGES OR EMERGENCY KEY VERIFICATION:
CONTACT NAME: _____
E-MAIL ADDRESS: _____
PHONE NUMBER: _____

COMPANY NAME: _____
INTERNET ADDRESS (URL) _____
ISA QUALIFIER _____
ISA ID _____

FOR PUBLIC KEY CHANGES OR EMERGENCY KEY VERIFICATION:
CONTACT NAME: _____
E-MAIL ADDRESS: _____
PHONE NUMBER: _____

2. STANDARDS: _____

3. INDUSTRY GUIDELINE: _____

The mutually agreed provisions of this Exhibit shall control in the event of any conflict with any listed industry guidelines.

4. SECURITY PROCEDURES: _____

5. TERMS AND CONDITIONS: _____

6. DATA RETENTION: _____

7. REFERENCED AGREEMENTS: _____

8. LIMITATION ON DIRECT DAMAGES: _____

9. CONFIDENTIAL INFORMATION: _____

APPENDIX
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT
between _____
and _____
DATE _____
TO BE EFFECTIVE _____ (DATE)

LIST OF EXHIBITS

EXHIBIT NUMBER	TRANSACTION SET NUMBER	NATURAL GAS DOCUMENT NAME

All Exhibits, attached hereto are to be considered attached to the Appendix and made a part thereof. Where there are any provisions specified both in the Exhibit(s) and in the Appendix, those contained in the Exhibit(s) govern.

The undersigned do hereby execute this Appendix, which Appendix is attached to and made a part of the above referenced Trading Partner Agreement. By execution below the parties hereby ratify said Agreement for all purposes set forth in this Appendix and the attached Exhibit(s).

COMPANY NAME: _____
BY: _____
PRINTED NAME: _____
TITLE: _____

COMPANY NAME: _____
BY: _____
PRINTED NAME: _____
TITLE: _____

EXHIBIT 1
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT
between _____
and _____
DATED _____
TO BE EFFECTIVE _____ (date)
COVERING TRANSACTION SET NUMBER _____

1. DOCUMENT SPECIFIC OPERATING INFORMATION:
(This section covers only the originating Document and its Functional Acknowledgment or identification and timing of substitute Response Document.)

NATURAL GAS DOCUMENT NAME _____
ASC X12 VERSION RELEASE NO. _____

ROW NUM	ITEMS	ORIGINATING PARTY	RECEIVING PARTY
1	COMPANY NAME		
2	EDI COMMUNICATION PHONE NUMBER		
3	THIRD PARTY SERVICE PROVIDER NAME		
4	RECEIPT COMPUTER		
5	ISA QUALIFIER		
6	ISA ID CODE		
7	GS ID CODE		
8	FUNCTIONAL 997 DOCUMENT ACKNOWLEDGMENT (FA) (Y/N)	N/A	
9	FA RETURN TIME FRAME	N/A	
10	RESPONSE DOCUMENT (RSP) NUMBER/NAME	N/A	
11	FUNCTIONAL ACKNOWLEDGMENT OF RESPONSE	N/A	
12	RSP RETURN TIME FRAME	N/A	
13	ACCEPTANCE DOCUMENT (ACPT)	N/A	
14	FUNCTIONAL ACKNOWLEDGMENT OF ACCEPTANCE	N/A	N/A
15	ACPT RETURN TIME FRAME	N/A	
16	RETRANSMIT TIME FRAME (ORIGINAL DOCUMENT)	N/A	N/A
17	SIGNATURE CODE		

EXHIBIT 1
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT
between _____
and _____
DATED _____
TO BE EFFECTIVE _____ (date)
COVERING TRANSACTION SET NUMBER _____

The undersigned do hereby execute this Exhibit pursuant to the Agreement attached and do hereby ratify said Agreement for all purposes set forth in this Exhibit.

COMPANY NAME: _____

BY: _____

PRINTED NAME: _____

TITLE: _____

COMPANY NAME: _____

BY: _____

PRINTED NAME: _____

TITLE: _____

Sheet Nos. 459 - 479 Sheet Nos. 459 - 479 : Effective

Reserved for future use.

Sheet Nos. 459 - 478 Sheet Nos. 459 - 478

Reserved for future use.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule FTH-V and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Transportation service at and between primary receipt and delivery points shall occur on a firm basis in accordance with the Tariff.

   Receipt Points, Delivery Points and Flow Paths: Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the primary receipt points identified in Exhibit A. Transporter agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.

6. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule FTH-V.

7. Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement.

8. Negotiated Rate Agreement: Yes _____ No _____

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION SERVICE
UNDER RATE SCHEDULE IT-1
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule IT-1 and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Transportation service at and between Receipt and Delivery Points shall be on an interruptible basis in accordance with the Tariff.

   Receipt and Delivery Points: Shipper may request service at any eligible Receipt Point or Delivery Point on El Paso's system. El Paso shall deliver thermally equivalent quantities of Natural Gas at the Delivery Points less L&U and, if applicable, less Fuel.

6. Rates and Surcharges: As set forth in Exhibit A. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule IT-1.

7. Exhibit A, attached to this Agreement, is hereby incorporated by reference as part of this Agreement.

8. Negotiated Rate Agreement: Yes_____ No_____

9. Term of Agreement: Beginning: _____
   Extending through:_____

   This agreement shall continue in full force and effect from _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon _____ notice.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

9. Term of Agreement: Beginning: _____
Extending through: _____

This Agreement shall continue in full force and effect from _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon (365 Days -or- some other mutually agreed upon period of time) notice.

10. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. Transportation Contract Demand ("TCD")*:

TCD (Dth/d)	Time Period

* Shipper's TCD may not exceed 10,000 dth/d, pursuant to the provisions of Rate Schedule FTH-V.

12. Right-Of-First-Refusal. The right-of-first-refusal, pursuant to Section 20.16, shall (or shall not) apply to this Agreement.

13. Notices, Statements, and Bills:

To Shipper:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION SERVICE
UNDER RATE SCHEDULE IT-1
(Continued)

10. Effect on Prior Period Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. Notices, Statements, and Bills:

To Shipper:

_____
_____
_____
Attn: _____

To Transporter:

_____
_____
_____
Attn: _____

Routine communication may be mailed by ordinary mail or posted on El Paso's EBB. Operating communications by telephone, facsimile or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation. Payments to El Paso for services rendered hereunder shall be made in accordance with Section 12 of the General Terms and Conditions.

12. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

13. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction. (Agreements executed prior to January 1, 2006 will be subject to the governing law provisions stated in such Agreements.)

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

14. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

15. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS HEREOF, the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the Day and Year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION SERVICE
UNDER RATE SCHEDULE IT-1
(Continued)

IN WITNESS HEREOF , the Parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the day and year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

EXHIBIT A
To The
Firm Hourly Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Month
Primary Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Primary Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Alternate Receipt Point (including, among other things, name, scheduling code, DRN Code(s))
Alternate Delivery Point (including, among other things, name, scheduling code, DRN Code(s), meter no., and meter DRN Code(s))
Flow Path
Use as appropriate:
Maximum Quantity - Meter (dth/d) 1/
-or-
Maximum Quantity - D-Code (dth/d) 1/
Meter Name(s) and CMQ(s) 2/
Delivery Pressure (p.s.i.g.) Not less than 3/
Delivery Pressure (p.s.i.g.) Not greater than 3/

Shipper's Transportation Contract Demand: See Paragraph 11

1/ The sum of the Maximum Quantities identified above is equal to Shipper's Transportation Contract Demand for that Month.

2/ The sum of the CMQs identified above is equal to Shipper's D-Code Maximum Quantity for that Month.

3/ Unless otherwise specified on this Exhibit A, the pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; provided, however, El Paso reserves the right to deliver quantities at pressures up to the MAOP of that facility.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION SERVICE
UNDER RATE SCHEDULE IT-1
(Continued)

EXHIBIT A

To The
Interruptible Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Date
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed to by the Parties.

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM HOURLY TRANSPORTATION SERVICE - VIRTUAL AREA
UNDER RATE SCHEDULE FTH-V
(Continued)

EXHIBIT B

To The
Firm Hourly Transportation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit B, if applicable:

Primary Delivery Point(s)
Effective Date
Reservation Rate 1/
Usage Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates sheet in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates sheet, as they may be changed from time to time, unless otherwise agreed to by the Parties.

First Revised Sheet No. 479D First Revised Sheet No. 479D
Superseding: Original Sheet No. 479D

Reserved for future use.

FORM OF SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE HOURLY SWING SERVICE
UNDER RATE SCHEDULE IHSW
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule IHSW and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Hourly swing service provided at Delivery Point(s) shall be on an interruptible basis in accordance with the Tariff.

6. Delivery Point/Paths and Pressures: As specified in Shipper's related TSAs.

7. Rates and Surcharges: As set forth in Exhibit A. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule IHSW.

   Exhibit A, attached to this Agreement, is hereby incorporated by reference as part of this Agreement.

8. Negotiated Rate Agreement: Yes _____ No _____

FORM OF SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE HOURLY SWING SERVICE
UNDER RATE SCHEDULE IHSW
(Continued)

9. Term of Agreement: Beginning: _____
Extending through:_____

This agreement shall continue in full force and effect from _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon _____ notice.

10. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

11. Notices, Statements, and Bills:

To Shipper:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

12. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

13. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

FORM OF SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE HOURLY SWING SERVICE
UNDER RATE SCHEDULE IHSW
(Continued)

IN WITNESS HEREOF, the parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the day and year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE HOURLY SWING SERVICE
UNDER RATE SCHEDULE IHSW
(Continued)

EXHIBIT A

To The
Interruptible Hourly Swing Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Date
Usage Rate 1/
Term of Rate
Surcharges 2/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

Effective Date: 04/01/2010 Status: Effective
FERC Docket: RP10-454-001

Second Revised Sheet No. 480D Second Revised Sheet No. 480D
Superseding: First Revised Sheet No. 480D

Reserved for future use.

FORM OF SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE STORAGE SERVICE
UNDER RATE SCHEDULE ISS
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule ISS and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Storage service shall be provided on an interruptible basis in accordance with the Tariff.

6. Rates and Surcharges: As set forth in Exhibit A. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule ISS.

   Exhibit A, attached to this Agreement, is hereby incorporated by reference as part of this Agreement.

7. Negotiated Rate Agreement: Yes _____ No _____

8. Term of Agreement: Beginning: _____
   Extending through:_____

   This agreement shall continue in full force and effect from _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon _____ notice.

FORM OF SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE STORAGE SERVICE
UNDER RATE SCHEDULE ISS
(Continued)

9. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

10. Notices, Statements, and Bills:

To Shipper:
_____
_____
Attn: _____

To Transporter:
_____
_____
Attn: _____

11. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

12. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS HEREOF, the parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the day and year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE STORAGE SERVICE
UNDER RATE SCHEDULE ISS
(Continued)

EXHIBIT A

To The
Interruptible Storage Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (Shipper)
Dated: _____

The following data elements shall be described on this Exhibit A, if applicable:

Effective Date
Storage Inv Rate 1/
Injection Rate 1/
Withdrawal Rate 1/
Term of Rate
Fuel 2/
Surcharges 3/

1/ Shipper shall pay the applicable maximum tariff rate unless otherwise provided.

2/ Fuel shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time, unless otherwise agreed to by the Parties.

Third Revised Sheet No. 481C Third Revised Sheet No. 481C
Superseding: Second Revised Sheet No. 481C

Reserved for future use.

Second Revised Sheet No. 481D Second Revised Sheet No. 481D
Superseding: First Revised Sheet No. 481D

Reserved for future use.

FORM OF MASTER AGREEMENT
APPLICABLE TO PARKING AND LENDING SERVICE
UNDER RATE SCHEDULE PAL

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY

2. Shipper: _____

3. Applicable Tariff: El Paso's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time.

4. Agreement: Subject to the terms, conditions and limitations hereof, El Paso shall provide interruptible parking and lending service for Shipper as described below. This Master PAL Agreement and all future executed PAL Service Agreements ("PALSA") between Shipper and El Paso will comprise the contractual agreement of the parties. If the Master PAL Agreement terminates, all related PALSAs will be deemed terminated on the same date.

5. Changes in Rates and Terms: El Paso shall have the right to propose to the FERC such changes in its rates and terms of service as it deems necessary, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

6. Rates and Surcharges: The rate, quantity and PAL Point(s) applicable to service under this Master Agreement are as set forth in the executed PALSA(s). Shipper shall pay the applicable maximum tariff rate unless otherwise provided. El Paso and Shipper may mutually agree to a discounted rate pursuant to the rate provisions of Rate Schedule PAL.

7. Term of Agreement: Beginning: _____
Extending through: _____

This agreement shall continue in full force and effect from _____ to _____ and thereafter unless terminated by written notice from one Party to the other upon _____ notice.

FORM OF MASTER AGREEMENT
APPLICABLE TO PARKING AND LENDING SERVICE
UNDER RATE SCHEDULE PAL
(Continued)

8. Notices, Statements, and Bills:

   To Shipper:

   To El Paso:

9. Effect on Prior Agreement:_____.

10. Adjustment to Rate Schedule PAL and/or General Terms and Conditions:_____.

11. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule PAL and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

12. El Paso and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction. (Agreements executed prior to January 1, 2006 will be subject to the governing law provisions stated in such Agreements.)

IN WITNESS WHEREOF, the parties have caused this Agreement to be electronically executed or executed in two original counterparts (choose as applicable), by their duly authorized officers, the day and year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF PAL SERVICE AGREEMENT ("PALSA")
APPLICABLE TO PARKING AND LENDING SERVICE
UNDER RATE SCHEDULE PAL 1/
(Continued)

Effective Date: _____

Shipper: _____

Type of Transaction: _____
(Park/Loan)

Maximum Quantity
Parked/Loaned: _____

Usage Rate 2/: _____

PAL Point: _____

Term: _____

Begin Date	End Date	(Park or Loan Payback) Daily Quantity Delivered to El Paso (Dth)	(Loan or Park Withdrawal) Daily Quantity Received from El Paso (Dth)

1/ The Park and Loan Point, Rates, Maximum Quantity and Term of Rates shall be as listed on this version of PALSA on El Paso's Electronic Bulletin Board and may be modified periodically.

2/ Unless otherwise agreed by the Parties in writing, the rates for service shall be El Paso's maximum rate for service under Rate Schedule PAL or other superseding Rate Schedule; as such rates may be changed from time to time.

A. Effective Date of this PALSA: _____

B. Supersedes PALSA Effective: _____

_____ EL PASO NATURAL GAS COMPANY

By_____ By_____

Date_____ Date_____

Fifth Revised Sheet No. 482C Fifth Revised Sheet No. 482C
Superseding: Fourth Revised Sheet No. 482C

Reserved for future use.

Effective Date: 04/01/2010 Status: Effective
FERC Docket: RP10-454-001

Second Revised Sheet No. 482D Second Revised Sheet No. 482D
Superseding: First Revised Sheet No. 482D

Reserved for future use.

FORM OF SERVICE AGREEMENT
APPLICABLE TO OPERATOR POINT AGGREGATION SERVICE
UNDER RATE SCHEDULE OPAS
DATED:

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: EL PASO NATURAL GAS COMPANY
2. DP Operator: _____

3. Applicable Tariff: Transporter's FERC Gas Tariff Second Revised Volume No. 1A, as the same may be amended or superseded from time to time ("Tariff").

4. Incorporation by Reference: This Agreement in all respects shall be subject to the provisions of Rate Schedule OPAS and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time.

5. Delivery point aggregation service shall be provided in accordance with the Tariff.

   Delivery Points: The individual delivery meters, Maximum Delivery Obligations ("MDOs") and Maximum Hourly Obligations ("MHOs") at the meter level that are subject to this Agreement are set forth in Exhibit A.

   D-Codes: The D-Codes and Maximum Delivery Quantity ("MDQ") at each D-Code subject to this Agreement are set forth in Exhibit A.

   Transporter and DP Operator agree to the use of:

   1. The identified D-Code for the purpose of nominating, scheduling, and accounting for gas quantities received by DP Operator at the identified delivery point meters; and

   2. The identified MDOs and MHOs for the purpose of defining Transporter's maximum delivery obligations on a daily and hourly basis, respectively, at the individual delivery point meters.

      In addition, Transporter and DP Operator may mutually agree to an alternate set of MDOs/MHOs pursuant to Section 2.8 of Rate Schedule OPAS.

   Exhibit A, attached to this Agreement, is hereby incorporated by reference as part of this Agreement.

FORM OF SERVICE AGREEMENT
APPLICABLE TO OPERATOR POINT AGGREGATION SERVICE
UNDER RATE SCHEDULE OPAS
(Continued)

6. Term of Agreement: Beginning: _____
Extending through: _____
(This primary term shall not be for a period longer than one year.)

Subject to Paragraph 9.2(c) of the Stipulation in Docket No. RP05-422, this Agreement shall continue in full force and effect year to year thereafter unless terminated by written notice from one Party to the other upon 365 Days written notice. (Use only when applicable.)

7. Effect on Prior Agreement(s): When this Agreement becomes effective, it shall (supersede and cancel -or- amend and restate) the following agreement(s) between the Parties: _____

8. Notices and Statements:

To DP Operator:
_____
_____
_____
Attn: _____

To Transporter:
_____
_____
_____
Attn: _____

9. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.

10. Governing Law: Transporter and DP Operator expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

FORM OF SERVICE AGREEMENT
APPLICABLE TO OPERATOR POINT AGGREGATION SERVICE
UNDER RATE SCHEDULE OPAS
(Continued)

IN WITNESS HEREOF, the parties have caused this Agreement to be electronically executed or in two original counterparts (choose as applicable), by their duly authorized officers, the day and year first set forth herein.

_____	EL PASO NATURAL GAS COMPANY
By_____ (Title)	By_____ (Title)
Date_____	Date_____

FORM OF SERVICE AGREEMENT
APPLICABLE TO OPERATOR POINT AGGREGATION SERVICE
UNDER RATE SCHEDULE OPAS
(Continued)

EXHIBIT A

To The
Operator Point Aggregation Service Agreement
between
El Paso Natural Gas Company (Transporter)
and _____ (DP Operator)
DATED: _____

D-Code Maximum Delivery Quantity ("MDQ"): As reflected for the appropriate D-Codes in the firm transportation service agreement(s) and as shown on Transporter's Electronic Bulletin Board including, without limitation, the categories of "Index of Customers" and "Transactional Reports."

The following data elements shall be described on this Exhibit A, if applicable:

Maximum Delivery Obligation ("MDO")
Maximum Hourly Obligation ("MHO")
D-Code
Meter No.
Date and Quantity (dth/d and dth/h)
Pressure Obligation

Meters designated for alternative use pursuant to Section 2.8 of Rate Schedule OPAS:

Maximum Delivery Obligation ("MDO")
Maximum Hourly Obligation ("MHO")
D-Code
Meter No.
Date and Quantity (dth/d and dth/h)

*Conditions: (If applicable)

Effective Date: 04/01/2010 Status: Effective
FERC Docket: RP10-454-001

Second Revised Sheet No. 483D Second Revised Sheet No. 483D
Superseding: First Revised Sheet No. 483D

Reserved for future use.

Reserved for future use.

Fourth Revised Sheet No. 485 Fourth Revised Sheet No. 485
Superseding: Third Revised Sheet No. 485

Reserved for future use.

Third Revised Sheet No. 485A Third Revised Sheet No. 485A
Superseding: Second Revised Sheet No. 485A

Reserved for future use.

First Revised Sheet No. 485B First Revised Sheet No. 485B
Superseding: Substitute Original Sheet No. 485B

Reserved for future use.

Fourth Revised Sheet No. 485C Fourth Revised Sheet No. 485C
Superseding: Third Revised Sheet No. 485C

Reserved for future use.

Sheet Nos. 486 - 499 Sheet Nos. 486 - 499 : Effective

Sheet Nos. 486 through 499 are
reserved for future use.

Effective Date: 06/01/1996 Status: Effective
FERC Docket: GT96- 61-000

Second Revised Sheet No. 500 Second Revised Sheet No. 500 : Effective
Superseding: Sheet Nos. 500-502

Reserved Sheets

Third Revised Sheet No. 500 and Second Revised Sheet Nos. 501-502 have been reserved.