# **Table of Contents**

| Second Revised Sheet No. 1   | 3  |
|------------------------------|----|
| First Revised Sheet No. 3    | 4  |
| Original Sheet No. 3A        | 5  |
| Original Sheet No. 3B        | 6  |
| Second Revised Sheet No. 4-B | 7  |
| Second Revised Sheet No. 5   | 8  |
| First Revised Sheet No. 33   | 9  |
| Sheet Nos. 34-49             | 10 |
| Original Sheet No. 50        | 11 |
| First Revised Sheet No. 51   | 12 |
| Original Sheet No. 52        | 13 |
| Original Sheet No. 53        | 14 |
| First Revised Sheet No. 54   | 15 |
| First Revised Sheet No. 55   | 16 |
| Original Sheet No. 56        | 17 |
| First Revised Sheet No. 57   | 18 |
| First Revised Sheet No. 58   | 19 |
| Original Sheet No. 58A       | 20 |
| Original Sheet No. 59        | 21 |
| Original Sheet No. 60        | 22 |
| First Revised Sheet No. 61   | 23 |
| First Revised Sheet No. 61A  | 24 |
| First Revised Sheet No. 62   | 25 |
| Original Sheet No. 63        | 26 |
| First Revised Sheet No. 64   | 27 |
| Second Revised Sheet No. 65  | 28 |
| Original Sheet No. 66        | 29 |
| Original Sheet No. 67        | 30 |
| Original Sheet No. 68        | 31 |
| Original Sheet No. 69        | 32 |
| Original Sheet No. 70        | 33 |
| Original Sheet No. 71        | 34 |
| Original Sheet No. 72        | 35 |
| Third Revised Sheet No. 73   | 36 |
| Original Sheet No. 74        | 37 |
| Original Sheet No.75         | 38 |
| Sheet Nos. 76-89             | 39 |
| Original Sheet No. 90        | 40 |
| Original Sheet No. 91        | 41 |
| Original Sheet No. 92        | 42 |
| Original Sheet No. 93        | 43 |
| First Revised Sheet No. 94   | 44 |
| First Revised Sheet No. 95   | 45 |
| First Revised Sheet No. 96   | 46 |
| First Revised Sheet No. 97   | 47 |

| First Revised Sheet No. 98   | 48 |
|------------------------------|----|
| Original Sheet No. 98A       | 49 |
| Original Sheet No. 99        | 50 |
| Original Sheet No. 100       | 51 |
| Original Sheet No. 101       | 52 |
| First Revised Sheet No. 102  | 53 |
| First Revised Sheet No. 102A | 54 |
| First Revised Sheet No. 103  | 55 |
| Original Sheet No. 104       | 56 |
| First Revised Sheet No. 105  | 57 |
| First Revised Sheet No. 106  | 58 |
| Original Sheet No. 107       | 59 |
| Original Sheet No. 108       | 60 |
| Original Sheet No. 109       | 61 |
| Original Sheet No. 110       | 62 |
| Original Sheet No. 111       | 63 |
| Original Sheet No. 112       | 64 |
| Original Sheet No. 113       | 65 |
| Third Revised Sheet No. 114  | 66 |
| Original Sheet No. 115       | 67 |
| Original Sheet No. 116       | 68 |
| Sheet Nos. 117-199           | 69 |
| First Revised Sheet No. 200  | 70 |
| Original Sheet No. 200A      | 71 |
| Original Sheet No. 201       | 72 |
| Original Sheet No. 202       | 73 |
| Original Sheet No. 203       | 74 |
| Original Sheet No. 204       | 75 |
| Original Sheet No. 205       | 76 |
| First Revised Sheet No. 206  | 77 |
| Original Sheet No. 206A      | 78 |
| Original Sheet No. 207       | 79 |
| Original Sheet No. 208       | 80 |
| Original Sheet No. 209       | 81 |
| Original Sheet No. 210       | 82 |
| Original Sheet No. 211       | 83 |
| Sheet Nos. 212-299           | 84 |

FERC Docket: RP98-195-000

Second Revised Sheet No. 1 Southwest Gas Storage Company: Original Volume No. 1 Second Revised Sheet No. 1: Superseded Superseding: First Revised Sheet No. 1

# TABLE OF CONTENTS

# Original Volume No. 1

| Sheet No   | ٠. |
|--|----|
| Preliminary Statement  |    |
| Map of System  |    |
| Currently Effective Rates 4  |    |
| Rate Schedules   |    |
| FSS Firm Storage Service 50  |    |
| ISS Interruptible Storage Service 90                                 |    |
| Forms of Service Agreement   |    |
| FSS and ISS  |    |
| Index of Contracts   |    |
|  |    |
| Original Volume No. 2  |    |
|  |    |
| Rate Schedules   |    |
| S-1 Gas Storage Agreement with Panhandle Eastern Pipe Line Company 2 |    |

Effective Date: 06/01/1999 Status: Effective FERC Docket: GT99- 21-000

First Revised Sheet No. 3 First Revised Sheet No. 3 : Superseded Superseding: Original Sheet No. 3

SYSTEM MAP APPEARS HERE

Effective Date: 06/01/1999 Status: Effective FERC Docket: GT99- 21-000

Original Sheet No. 3A Original Sheet No. 3A: Superseded

WEST AREA MAP APPEARS HERE

Effective Date: 06/01/1999 Status: Effective FERC Docket: GT99- 21-000

Original Sheet No. 3B Original Sheet No. 3B: Superseded

EAST AREA MAP APPEARS HERE

Effective Date: 11/01/1999 Status: Effective FERC Docket: TM00-1-106-000

Second Revised Sheet No. 4-B second Revised Sheet No. 4-B : Superseded Superseding: First Revised Sheet No. 4-B

# CURRENTLY EFFECTIVE RATES RATE SCHEDULE ISS INTERRUPTIBLE STORAGE SERVICE

|   | Maximum<br>Rates<br>Per Dt. | Minimum<br>Rates<br>Per Dt. |
|---|-----------------------------|-----------------------------|
| Inventory Charge  | 11.45 >                     | 0.30 >                      |
| Authorized Overrun Charge                               | 11.45 >                     | 0.30 >                      |
| ACA Unit Charge   | 0.22 >                      | 0.22 >                      |
| Fuel Reimbursement                                      |                             |                             |
| West Area Storage Facilities<br>Injection<br>Withdrawal | 1.36 %<br>0.59 %            | 1.36 %<br>0.59 %            |
| East Area Storage Facilities<br>Injection<br>Withdrawal | 2.27 %<br>1.07 %            | 2.27 %<br>1.07 %            |

FERC Docket: RP98-195-000

Second Revised Sheet No. 5 Second Revised Sheet No. 5 : Superseded

Superseding: Sheet Nos. 5-32

Sheet Nos. 5 through 32 are reserved for future use.

The following tariff sheets have been superseded:

First Revised Sheet Nos. 5, 7, 8, 10-14 and 32 Original Sheet Nos. 6, 9, 15 and 18-31 Third Revised Sheet Nos. 16 and 17 Effective Date: 01/20/1991 Status: Effective FERC Docket: CP90-1014-002

First Revised Sheet No. 33 First Revised Sheet No. 33 : Superseded Superseding: Original Sheet No. 33

RESERVED FOR FUTURE USE

Effective Date: 01/20/1991 Status: Effective FERC Docket: CP90-1014-002

Sheet Nos. 34-49 Sheet Nos. 34-49 : Superseded

SHEET NOS. 34 THROUGH 49 ARE HEREBY RESERVED FOR FUTURE USE

FERC Docket: CP90-1014-002

Original Sheet No. 50 Original Sheet No. 50: Superseded

RATE SCHEDULE FSS FIRM STORAGE SERVICE

#### AVAILABILITY

This Rate Schedule FSS is available to any person ("Buyer") for the purchase of natural gas storage service on a firm basis from Southwest Gas Storage Company ("Seller") under the provisions of Seller's blanket storage certificate issued in Docket No. CP90-1014, upon execution of a Storage Service Agreement in the form provided for in this tariff.

Buyer shall arrange separately for any transportation attendant to the storage service provided hereunder and Buyer shall pay separately for such transportation services.

#### 2. APPLICABILITY AND CHARACTER OF SERVICE

The firm service rendered hereunder is the storage of natural gas up to a Maximum Annual Quantity (MAQ) as set forth in the Storage Service Agreement, with a Maximum Daily Withdrawal Quantity (MWQ) and a Maximum Daily Injection Quantity (MIQ) as provided herein, subject to the availability of capacity, the General Terms and Conditions herein and the further provisions of the Storage Service Agreement. Seller is not obligated to provide any storage service for which capacity is not available, which would constrain the operational efficiency of its facilities, or which would require the construction, purchase or acquisition of new facilities or the modification or expansion of existing facilities.

# 3. RATE

The rates and charges for firm service under this Rate Schedule shall include the applicable storage rate component(s) per Dt., as described in Sections 3.1, 3.2 and 3.3.

# 3.1 Storage Charges

For storage service rendered to Buyer under this Rate Schedule FSS, Buyer shall pay Seller each month the sum of the following charges as set forth on the effective Tariff Sheet No. 4-A of this tariff:

FERC Docket: CP90-1014-004

First Revised Sheet No. 51 First Revised Sheet No. 51: Superseded

Superseding: Original Sheet No. 51

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(1) Capacity Charge. The monthly capacity charge per Dt. is determined by multiplying the Maximum Annual Quantity (MAQ) by the Capacity Charge rate, divided by twelve.

- (2) Deliverability Charge. The monthly deliverability charge per Dt. is determined by multiplying the Maximum Daily Withdrawal Quantity (MWQ) by the monthly Deliverability Charge rate.
- (3) Volume Injection Charge. The injection charge shall be equal to the applicable injection rate multiplied by the quantity injected into Seller's facilities by Buyer, as provided for in Section 6.3(a), during any month.
- (4) Volume Withdrawal Charge. The withdrawal charge shall be equal to the applicable withdrawal rate multiplied by the quantity withdrawn from Seller's facilities, as provided for in Section 6.3(b), during any month.

# 3.2 Authorized Overrun Charge

The Authorized Overrun Charge shall be equal to the applicable Authorized Overrun Charge rate, as set forth on the effective Tariff Sheet No. 4-A of this Tariff, multiplied by the quantity withdrawn from Seller's facilities pursuant to Section 6.3(b)(2).

#### 3.3 Fuel Reimbursement

Buyer shall reimburse Seller in kind for fuel usage pursuant to the terms and conditions of the Storage Service Agreement and as stated on the effective Tariff Sheet No. 4-A for service hereunder.

FERC Docket: CP90-1014-002

Original Sheet No. 52 Original Sheet No. 52: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

# 3.4 Range of Rates

Unless otherwise agreed upon by Seller and Buyer, the rates applicable to a Buyer for service hereunder shall be the applicable Maximum Rate(s) as set forth on the effective Tariff Sheet No. 4-A. In the event an amount less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such amount shall be confirmed in writing by Seller, shall be applied prospectively and Seller shall be responsible for compliance with any reporting requirements prescribed by the Commission.

#### 3.5 Annual Charge Adjustment Provision (ACA)

Buyer shall pay the ACA Unit Charge which has been assessed by the Federal Energy Regulatory Commission pursuant to Section 382.202 of the Regulations. The ACA Unit Charge shall be reflected on Sheet No. 4-A of this tariff and shall be added to the respective Volume Injection Charge component of Seller's rates.

# 4. MONTHLY BILL

The Monthly Bill for storage service shall be the sum of the applicable Storage Charges as defined in Section 3.1, the ACA Unit Charge, and an Authorized Overrun Charge, if applicable.

#### 5. RESERVATIONS

Seller reserves the unilateral right from time to time to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule and the other provisions of Seller's FERC Gas Tariff, and the applicability thereof, subject to the provisions of the Natural Gas Act, the Natural Gas Policy Act and the Commission's Regulations thereunder.

# 6. GENERAL TERMS AND CONDITIONS

FERC Docket: CP90-1014-002

Original Sheet No. 53 Original Sheet No. 53: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

#### 6.1 Definitions

- (a) Day shall mean a period of twenty-four (24) consecutive hours beginning and ending at 8:00 A.M. Central Time. The reference date for any day shall be the date of the beginning of such day. ("Month" and "years" shall also commence at 8:00 A.M.).
- (b) Business Day shall mean from 8:00 A.M. to 5:00 P.M., Central Time on any day except Saturday, Sunday, and holidays observed by Seller.
- (c) Commission or FERC shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.
- (d) Injection Season shall mean the months of April, May, June, July, August, September, and October.
- (e) Withdrawal Season shall mean the months of November, December, January, February, and March.
- (f) Storage Gas Balance shall mean the quantity of gas, expressed in dekatherms, held by Seller in storage for Buyer's account at any point in time.
- (g) Average Storage Gas Balance shall mean the sum of the daily Storage Gas Balance divided by the number of days in a particular month.
- (h) Maximum Annual Quantity (MAQ) shall mean the maximum volume which Seller is obligated to hold for the account of Buyer.
- (i) Maximum Daily Injection Quantity (MIQ) shall mean the maximum quantity which Seller is obligated to inject for Buyer on any day during the Injection Season as described in Section 6.3(a) hereof.
- (j) Maximum Daily Withdrawal Quantity (MWQ) shall mean the maximum quantity which Seller is obligated to withdraw for Buyer on any day during the Withdrawal Season as described in Section 6.3(b) hereof.

FERC Docket: CP97-237-001

First Revised Sheet No. 54 First Revised Sheet No. 54: Superseded

Superseding: Original Sheet No. 54
RATE SCHEDULE FSS (Continued)
FIRM STORAGE SERVICE

(k) Point of Receipt shall mean the interconnect of Panhandle Eastern Pipe Line Company's transmission facilities and Seller's East Area Storage Facilities and West Area Storage Facilities, as herein defined in Sections 6.1 (o) and (p), respectively, whereby Seller receives gas for injection from or for the account of Buyer.

- (1) Point of Delivery shall mean the interconnect of Panhandle Eastern Pipe Line Companybs transmission facilities and Seller's East Area Storage Facilities and West Area Storage Facilities, as herein defined in Sections 6.1 (o) and (p), respectively, whereby Seller delivers gas withdrawn to or for the account of Buyer.
- (m) Dekatherm (Dt.) shall mean one thousand cubic feet of gas (Mcf) with a heat content of 1000 Btu per cubic foot on a measurement basis specified under Section 6.2(b) herein and based on the same pressure base as the volumes.
- (n) Electronic Gas Measurement (EGM) shall mean that form of measurement equipment used by Seller which may consist of a computerized remote terminal unit, transducers and other associated power, radio and sensing and other electronic devices to accomplish gas measurement and transfer of data, without the use of charts.
- (o) East Area Storage Facilities shall mean those storage facilities owned by Southwest and known as the Howell Storage Field located in Livingston County, Michigan and the Waverly Storage Field located in Morgan and Sangamon Counties, Illinois.
- (p) West Area Storage Facilities shall mean those storage facilities owned by Southwest and known as the Borchers Storage Field located in Meade County, Kansas and the North Hopeton Storage Field located in Woods County, Oklahoma.

FERC Docket: CP97-237-001

First Revised Sheet No. 55 First Revised Sheet No. 55 : Superseded

Superseding: Original Sheet No. 55

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

#### 6.2 Conditions of Receipt and Redelivery

- (a) Seller shall receive quantities of natural gas from Buyer at the Point of Receipt and Seller shall redeliver quantities of natural gas to Buyer at the Point of Delivery. Seller and Buyer shall, by mutual agreement, establish the date of commencement of receipt and redelivery of gas hereunder. Receipts and redeliveries of gas hereunder shall be at uniform hourly and daily rates of flow as nearly as practicable.
- (b) Measurement shall be both volumetric and thermal, at a temperature of 60ø Fahrenheit and at a pressure of 14.73 psia, and on the basis of the methods prescribed and published by the American Gas Association in conjunction with the ANSI/API 2530 Report as now and any subsequent amendments thereof accepted and agreed upon between the parties if orifice meters are used, and in accordance with generally accepted industry practices, as mutually agreed upon, if positive or turbine meters are used.
  - The Btu content (MMBtu) shall be determined by taking the arithmetic average of the heating value as recorded by recording calorimeter or other method of determination generally accepted in the industry. Flowing temperature shall be determined by a recording thermometer or EGM.
- (c) Deliveries of gas at the Point of Receipt shall be at a pressure sufficient to enter Sellerbs facilities at such point. Redeliveries of gas at the Point of Delivery shall be at such pressure as exists in Sellerps facilities. Gas received and redelivered shall be merchantable natural gas; shall be free of water and hydrocarbons in liquid form; shall contain not more than 7 pounds of water vapor per MMcf; 1.0 grain of hydrogen sulphide and 20 grains of total sulphur per 100 cubic feet, 2% of carbon dioxide (by volume), and 50 parts per million of oxygen; and shall not exceed 120ø Fahrenheit in temperature. The gas shall have a total or gross heating value of not less than nine hundred fifty (950) Btu and not more than one thousand two hundred (1200) Btu per cubic foot. Seller shall not be obligated to accept gas for storage which does not meet these quality provisions.

FERC Docket: CP90-1014-002

Original Sheet No. 56 Original Sheet No. 56: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

- (d) Seller shall have the unqualified right to commingle gas stored hereunder with gas from other sources, and to treat and handle all such gas as its own. It is recognized that gas redelivered will not be the same molecules as those received at the Point of Receipt.
- (e) Buyer may witness Seller's installation or maintenance of measuring equipment. Seller shall not be required to verify accuracy more often than once during any thirty (30) day period. If, upon test, accuracy is found to be within 2% by volume (chromatograph/calorimeter within 0.5%), such equipment shall be assumed to be accurate. Any error exceeding these percentages will require correction to zero error of previous recordings back to the date error began. If beginning date of error is unknown, correction shall extend to onehalf the time since the last test, not to exceed sixteen (16) days.
- (f) Upon termination of storage service, Buyer will balance any final imbalance within sixty (60) days of the date that Seller notifies Buyer of any final imbalance. If at the end of such final balancing period, Seller owes Buyer gas which Buyer has not received, Seller will retain those quantities free and clear of any adverse claims.

FERC Docket: CP97-237-001

First Revised Sheet No. 57 First Revised Sheet No. 57 : Superseded Superseding: Original Sheet No. 57  $\,$ 

Superseding: Original Sheet No. 57

RATE SCHEDULE FSS (Continued)

FIRM STORAGE SERVICE

6.3 Conditions of Injection and Withdrawal

The MAQ shall be stated in the Storage Service Agreement.

- (a) Injections Into Storage
  - (1) Buyer's MIQ shall be:
    - (a) West Area Storage Facilities
      - (i) 1/180th of the MAQ until ninety percent(90%) of the MAQ has been injected;
      - (ii) Thereafter sixty percent (60%) of the volume specified in 6.3(a)(1)(a)(i) above until ninety-five percent (95%) of the MAQ has been injected;
      - (iii) Thereafter thirty-five percent (35%) of the volume specified in 6.3(a)(1)(a)(i) above.
    - (b) East Area Storage Facilities
      - (i) 1/180th of the MAQ until seventy-five percent (75%) of the MAQ has been injected;
      - (ii) Thereafter sixty percent (60%) of the
         volume specified in 6.3(a)(1)(b)(i)
         above until ninety percent (90%) of the
         MAQ has been injected;

FERC Docket: CP97-237-001

First Revised Sheet No. 58 First Revised Sheet No. 58: Superseded

Superseding: Original Sheet No. 58

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

- (iii) Thereafter forty percent (40%) of the volume specified in 6.3(a)(1)(b)(i) above.
- (2) Authorized Injection Overrun Quantities

Upon request of Buyer, Seller may, but is not obligated to, inject on any day quantities in excess of Buyerps MIQ when, in Sellerps sole judgment, the capacity of its system will permit such injection without impairing the ability of Seller to meet its other obligations.

(3) Injection During the Withdrawal Season

Upon request of Buyer, Seller may, but is not obligated to, inject on any day during the Withdrawal Season quantities up to Buyerps MIQ and any authorized Injection Overrun Quantities when, in Sellerps sole judgment, the capacity of its system will permit such injection without impairing the ability of Seller to meet its other obligations.

- (b) Withdrawals From Storage
  - (1) Buyer's MWQ shall be:
    - (a) West Area Storage Facilities
      - (i) 1/100th of the MAQ until fifty percent (50%) of the MAQ has been withdrawn;

FERC Docket: CP97-237-001

Original Sheet No. 58A Original Sheet No. 58A: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

- (ii) Thereafter sixty percent (60%) of the volume specified in 6.3(b)(1)(a)(i) above until seventy-five percent (75%) of the MAQ has been withdrawn;
- (iii) Thereafter thirty-three percent (33%) of the volume specified in 6.3(b)(1)(a)(i) above.
- (b) East Area Storage Facilities
  - (i) 1/67th of the MAQ until sixty percent(60%) of the MAQ has been withdrawn;
  - (ii) Thereafter fifty percent (50%) of the volume specified in 6.3(b)(1)(b)(i) above until eighty-five percent (85%) of the MAQ has been withdrawn;
  - (iii) Thereafter twenty-five percent (25%) of the volume specified in 6.3(b)(1)(b)(i) above.
- (2) Authorized Withdrawal Overrun Quantities

Upon request of Buyer, Seller may, but is not obligated to, withdraw on any day quantities in excess of Buyerps MWQ when, in Sellerps sole judgment, the capacity of its system will permit such withdrawal without impairing the ability of Seller to meet its other obligations. Buyer shall pay Seller the applicable Authorized Overrun Charge for such quantities as set forth on Sheet No. 4-A.

(3) Withdrawal During the Injection Season

Upon request of Buyer, Seller may, but is not obligated to, withdraw on any day during the Injection Season quantities up to Buyerps MWQ and any authorized Withdrawal Overrun Quantities when, in Sellerps sole judgment, the capacity of its system will permit such withdrawal without impairing the ability of Seller to meet its other obligations.

FERC Docket: CP90-1014-002

Original Sheet No. 59 Original Sheet No. 59: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

# 6.4 Scheduling and Notification

(a) Nominations

Buyer shall furnish or cause to be furnished to Seller schedules showing quantities for injection, withdrawal and storage by Seller.

(1) On or before five Business Days prior to the first day of each month in which gas is to be injected or withdrawn ("Nomination Date"), Buyer shall deliver to Seller a written nomination schedule showing the estimated daily quantity of gas it desires Seller to inject or withdraw during the month. At the time a nomination is made for injection or withdrawal of gas, Buyer shall identify to Seller the related transportation agreement(s) associated with deliveries to, or withdrawal from Seller's storage field.

Should Buyer fail to provide this nomination on or before the Nomination Date, Seller may deem Buyer's nomination to be zero (0). Seller shall have the right to refuse to inject or withdraw any gas not properly scheduled. Buyer shall indemnify and hold Seller harmless from and Seller shall not be liable to Buyer or any other person as a direct or indirect consequence of such refusal.

(2) Buyer shall give at least twenty-four (24) hours notice prior to any proposed change of a daily quantity of injection or withdrawal from that set forth in the nomination provided for in subparagraph (1). Daily changes in nominations shall be made only as necessitated by operating conditions not reasonably foreseeable at the time such schedules were

FERC Docket: CP90-1014-002

Original Sheet No. 60 Original Sheet No. 60: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

tendered. Seller may waive any part of the twenty-four (24) hours notice, upon request, if operating conditions permit such waiver. Buyer shall immediately inform Seller of any other changes in volumes tendered for injection or withdrawal.

- (3) At least ten (10) days prior to the first day of January, April, July, and October, Buyer shall furnish Seller a written schedule of the estimated quantity of gas for injection, withdrawal and storage gas balance for the succeeding twelve month period beginning on such date.
- (4) The volumes nominated for storage by Buyer shall be scheduled by Seller for injection, withdrawal, and storage in the following order: firm storage service, interruptible storage service charged the applicable maximum effective rate; and interruptible storage service charged a rate less than the applicable maximum rate in sequence starting with the rate most proximate to the maximum rate. Within each of these categories, storage will be scheduled, to the extent practicable, to maintain the existing volumes of service to each Buyer. Next, within each of these categories, storage will be scheduled in sequence, starting with the earliest date of request for such service, and shall be scheduled pro rata for quantities of interruptible service having the same date of request, where there is insufficient capacity to serve all nominations.

FERC Docket: CP90-1014-005

First Revised Sheet No. 61 First Revised Sheet No. 61: Superseded

Superseding: Original Sheet No. 61

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(b) Buyer's Designee

Buyer may change the person designated to provide the notification as set forth in the Storage Service Agreement. If Buyer designates another person to provide this information, Seller shall be entitled to rely on the scheduling previously provided by Buyer unless and until Seller receives written notice to the contrary.

# 6.5 Requests for Storage

(a) Persons desiring storage service must first deliver a written, properly executed Request for Storage to Seller at the following address:

> Southwest Gas Storage Company Attn: Marketing Administration P. O. Box 1642 Houston, Texas 77251-1642 (713) 627-4765

- (b) The specific information required from a Buyer for a valid Request for storage service provided hereunder shall include, at a minimum, the following information in writing:
  - (1) Maximum Annual Quantity (MAQ) expressed in dekatherms;
  - (2) Maximum Daily Injection Quantity (MIQ) and Maximum Daily Withdrawal Quantity (MWQ);
  - (3) The date on which service is requested to commence;
  - (4) The date on which service is requested to terminate;
  - (5) The complete legal name and legal description of Buyer;
  - (6) The type of entity represented by Buyer (ie. LDC, Intrastate, Interstate, End User, Marketer, Producer, or other);

FERC Docket: MT94- 20-000

First Revised Sheet No. 61A First Revised Sheet No. 61A: Superseded Superseding: Original Sheet No. 61A

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(7) The name, title, mailing address, and telephone number of the person designated by Buyer for purpose of scheduling and nominations under Section 6.4 herein; and

The information, including mailing address of Buyer, necessary for billing under Section 6.6 herein.

FERC Docket: CP90-1014-005

First Revised Sheet No. 62 First Revised Sheet No. 62 : Superseded

Superseding: Original Sheet No. 62

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(c) The firm storage service rendered hereunder is contingent upon Buyer satisfying a credit appraisal by Seller.

- (1) Such credit appraisal shall be based upon the following information and criteria:
  - (i) Buyer shall provide current financial statements, annual reports, 10-K reports, filings with regulatory agencies, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are are available. Seller shall apply consistent evaluation practices to determine the acceptability of the Buyer's overall financial condition, working capital, and profitability trends.
  - (ii) Buyer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in (i) must show that Buyer's obligations are being paid on a reasonably prompt basis.
  - (iii) Buyer shall confirm that Buyer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Buyer who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with

FERC Docket: CP90-1014-002

Original Sheet No. 63 Original Sheet No. 63: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

adequate assurance that the billing for storage service rendered hereunder will be paid promptly pursuant to Section 6.6 as a cost of administration under the federal court's jurisdiction.

- (iv) Buyer shall confirm in writing that Buyer is not subject to the uncertainty in any pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the ability to exist as an on-going business entity.
- (v) If Buyer has an on-going business relationship with Seller, no delinquent balances should be consistently outstanding for natural gas storage services made previously by Seller and Buyer must have paid its account during the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
- (vi) Buyer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.
- (2) If a Buyer fails to satisfy the credit criteria, such Buyer may still obtain storage hereunder if it elects one of the following options: (1) payment of an advance deposit equal to three (3) months service; (2) a standby irrevocable letter of credit drawn upon a bank acceptable to Seller; (3) a security interest in collateral provided by the Buyer found to be satisfactory to Seller; or (4) a guarantee, acceptable to Seller, by a person or another entity which does satisfy the credit appraisal criteria.

FERC Docket: MT94- 20-000

First Revised Sheet No. 64 First Revised Sheet No. 64: Superseded

Superseding: Original Sheet No. 64

RATE SCHEDULE FSS (Continued)
FIRM STORAGE SERVICE

(d) In the event that the Buyer or potential Buyer may have any complaints, the Buyer or potential Buyer shall:

> (1) Provide Seller a written or verbal description of the complaint, including the identification of the storage request, if applicable, by contacting Seller at the following:

> > Southwest Gas Storage Company Attn: Marketing Administration P. O. Box 1642 Houston, Texas 77251-1642 (713) 627-4765

- (2) Seller will respond initially within 48 hours and in writing within 30 days advising Buyer or potential Buyer of the disposition of the complaint.
- (e) A Request for Storage shall not be deemed to have been received and accepted by Seller until Seller has received in writing the information required or requested under Sections 6.5(b) and 6.5(c) herein. If Seller requests additional information or assurances in accordance with this Section, and such information is provided within seven (7) days of such request, Buyer's Request for Storage will be deemed to have been received when the information set forth in Section 6.5(b) was received. Otherwise Buyer's Request for Storage will be deemed to have been received when such additional information or assurances actually were received in writing by Seller.

FERC Docket: MT94- 20-001

Second Revised Sheet No. 65 Second Revised Sheet No. 65: Superseded

Superseding: First Revised Sheet No. 65

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(f) Seller may require such other information as is required to comply with regulatory reporting or filing requirements.

- A request for Firm Storage Service hereunder must be accompanied by one (1) month's payment of the applicable Capacity Charge and Deliverability Charge in accordance with Section 3.1 to be deemed a valid request. Such payment must be made by Buyer to Seller. When service is commenced, this payment plus the interest accrued from the date payment is received until the date service has commenced will be used to offset Buyer's monthly bill. If Buyer's request expires, Seller will refund Buyer's payment plus the accrued interest from the date payment is received until the refund is sent to Buyer. For purposes of this Section, accrued interest will be computed in a manner consistent with Section 154.67(c)(2)(iii)(A)(B) of the Commission's Regulations.
- (h) In the event that any information provided by Buyer herein changes or may change, Buyer shall be obligated to provide prior written notice of such changes to Seller.
- (i) An open season from January 20, 1991 through February 4, 1991 is established for potential Buyers requesting storage capacity. All available capacity will be allocated on a nondiscriminatory basis. All requests received prior to the open season and during the open season shall be considered to have been received on February 4, 1991. If such requests received during the open season exceed the available capacity for storage, Seller will allocate to each requesting Buyer a pro rata share of the available storage capacity. All requests received after February 4, 1991 will be allocated on a first-come, first-served basis. Capacity will be prorated for potential Buyers with the same date of request in the event there is not sufficient capacity to satisfy all requests.

FERC Docket: CP90-1014-002

Original Sheet No. 66 Original Sheet No. 66: Superseded

RATE SCHEDULE FSS (Continued)
FIRM STORAGE SERVICE

# 6.6 Statements and Payments

#### (a) Monthly Bill

Seller shall send to Buyer, on or before the tenth (10th) day of each month, a billing of charges for service rendered in the preceding month. Such charges may be based on estimated quantities if actual quantities are unavailable in time to prepare the billing. In that event, Seller shall provide, in the succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities.

# (b) Payment of Bill

Buyer shall pay Seller within ten (10) days from the date on which the bill is sent for all charges billed in accordance with the provisions of this Rate Schedule. Should Buyer fail to pay part or all of the amount of any such bill, interest thereon shall accrue at an average prime interest rate computed in a manner consistent with Section 154.67(c)(2)(iii)(A)(B) of the Commission's Regulations, from the due date until date of payment. If such failure to pay continues for thirty (30) days after payment is due, then Seller, in addition to any other remedy it may have, may suspend further receipt and/or redelivery of gas until such amount is paid after Seller provides Buyer with twenty (20) days prior written notice.

FERC Docket: CP90-1014-002

Original Sheet No. 67 Original Sheet No. 67: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(c) Error in Billing

In the event that an error is discovered in the amount billed or paid hereunder, such error shall be adjusted within thirty (30) days of the determination thereof, provided that claim therefor shall have been made within sixty (60) days from the date of discovery of such error, but in any event within twelve (12) months from the date of the applicable statement.

(d) Fees

Buyer agrees to reimburse Seller for all filing or other fees, in connection with this storage service, that Seller is obligated to pay to the Commission or to any other governmental authority having jurisdiction. The term "fees" as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the gas itself or on the act, right or privilege of handling, storing, delivering or redelivering gas, however such fees or charges are measured.

# 6.7 Queuing

- (a) Requests for firm storage service will be first fulfilled, in sequence starting with the earliest date of request for such service; next, capacity will be prorated, as necessary, among requests for quantities of firm service having the same date of request.
- (b) Requests for quantities of interruptible storage service will be next fulfilled, commencing with service to be charged at the maximum rate of Seller then in effect under this tariff in sequence starting with the earliest date of request for such service; next in order shall be service to be charged at a rate that is less than the maximum rate of Seller then in effect under this tariff in sequence starting with the rate most proximate to the maximum rate. Within each of these categories, storage service capacity will be pro-rated, as necessary, among requests for quantities of interruptible storage service having the same date of request.

FERC Docket: CP90-1014-002

Original Sheet No. 68 Original Sheet No. 68: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

#### 6.8 Warranty and Assignments

- (a) Except as provided in Section 6.6(d) herein, both Seller and Buyer will, as to the gas it delivers or causes to be delivered to the other, indemnify and save the other harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, fees or charges thereon.
- (b) As to all matters within its actual or imputed control, Buyer represents and warrants that service hereunder and all arrangements incident thereto conform to applicable regulations, and agrees to indemnify and hold Seller harmless against any and all actions, suits or proceedings, concerning such service or arrangements, which are brought before or instituted by any authority having jurisdiction.
- (c) Seller shall be deemed to be in control and possession of the gas stored hereunder only after the gas is received for injection at the Point of Receipt, and before it is withdrawn and delivered at the Point of Delivery. Buyer shall be deemed to be in control and possession at all other times. Whichever of Seller or Buyer is deemed to be in control and possession of the gas will be responsible for and shall indemnify the other party with respect to any losses, injuries, claims, liabilities or damages caused thereby and occurring while the gas is in its possession.
- (d) Both Seller and Buyer may assign or pledge the Storage Service Agreement and all rights and obligations thereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, neither Seller nor Buyer shall assign the Storage Service Agreement or any of its rights hereunder unless it shall first have obtained the written consent of the other(s). Such consent shall not be unreasonably withheld.

FERC Docket: CP90-1014-002

Original Sheet No. 69 Original Sheet No. 69: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

6.9 Curtailment and Interruption

Seller shall have the right to curtail, interrupt or discontinue service in whole or in part on its system from time to time and at any time, under the following conditions and in the following manner:

Operating or Remedial Curtailment or Interruption may be ordered by Seller at any time if in Seller's judgment capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes, the conduct of which will be affected thereby, upon such notice as is reasonable under the circumstances and in the following order, to the extent practicable: (1) interruptible storage service shall be first curtailed, commencing with service that at the time notice was given was being charged at a rate that is less than the maximum rate of Seller then in effect under this tariff in sequence starting with the rate least proximate to the maximum rate and then with service which was initially provided most proximate to the date notice is given by the Seller of the particular curtailment or interruption; next in order shall be all other interruptible storage service in sequence starting with service which was initially provided most proximate to the date notice is given by Seller of the particular curtailment or interruption. In the event Buyer is receiving service at less than the applicable maximum rate and Seller determines that interruption or curtailment of service is required, Seller shall notify Buyer that Buyer will be required to pay the applicable maximum rate in order to avoid interruption or curtailment of service to the extent that any interruptible service is available as determined by Seller. Buyer's election to pay the applicable maximum rate shall be a one-time election effective during such periods of interruption or curtailment regardless of duration. Buyer's election shall be made at the time Seller and Buyer agree to such discounted rate. (2) Firm storage service shall be curtailed last on a pro-rata basis. Such proration shall be based on Seller's maximum firm contractual obligations to provide firm service.

FERC Docket: CP90-1014-002

Original Sheet No. 70 Original Sheet No. 70: Superseded

#### RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

- (b) Force Majeure Curtailment or Interruption may be ordered by Seller as to service being performed by its system at any time when Force Majeure affects or in Seller's judgment threatens to affect Seller's ability to provide service, upon the giving of such notice as is reasonable under the circumstances.
- (c) Curtailment Compliance
  - (1) Without regard to any other remedy provided by law or by the provisions hereof, Seller shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with curtailment or interruption ordered by Seller in compliance with this Section 6.9 or any directive from any governmental authority having jurisdiction in the premises.
  - (2) Seller may at any time notify Buyer of an interruption pursuant to Section 6.9 herein above, in which event Buyer must immediately cease deliveries to or receipt of gas from Seller, in whole or in part as directed by Seller, and may be required by Seller to withdraw all or any part of the gas being held by Seller for Buyer's account. If Buyer is required by Seller to withdraw gas being held by Seller for Buyer's account, Buyer shall be required to accept such gas over a period to be determined by Seller and Buyer, but not to exceed five (5) months.
- (d) Situation Reports and Notices
  - (1) Seller shall provide Buyer with notice of curtailment or interruption at a time and in a manner that is reasonable under the existing conditions, and shall in any event confirm in writing the notice given if originally provided telephonically or electronically.

FERC Docket: CP90-1014-002

Original Sheet No. 71 Original Sheet No. 71: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

- (2) Buyer shall have the responsibility to inform its suppliers, transporters and all others involved in the transaction, as to any curtailment or interruption.
- (3) Buyer shall indemnify Seller against and hold Seller harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Seller.

#### 6.10 Force Majeure

In the event, to the extent, and for so long as either Seller or Buyer is unable, by reason of Force Majeure, to carry out its obligations hereunder, in whole or in part, the obligations of either of Seller or Buyer, other than to make payments due, shall be suspended, in whole or in part. Force Majeure, as employed herein, shall mean any cause, whether of the kind herein enumerated or otherwise, not within the control of either of Seller or Buyer claiming suspension, and which by the exercise of due diligence, either of Seller or Buyer has been unable to prevent or overcome, including without limitation, acts of God, the government, or a public enemy; strikes, lockouts, or other industrial disturbances; wars, blockades, or civil disturbances of any kind; epidemics, landslides, hurricanes, earthquakes, crevasses, washouts, tornadoes, storms, fires, explosions, arrests, and restraints of governments or people; freezing of, breakage or accident to, or the necessity for making repairs or alterations to wells, machinery or lines of pipe; partial or entire failure of wells; and the inability of either Seller or Buyer to acquire, or the delays on the part of either of Seller or Buyer in acquiring, at reasonable cost and after the exercise of reasonable diligence: (a) any servitudes, rights of way grants, permits, or licenses; (b) any materials or supplies for the construction or maintenance of facilities; or (c) any permits or permissions from any

FERC Docket: CP90-1014-002

Original Sheet No. 72 Original Sheet No. 72: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

governmental agency; if such are required to enable either of Seller or Buyer to fulfill its obligations hereunder. Additionally, Seller or Buyer shall be excused in whole or in part, from its performance, for inability to obtain transportation from or through third party pipelines, or as a result of supervening or fortuitous events or circumstance, whether or not foreseeable, or within the contemplation of Seller and Buyer at the time that the Storage Service Agreement was entered into, which make performance of Seller's obligations hereunder commercially impracticable. Either Seller or Buyer claiming Force Majeure shall give to the other(s) notice and full particulars of such Force Majeure by telephone as soon as reasonably possible after the occurrence of the case relied on, and shall remedy such inability to perform with all reasonable dispatch; provided, however, that such requirement or remedy shall not require the settlement of strikes or lockouts by accession to the demands of those opposing either of Seller or Buyer when such course is inadvisable in the discretion of either of Seller or Buyer.

#### 6.11 Waivers

Seller may waive any rights hereunder or any obligations of Buyer on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

# 6.12 Miscellaneous

(a) The respective obligations of Seller and Buyer hereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned, unless waived by the parties hereto, upon the issuance by the Commission or any successor agency of requisite authorization to provide the storage service hereunder in a form satisfactory to Seller.

FERC Docket: RP99-244-000

Third Revised Sheet No. 73 Third Revised Sheet No. 73: Superseded

Superseding: Second Revised Sheet No. 73
RATE SCHEDULE FSS (Continued)
FIRM STORAGE SERVICE

- (b) Service hereunder and Buyerps Storage Service Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas, except for the conflict of laws provisions thereof.
- (c) Buyerbs Storage Service Agreement creates no rights in third parties.
- 6.13 Operation of Rate Schedule FSS in Conjunction with Marketing Affiliates
  - (a) All terms and conditions contained herein shall be applied in a uniform and nondiscriminatory manner without regard to affiliation of any entity to Seller.
  - (b) Other than telephone equipment, a computer system, and a Local Area Network, Seller does not share any facilities or operating personnel with its marketing affiliate. The computer equipment, including access to all computer data bases, is password protected in order to maintain segregation of utilization and confidential access to the system.
- 6.14 Fuel Reimbursement Adjustment

The Fuel Reimbursement Percentages under Rate Schedules FSS and ISS shall be adjusted downward to reflect reductions and may be adjusted upward to reflect increases in fuel usage and lost and unaccounted for Gas in accordance with this Section 6.14.

- (a) Filing of Fuel Reimbursement Adjustment
  - (1) Effective Date of Adjustment

The effective date of each Fuel Reimbursement Adjustment shall be November 1 and April 1.

(2) Filing Procedure

At least thirty 30 Days prior to the effective date of adjustment, Seller shall file with the Commission and post, as defined by Section  $154.2\,(d)$  of the Commission's Regulations, a schedule of effective Fuel Reimbursement Quantities, as determined in accordance with Section  $6.14\,(b)$  hereof, together with supporting documentation.

FERC Docket: RP99-244-000

Original Sheet No. 74 Original Sheet No. 74: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(3) Fuel Reimbursement Adjustment Period

The Fuel Reimbursement Adjustment Period shall be billing periods beginning with each effective Date of Adjustment.

(b) Computation of Effective Fuel Reimbursement Percentage

The effective Fuel Reimbursement Percentage shall be the sum of the current Fuel Reimbursement Percentage and the Annual Fuel Reimbursement Surcharge.

(c) Computation of Current Fuel Reimbursement Percentage

The current Fuel Reimbursement Percentage shall be determined on the basis of (1) the estimated Quantities of Gas delivered to Seller for the account of Buyers under Rate Schedules FSS AND ISS and (2) the projected Quantities of Gas that shall be required for fuel usage and the lost and unaccounted for Gas.

- (d) Computation of the Annual Fuel Reimbursement Surcharge
  - (1) The Annual Fuel Reimbursement Surcharge shall be computed by dividing the balance four (4) Months prior to November 1 of the Deferred Fuel Reimbursement Account by Seller's estimated Quantities of Gas for Storage under Rate Schedules FSS and ISS for the Recovery Period.
  - (2) The Recovery Period for the Annual Fuel Reimbursement Surcharge shall be the 12 billing Months beginning November 1.
  - (3) Seller shall maintain a Deferred Fuel Reimbursement Account with appropriate subaccounts, beginning with the effective date of this Section 6.14. For each billing Month, the applicable subaccounts shall be increased or decreased for a positive or negative change in Fuel Reimbursement for the billing Month.
  - (4) A change in Fuel Reimbursement for each billing Month shall be the difference between (1) the applicable currently effective Fuel Reimbursement percentage for the billing Month multiplied by Buyers' total Storage Quantities injected and withdrawn during the billing Month and (2) the actual Quantities of Gas expended for fuel usage and lost and unaccounted for Gas during the billing Month.

FERC Docket: RP99-244-000

Original Sheet No.75 Original Sheet No.75: Superseded

RATE SCHEDULE FSS (Continued) FIRM STORAGE SERVICE

(e) Notice of Responsibility of Deferred Amounts

In the event this Section 6.14 shall be changed in any manner that adversely affects Southwest's recovery of the full amount of fuel amounts reflected in its deferred fuel accounts, each Shipper that received transportation service during the period affected by such fuel adjustment deferred account shall be responsible to Southwest for its proportionate share of the amount of Southwest's unrecovered deferred fuel amounts for the storage services which they were provided.

Effective Date: 04/01/1999 Status: Effective FERC Docket: RP99-244-000

Sheet Nos. 76-89 Sheet Nos. 76-89 : Superseded

SHEET NOS. 76 THROUGH 89 ARE RESERVED FOR FUTURE USE

FERC Docket: CP90-1014-002

Original Sheet No. 90 Original Sheet No. 90: Superseded

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE

#### 1. AVAILABILITY

This Rate Schedule ISS is available to any person ("Buyer") for the purchase of natural gas storage service on an interruptible basis from Southwest Gas Storage Company ("Seller") under the provisions of Seller's blanket storage certificate issued in Docket No. CP90-1014 upon execution of a Storage Service Agreement in the form provided for in this tariff.

Buyer shall arrange separately for any transportation attendant to the storage service provided hereunder and Buyer shall pay separately for such transportation services.

#### 2. APPLICABILITY AND CHARACTER OF SERVICE

The interruptible service rendered hereunder is the storage of natural gas up to a Maximum Annual Quantity (MAQ) as set forth in the Storage Service Agreement, with a Maximum Daily Withdrawal Quantity (MWQ), and a Maximum Daily Injection Quantity (MMQ) as provided for herein, subject to the availability of capacity, the General Terms and Conditions herein and the further provisions of the Storage Service Agreement. Seller is not obligated to provide any storage service for which capacity is not available, which would constrain the operational efficiency of its facilities, or which would require the construction, purchase or acquisition of new facilities or the modification or expansion of existing facilities.

# 3. RATE

The rates and charges for interruptible service under this Rate Schedule shall include the applicable storage rate component(s) per Dt., as described in Sections 3.1, 3.2 and 3.3.

## 3.1 Storage Charges

For storage service rendered to Buyer under this Rate Schedule ISS, Buyer shall pay Seller each month the Inventory Charge. The monthly charge per Dt. is determined by multiplying the Average Storage Gas Balance for the billing month by the Inventory Charge rate as set forth on the effective Tariff Sheet No. 4-B of this Tariff.

FERC Docket: CP90-1014-002

Original Sheet No. 91 Original Sheet No. 91: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

## 3.2 Authorized Overrun Charge

The Authorized Overrun Charge shall be equal to the applicable Authorized Overrun Charge rate, as set forth on the effective Tariff Sheet No. 4-B, multiplied by the quantity withdrawn from Seller's facilities pursuant to Section  $6.3\,(b)\,(2)$ .

#### 3.3 Fuel Reimbursement

Buyer shall reimburse Seller in kind for fuel usage pursuant to the terms and conditions of the Storage Service Agreement and as stated on the effective Tariff Sheet No. 4-B for service hereunder.

# 3.4 Range of Rates

Unless otherwise agreed upon by Seller and Buyer, the rates applicable to a Buyer for service hereunder shall be the applicable Maximum Rate(s) as set forth on the effective Tariff Sheet No. 4-B. In the event an amount less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such amount shall be confirmed in writing by Seller, shall be applied prospectively and Seller shall be responsible for compliance with any reporting requirements prescribed by the Commission.

# 3.5 Annual Charge Adjustment Provision (ACA)

Buyer shall pay the ACA Unit Charge which has been assessed by the Federal Energy Regulatory Commission pursuant to Section 382.202 of the Regulations. The ACA Unit Charge shall be reflected on Sheet No. 4-B of this tariff and shall be added to the respective Volume Injection Charge component of Seller's rates.

FERC Docket: CP90-1014-002

Original Sheet No. 92 Original Sheet No. 92: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

#### 4. MONTHLY BILL

The Monthly Bill for storage service shall be the sum of the applicable Storage charges as defined in Section 3.1, the ACA Unit Charge, and an Authorized Overrun Charge, if applicable.

#### 5. RESERVATIONS

Seller reserves the unilateral right from time to time to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule and the other provisions of Seller's FERC Gas Tariff, and the applicability thereof, subject to the provisions of the Natural Gas Act, the Natural Gas Policy Act and the Commission's Regulations thereunder.

#### 6. GENERAL TERMS AND CONDITIONS

#### 6.1 Definitions

- (a) Day shall mean a period of twenty-four (24) consecutive hours beginning and ending at 8:00 A.M. Central Time. The reference date for any day shall be the date of the beginning of such day. ("Month" and "years" shall also commence at 8:00 A.M.).
- (b) Business Day shall mean from 8:00 A.M. to 5:00 P.M., Central Time on any day except Saturday, Sunday, and holidays observed by Seller.

FERC Docket: CP90-1014-002

Original Sheet No. 93 Original Sheet No. 93: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

- (c) Commission or FERC shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.
- (d) Injection Season shall mean the months of April, May, June, July, August, September, and October.
- (e) Withdrawal Season shall mean the months of November, December, January, February, and March.
- (f) Storage Gas Balance shall mean the quantity of gas, expressed in dekatherms, held by Seller in storage for Buyer's account at any point in time.
- (g) Average Storage Gas Balance shall mean the sum of the daily Storage Gas Balance divided by the number of days in a particular month.
- (h) Maximum Annual Quantity (MAQ) shall mean the maximum volume which Seller is obligated, on an interruptible basis, to hold for the account of Buyer.
- (i) Maximum Daily Injection Quantity (MIQ) shall mean the maximum quantity which Seller will inject on an interruptible basis for Buyer on any day during the Injection Season, as described in Section 6.3(a) hereof.
- (j) Maximum Daily Withdrawal Quantity (MWQ) shall mean the maximum quantity which Seller will withdraw on an interruptible basis for Buyer on any day during the Withdrawal Season, as described in Section 6.3(b) hereof.

FERC Docket: CP97-237-001

First Revised Sheet No. 94 First Revised Sheet No. 94: Superseded

Superseding: Original Sheet No. 94

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

(k) Point of Receipt shall mean the interconnect of Panhandle Eastern Pipe Line Companybs transmission facilities and Seller's East Area Storage Facilities and West Area Storage Facilities, as herein defined in Sections 6.1 (o) and (p), respectively, whereby Seller receives gas for injection from or for the account of Buyer.

- (1) Point of Delivery shall mean the interconnect of Panhandle Eastern Pipe Line Companybs transmission facilities and Sellerps East Area Storage Facilities and West Area Storage Facilities, as herein defined in Sections 6.1 (o) and (p), respectively, whereby Seller delivers gas withdrawn to or for the account of Buyer.
- (m) Dekatherm (Dt.) shall mean one thousand cubic feet of gas (Mcf) with a heat content of 1000 Btu per cubic foot on a measurement basis specified under Section 6.2(b) herein and based on the same pressure base as the volumes.
- (n) Electronic Gas Measurement (EGM) shall mean that form of measurement equipment used by Seller which may consist of a computerized remote terminal unit, transducers and other associated power, radio and sensing and other electronic devices to accomplish gas measurement and transfer of data, without the use of charts.
- (o) East Area Storage Facilities shall mean those storage facilities owned by Southwest and known as the Howell Storage Field located in Livingston County, Michigan and the Waverly Storage Field located in Morgan and Sangamon Counties, Illinois.
- (p) West Area Storage Facilities shall mean those storage facilities owned by Southwest and known as the Borchers Storage Field located in Meade County, Kansas and the North Hopeton Storage Field located in Woods County, Oklahoma.
- 6.2 Conditions of Receipt and Redelivery
  - (a) Seller shall receive quantities of natural gas from Buyer at the Point of Receipt and Seller shall redeliver

FERC Docket: CP97-237-001

First Revised Sheet No. 95 First Revised Sheet No. 95 : Superseded

Superseding: Original Sheet No. 95

RATE SCHEDULE ISS (Continued) INTERRUPTIBLE STORAGE SERVICE

quantities of natural gas to Buyer at the Point of Delivery. Seller and Buyer shall, by mutual agreement, establish the date of commencement of receipt and redelivery of gas hereunder. Receipts and redeliveries of gas hereunder shall be at uniform hourly and daily rates of flow as nearly as practicable.

(b) Measurement shall be both volumetric and thermal, at a temperature of 60Ø Fahrenheit and at a pressure of 14.73 psia, and on the basis of the methods prescribed and published by the American Gas Association in conjunction with the ANSI/API 2530 Report as now and any subsequent amendments thereof accepted and agreed upon between the parties if orifice meters are used, and in accordance with generally accepted industry practices, as mutually agreed upon, if positive or turbine meters are used.

The Btu content (MMBtu) shall be determined by taking the arithmetic average of the heating value as recorded by recording calorimeter or other method of determination generally accepted in the industry. Flowing temperature shall be determined by a recording thermometer or EGM.

(c) Deliveries of gas at the Point of Receipt shall be at a pressure sufficient to enter Sellerbs facilities at such point. Redeliveries of gas at the Point of Delivery shall be at such pressure as exists in Sellerps facilities. Gas received and redelivered shall be merchantable natural gas; shall be free of water and hydrocarbons in liquid form; shall contain not more than 7 pounds of water vapor per MMcf; 1.0 grain of hydrogen sulphide and 20 grains of total sulphur per 100 cubic feet, 2% of carbon dioxide (by volume), and 50 parts per million of oxygen; and shall not exceed 120ø Fahrenheit in temperature. The gas shall have a total or gross heating value of not less than nine hundred fifty (950) Btu and not more than one thousand two hundred (1200) Btu per cubic foot. Seller shall not be obligated to accept gas for storage which does not meet these quality provisions.

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First Revised Sheet No. 96 First Revised Sheet No. 96: Superseded

Superseding: Original Sheet No. 96

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

- (d) Seller shall have the unqualified right to commingle gas stored hereunder with gas from other sources, and to treat and handle all such gas as its own. It is recognized that gas redelivered will not be the same molecules as those received at the Point of Receipt.
- (e) Buyer may witness Seller s installation or maintenance of measuring equipment. Seller shall not be required to verify accuracy more often than once during any thirty (30) day period. If, upon test, accuracy is found to be within 2% by volume (chromatograph/calorimeter within 0.5%), such equipment shall be assumed to be accurate. Any error exceeding these percentages will require correction to zero error of previous recordings back to the date error began. If beginning date of error is unknown, correction shall extend to one-half the time since the last test, not to exceed sixteen (16) days.
- (f) Upon termination of storage service, Buyer will balance any final imbalance within sixty (60) days of the date that Seller notifies Buyer of any final imbalance. If at the end of such final balancing period, Seller owes Buyer gas which Buyer has not received, Seller will retain those quantities free and clear of any adverse claims.
- 6.3Conditions of Injection and Withdrawal

The MAQ shall be stated in the Storage Service Agreement.

- (a) Injections Into Storage
  - (1) Buyer's MIQ shall be:
    - (a) West Area Storage Facilities
      - (i)1/180th of the MAQ until ninety percent (90%) of the MAQ has been injected;
      - (ii) Thereafter sixty percent (60%) of the volume specified in 6.3(a)(1)(a)(i) above until ninety-five percent (95%) of the MAQ has been injected;
      - (iii) Thereafter thirty-five percent (35%) of the volume specified in 6.3(a)(1)(a)(i) above.

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First Revised Sheet No. 97 First Revised Sheet No. 97: Superseded

Superseding: Original Sheet No. 97

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

(b) East Area Storage Facilities

- (i)1/180th of the MAQ until seventy-five percent (75%) of the MAQ has been injected;
- (ii) Thereafter sixty percent (60%) of the volume specified in 6.3(a)(1)(b)(i) above until ninety percent (90%) of the MAQ has been injected;
- (iii) Thereafter forty percent (40%) of the volume specified in  $6.3\,(a)\,(1)\,(b)\,(i)$  above.
- (2) Authorized Injection Overrun Quantities

Upon request of Buyer, Seller may, but is not obligated to, inject on any day quantities in excess of Buyer s MIQ when, in Seller s sole judgment, the capacity of its system will permit such injection without impairing the ability of Seller to meet its other obligations.

(3) Injection During the Withdrawal Season

Upon request of Buyer, Seller may, but is not obligated to, inject on any day during the Withdrawal Season quantities up to Buyer's MIQ and any authorized Injection Overrun Quantities when, in Seller s sole judgment, the capacity of its system will permit such injection without impairing the ability of Seller to meet its other obligations.

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First Revised Sheet No. 98 First Revised Sheet No. 98: Superseded

Superseding: Original Sheet No. 98

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

- (b) Withdrawals From Storage
  - (1) Buyer's MWQ shall be:
    - (a) West Area Storage Facilities
      - (i) 1/100th of the MAQ until fifty percent (50%) of the MAQ has been withdrawn;
      - (ii) Thereafter sixty percent (60%) of the volume specified in 6.3(b)(1)(a)(i) above until seventy-five percent (75%) of the MAQ has been withdrawn;
      - (iii) Thereafter thirty-three percent (33%) of the volume specified in 6.3(b)(1)(a)(i) above.
    - (b) East Area Storage Facilities
      - (i)1/67th of the MAQ until sixty percent (60%) of the MAQ has been withdrawn;
      - (ii) Thereafter fifty percent (50%) of the volume specified in 6.3(b) (1) (b) (i) above until eighty-five percent (85%) of the MAQ has been withdrawn;
      - (iii) Thereafter twenty-five percent (25%) of the volume specified in 6.3(b)(1)(b)(i) above.
  - (2) Authorized Withdrawal Overrun Quantities

Upon request of Buyer, Seller may, but is not obligated to, withdraw on any day quantities in excess of Buyer s MWQ when, in Seller's sole judgment, the capacity of its system will permit such withdrawal without impairing the ability of Seller to meet its other obligations. Buyer shall

FERC Docket: CP97-237-001

Original Sheet No. 98A Original Sheet No. 98A: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

pay Seller the applicable Authorized Overrun Charge for such quantities as set forth on Sheet No. 4-B. All requests for interruptible overrun service shall receive a priority in the first-come, first serve queue which is no higher than the priority received by requests (3) for any other new interruptible service.

(3) Withdrawal During the Injection Season

Upon request of Buyer, Seller may, but is not obligated to, withdraw on any day during the Injection Season quantities up to Buyer s MWQ and any authorized Withdrawal Overrun Quantities when, in Seller s sole judgment, the capacity of its system will permit such injection without impairing the ability of Seller to meet its other obligations.

FERC Docket: CP90-1014-002

Original Sheet No. 99 Original Sheet No. 99: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

## 6.4 Scheduling and Notification

(a) Nominations

Buyer shall furnish or cause to be furnished to Seller schedules showing quantities for injection, withdrawal and storage by Seller.

(1) On or before five Business Days prior to the first day of each month in which gas is to be injected or withdrawn ("Nomination Date"), Buyer shall deliver to Seller a written nomination schedule showing the estimated daily quantity of gas it desires Seller to inject or withdraw during the month. At the time a nomination is made for injection or withdrawal of gas, Buyer shall identify to Seller the related transportation agreement(s) associated with deliveries to, or withdrawal from Seller's storage field.

Should Buyer fail to provide this nomination on or before the Nomination Date, Seller may deem Buyer's nomination to be zero (0). Seller shall have the right to refuse to inject or withdraw any gas not properly scheduled. Buyer shall indemnify and hold Seller harmless from and Seller shall not be liable to Buyer or any other person as a direct or indirect consequence of such refusal.

FERC Docket: CP90-1014-002

Original Sheet No. 100 Original Sheet No. 100: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

- (2) Buyer shall give at least twenty-four (24) hours notice prior to any proposed change of a daily quantity of injection or withdrawal from that set forth in the nomination provided for in subparagraph (1). Daily changes in nominations shall be made only as necessitated by operating conditions not reasonably foreseeable at the time such schedules were tendered. Seller may waive any part of the twenty-four (24) hours notice, upon request, if operating conditions permit such waiver. Buyer shall immediately inform Seller of any other changes in volumes tendered for injection or withdrawal.
- (3) At least ten (10) days prior to the first day of January, April, July, and October, Buyer shall furnish Seller a written schedule of the estimated quantity of gas for injection, withdrawal and storage gas balance for the succeeding twelve month period beginning on such date.
- (4) The volumes nominated for storage by Buyer shall be scheduled by Seller for injection, withdrawal, and storage in the following order: firm storage service, interruptible storage service charged the applicable maximum effective rate; and interruptible storage service charged a rate less than the applicable maximum rate in sequence starting with the rate most proximate to the maximum

FERC Docket: CP90-1014-002

Original Sheet No. 101 Original Sheet No. 101: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

rate. Within each of these categories, storage will be scheduled, to the extent practicable, to maintain the existing volumes of service to each Buyer. Next, within each of these categories, storage will be scheduled in sequence starting with the earliest date of request for such service, and shall be scheduled pro rata for quantities of interruptible service having the same date of request, where there is insufficient capacity to serve all nominations. In the event Buyer's nomination is for interruptible service at a rate less than the applicable maximum rate and Seller determines that all timely nominations exceed available interruptible capacity, then Seller shall notify Buyer and provide Buyer one opportunity to agree to pay a higher rate, up to the maximum rate, in order to have its nomination accepted and scheduled by Seller to the extent interruptible capacity is available.

### (b) Buyer's Designee

Buyer may change the person designated to provide the notification as set forth in the Storage Service Agreement. If Buyer designates another person to provide this information, Seller shall be entitled to rely on the scheduling previously provided by Buyer unless and until Seller receives written notice to the contrary.

FERC Docket: CP90-1014-005

First Revised Sheet No. 102 First Revised Sheet No. 102 : Superseded

Superseding: Original Sheet No. 102

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

- 6.5 Requests for Storage
  - (a) Persons desiring storage service must first deliver a written, properly executed Request for Storage to Seller at the following address:

Southwest Gas Storage Company Attn: Marketing Administration P. O. Box 1642 Houston, Texas 77251-1642 (713) 627-4765

- (b) The specific information required from a Buyer for a valid Request for storage service provided hereunder shall include, at a minimum, the following information in writing:
  - Maximum Annual Quantity (MAQ) expressed in dekatherms;
  - (2) Maximum Daily Injection Quantity (MIQ) and Maximum Daily Withdrawal Quantity (MWQ);
  - (3) The date on which service is requested to commence;
  - (4) The date on which service is requested to terminate;
  - (5) The complete legal name and legal description of Buyer;
  - (6) The type of entity represented by Buyer (ie. LDC, Intrastate, Interstate, End User, Marketer, Producer, or other);

FERC Docket: MT94- 20-000

First Revised Sheet No. 102A First Revised Sheet No. 102A: Superseded Superseding: Original Sheet No. 102A

RATE SCHEDULE ISS (Continued) INTERRUPTIBLE STORAGE SERVICE

(7) The name, title, mailing address, and telephone number of the person designated by Buyer for purpose of scheduling and nominations under Section 6.4 herein; and

The information, including mailing address of Buyer, necessary for billing under Section 6.6 herein.

FERC Docket: CP90-1014-005

First Revised Sheet No. 103 First Revised Sheet No. 103: Superseded

Superseding: Original Sheet No. 103

RATE SCHEDULE ISS (Continued) FIRM STORAGE SERVICE

- (c) The interruptible storage service rendered hereunder is contingent upon Buyer satisfying a credit appraisal by Seller.
  - (1) Such credit appraisal shall be based upon the following information and criteria:
    - (i) Buyer shall provide current financial statements, annual reports, 10-K reports, filings with regulatory agencies, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are are available. Seller shall apply consistent evaluation practices to determine the acceptability of the Buyer's overall financial condition, working capital, and profitability trends.
    - (ii) Buyer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in (i) must show that Buyer's obligations are being paid on a reasonably prompt basis.
    - (iii) Buyer shall confirm that Buyer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement.

FERC Docket: CP90-1014-002

Original Sheet No. 104 Original Sheet No. 104: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

An exception can be made for a Buyer who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the billing for storage service rendered hereunder will be paid promptly pursuant to Section 6.6 as a cost of administration under the federal court's jurisdiction.

- (iv) Buyer shall confirm in writing that Buyer is not subject to the uncertainty in any pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the ability to exist as an on-going business entity.
- (v) If Buyer has an on-going business relationship with Seller, no delinquent balances should be consistently outstanding for natural gas storage services made previously by Seller and Buyer must have paid its account during the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
- (vi) Buyer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.

FERC Docket: MT94- 20-000

First Revised Sheet No. 105 First Revised Sheet No. 105 : Superseded

Superseding: Original Sheet No. 105

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

(2) If a Buyer fails to satisfy the credit criteria, such Buyer may still obtain storage hereunder if it elects one of the following options: (1) payment of an advance deposit equal to three (3) months service; (2) a standby irrevocable letter of credit drawn upon a bank acceptable to Seller; (3) a security interest in collateral provided by the Buyer found to be satisfactory to Seller; or (4) a guarantee, acceptable to Seller, by a person or another entity which does satisfy the credit appraisal criteria.

- (d) In the event that the Buyer or potential Buyer may have any complaints, the Buyer or potential Buyer shall:
  - (1) Provide Seller a written or verbal description of the complaint, including the identification of the storage request, if applicable, by contacting Seller at the following:

Southwest Gas Storage Company Attn: Marketing Administration P. O. Box 1642 Houston, Texas 77251-1642 (713) 627-4765

(2) Seller will respond initially within 48 hours and in writing within 30 days advising Buyer or potential Buyer of the disposition of the complaint.

FERC Docket: MT94- 20-000

First Revised Sheet No. 106 First Revised Sheet No. 106: Superseded

Superseding: Original Sheet No. 106

RATE SCHEDULE ISS (Continued) INTERRUPTIBLE STORAGE SERVICE

(e) A Request for Storage shall not be deemed to have been received and accepted by Seller until Seller has received in writing the information required or requested under Sections 6.5(b) and 6.5(c) herein. If Seller requests additional information or assurances in accordance with this Section, and such information is provided within seven (7) days of such request, Buyer's Request for Storage will be deemed to have been received when the information set forth in Section 6.5(b) was received. Otherwise Buyer's Request for Storage will be deemed to have been received when such additional information or assurances actually were received in writing by Seller.

- (f) Seller may require such other information as is required to comply with regulatory reporting or filing requirements.
- (g) In the event that any information provided by Buyer herein changes or may change, Buyer shall be obligated to provide prior written notice of such changes to Seller.
- (h) An open season from January 20, 1991 through February 4, 1991 is established for potential Buyers requesting storage capacity. All available capacity will be allocated on a nondiscriminatory basis. All requests received prior to the open season and during the open season shall be considered to have been received on February 4, 1991. If such requests received during the open season exceed the available capacity for storage, Seller will allocate to each requesting buyer a pro rata share of the available storage capacity. All requests received after February 4, 1991 will be allocated on a first-come, first-served basis. Capacity will be prorated for potential Buyers with the same date of request in the event there is not sufficient capacity to satisfy all requests.

FERC Docket: CP90-1014-002

Original Sheet No. 107 Original Sheet No. 107: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

## 6.6 Statements and Payments

#### (a) Monthly Bill

Seller shall send to Buyer, on or before the tenth (10th) day of each month, a billing of charges for service rendered in the preceding month. Such charges may be based on estimated quantities if actual quantities are unavailable in time to prepare the billing. In that event, Seller shall provide, in the succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities.

## (b) Payment of Bill

Buyer shall pay Seller within ten (10) days from the date on which the bill is sent for all charges billed in accordance with the provisions of this Rate Schedule. Should Buyer fail to pay part or all of the amount of any such bill, interest thereon shall accrue at an average prime interest rate computed in a manner consistent with Section 154.67(c)(2)(iii)(A)(B) of the Commission's Regulations, from the due date until date of payment. If such failure to pay continues for thirty (30) days after payment is due, then Seller, in addition to any other remedy it may have, may suspend further receipt and/or redelivery of gas until such amount is paid after Seller provides Buyer with twenty (20) days prior written notice.

## (c) Error in Billing

In the event that an error is discovered in the amount billed or paid hereunder, such error shall be adjusted within thirty (30) days of the determination thereof, provided that claim therefor shall have been made within sixty (60) days from the date of discovery of such error, but in any event within twelve (12) months from the date of the applicable statement.

FERC Docket: CP90-1014-002

Original Sheet No. 108 Original Sheet No. 108: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

(d) Fees

Buyer agrees to reimburse Seller for all filing or other fees, in connection with this storage service, that Seller is obligated to pay to the Commission or to any other governmental authority having jurisdiction. The term "fees" as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the gas itself or on the act, right or privilege of handling, storing, delivering or redelivering gas, however such fees or charges are measured.

#### 6.7 Queuing

- (a) Requests for firm storage service will be first fulfilled, in sequence starting with the earliest date of request for such service; next, capacity will be prorated, as necessary, amoung requests for quantities of firm service having the same date of request.
  - (b) Requests for quantities of interruptible storage service will be next fulfilled, commencing with service to be charged at the maximum rate of Seller then in effect under this tariff in sequence starting with the earliest date of request for such service; next, in order shall be service to be charged at a rate that is less than the maximum rate of Seller then in effect under this tariff in sequence starting with the rate most proximate to the maximum rate. Within each of these categories, storage service capacity will be pro-rated, as necessary, among requests for quantities of interruptible storage service having the same date of request.

FERC Docket: CP90-1014-002

Original Sheet No. 109 Original Sheet No. 109: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

## 6.8 Warranty and Assignments

- (a) Except as provided in Section 6.6(d) herein, both Seller and Buyer will, as to the gas it delivers or causes to be delivered to the other, indemnify and save the other harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, fees or charges thereon.
- (b) As to all matters within its actual or imputed control, Buyer represents and warrants that service hereunder and all arrangements incident thereto conform to applicable regulations, and agrees to indemnify and hold Seller harmless against any and all actions, suits or proceedings, concerning such service or arrangements, which are brought before or instituted by any authority having jurisdiction.
- (c) Seller shall be deemed to be in control and possession of the gas stored hereunder only after the gas is received for injection at the Point of Receipt, and before it is withdrawn and delivered at the Point of Delivery. Buyer shall be deemed to be in control and possession at all other times. Whichever of Seller or Buyer is deemed to be in control and possession of the gas will be responsible for and shall indemnify the other party with respect to any losses, injuries, claims, liabilities or damages caused thereby and occurring while the gas is in its possession.
- (d) Both Seller and Buyer may assign or pledge the Storage Service Agreement and all rights and obligations thereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, neither Seller nor Buyer shall assign the Storage Service Agreement or any of its rights hereunder unless it shall first have obtained the written consent of the other(s). Such consent shall not be unreasonably withheld.

FERC Docket: CP90-1014-002

Original Sheet No. 110 Original Sheet No. 110: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

6.9 Curtailment and Interruption

Seller shall have the right to curtail, interrupt or discontinue service in whole or in part on its system from time to time and at any time, under the following conditions and in the following manner:

(a) Operating or Remedial Curtailment or Interruption may be ordered by Seller at any time if in Seller's judgment capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes, the conduct of which will be affected thereby, upon such notice as is reasonable under the circumstances and in the following order, to the extent practicable: (1) interruptible storage service shall be curtailed commencing with service that at the time notice was given was being charged at a rate that is less than the maximum rate of Seller then in effect under this tariff in sequence starting with the rate least proximate to the maximum rate and then with service which was initially provided most proximate to the date notice is given by the Seller of the particular curtailment or interruption; next in order shall be all other storage service in sequence starting with service which was initially provided most proximate to the date notice is given by Seller of the particular curtailment or interruption. In the event Buyer is receiving service at less than the applicable maximum rate and Seller determines that interruption or curtailment of service is required, Seller shall notify Buyer that Buyer will be required to pay the applicable maximum rate in order to avoid interruption or curtailment of service to the extent that any interruptible service is available as determined by Seller. Buyer's election to pay the applicable maximum rate shall be a one-time election effective during such periods of interruption or curtailment regardless of duration. Buyer's election shall be made at the time Seller and Buyer agree to such discounted rate. (2) Firm storage service shall be curtailed last on a pro-rated basis. Such proration shall be based on Seller's maximum firm contractual obligations to provide firm service.

FERC Docket: CP90-1014-002

Original Sheet No. 111 Original Sheet No. 111: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

(b) Force Majeure Curtailment or Interruption may be ordered by Seller as to service being performed by its system at any time when Force Majeure affects or in Seller's judgment threatens to affect Seller's ability to provide service, upon the giving of such notice as is reasonable under the circumstances.

## (c) Curtailment Compliance

- (1) Without regard to any other remedy provided by law or by the provisions hereof, Seller shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with curtailment or interruption ordered by Seller in compliance with this Section 6.9 or any directive from any governmental authority having jurisdiction in the premises.
- (2) Seller may at any time notify Buyer of an interruption pursuant to Section 6.9 herein above, in which event Buyer must immediately cease deliveries to or receipt of gas from Seller, in whole or in part as directed by Seller, and may be required by Seller to withdraw all or any part of the gas being held by Seller for Buyer's account. If Buyer is required by Seller to withdraw gas being held by Seller for Buyer's account, Buyer shall be required to accept such gas over a period of sixty (60) days. In such instance, the Volume Withdrawal Charge shall apply to any withdrawal overrun quantities. After this sixty (60) day period, any gas not withdrawn which Seller has requested Buyer to withdraw under this Section, shall be retained by Seller.

## (d) Situation Reports and Notices

(1) Seller shall provide Buyer with notice of curtailment or interruption at a time and in a manner that is reasonable under the existing conditions, and shall in any event confirm in writing the notice given if originally provided telephonically or electronically.

FERC Docket: CP90-1014-002

Original Sheet No. 112 Original Sheet No. 112: Superseded

# RATE SCHEDULE ISS (Continued) INTERRUPTIBLE STORAGE SERVICE

- (2) Buyer shall have the responsibility to inform its suppliers, transporters and all others involved in the transaction, as to any curtailment or interruption.
- (3) Buyer shall indemnify Seller against and hold Seller harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Seller.

#### 6.10 Force Majeure

In the event, to the extent, and for so long as either Seller or Buyer is unable, by reason of Force Majeure, to carry out its obligations hereunder, in whole or in part, the obligations of either of Seller or Buyer, other than to make payments due, shall be suspended, in whole or in part. Force Majeure, as employed herein, shall mean any cause, whether of the kind herein enumerated or otherwise, not within the control of either of Seller or Buyer claiming suspension, and which by the exercise of due diligence, either of Seller or Buyer has been unable to prevent or overcome, including without limitation, acts of God, the government, or a public enemy; strikes, lockouts, or other industrial disturbances; wars, blockades, or civil disturbances of any kind; epidemics, landslides, hurricanes, earthquakes, crevasses, washouts, tornadoes, storms, fires, explosions, arrests, and restraints of governments or people; freezing of, breakage or accident to, or the necessity for making repairs or alterations to wells, machinery or lines of pipe; partial or entire failure of wells; and the inability of either Seller or Buyer to acquire, or the delays on the part of either of Seller or Buyer in acquiring, at reasonable cost and after the exercise of reasonable diligence: (a) any servitudes, rights of way grants, permits, or licenses; (b) any materials or supplies for the construction or maintenance of facilities; or (c) any permits or permissions from any

FERC Docket: CP90-1014-002

Original Sheet No. 113 Original Sheet No. 113: Superseded

RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

governmental agency; if such are required to enable either of Seller or Buyer to fulfill its obligations hereunder. Additionally, Seller or Buyer shall be excused in whole or in part, from its performance, for inability to obtain transportation from or through third party pipelines, or as a result of supervening or fortuitous events or circumstance, whether or not foreseeable, or within the contemplation of Seller and Buyer at the time that the Storage Service Agreement was entered into, which make performance of Seller's obligations hereunder commercially impracticable. Either Seller or Buyer claiming Force Majeure shall give to the other(s) notice and full particulars of such Force Majeure by telephone as soon as reasonably possible after the occurrence of the case relied on, and shall remedy such inability to perform with all reasonable dispatch; provided, however, that such requirement or remedy shall not require the settlement of strikes or lockouts by accession to the demands of those opposing either of Seller or Buyer when such course is inadvisable in the discretion of either of Seller or Buyer.

#### 6.11 Waivers

Seller may waive any rights hereunder or any obligations of Buyer on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

## 6.12 Miscellaneous

(a) The respective obligations of Seller and Buyer hereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned, unless waived by the parties hereto, upon the issuance by the Commission or any successor agency of requisite authorization to provide the storage service hereunder in a form satisfactory to Seller.

FERC Docket: RP99-244-000

Third Revised Sheet No. 114 Third Revised Sheet No. 114: Superseded

Superseding: Second Revised Sheet No. 114
RATE SCHEDULE ISS (Continued)
INTERRUPTIBLE STORAGE SERVICE

- (b) Service hereunder and Buyer's Storage Service Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas, except for the conflict of laws provisions thereof.
- (c) Buyerbs Storage Service Agreement creates no rights in third parties.
- 6.13 Operation of Rate Schedule ISS in Conjunction with Marketing Affiliates
  - (a) All terms and conditions contained herein shall be applied in a uniform and nondiscriminatory manner without regard to affiliation of any entity to Seller.
  - (b) Other than telephone equipment, a computer system, and a Local Area Network, Seller does not share any facilities or operating personnel with its marketing affiliate. The computer equipment, including access to all computer data bases, is password protected in order to maintain segregation of utilization and confidential access to the system.
- 6.14 Fuel Reimbursement Adjustment

The Fuel Reimbursement Percentages under Rate Schedules FSS and ISS shall be adjusted downward to reflect reductions and may be adjusted upward to reflect increases in fuel usage and lost and unaccounted for Gas in accordance with this Section 6.14.

- (a) Filing of Fuel Reimbursement Adjustment
  - (1) Effective Date of Adjustment

The effective date of each Fuel Reimbursement Adjustment shall be November 1 and April 1.

(2) Filing Procedure

At least thirty 30 Days prior to the effective date of adjustment, Seller shall file with the Commission and post, as defined by Section 154.2(d) of the Commission's Regulations, a schedule of effective Fuel Reimbursement Quantities, as determined in accordance with Section 6.14(b) hereof, together with supporting documentation.

FERC Docket: RP99-244-000

Original Sheet No. 115 Original Sheet No. 115: Superseded

RATE SCHEDULE ISS (Continued) INTERRUPTIBLE STORAGE SERVICE

(3) Fuel Reimbursement Adjustment Period

The Fuel Reimbursement Adjustment Period shall be billing periods beginning with each effective Date of Adjustment.

(b) Computation of Effective Fuel Reimbursement Percentage

The effective Fuel Reimbursement Percentage shall be the sum of the current Fuel Reimbursement Percentage and the Annual Fuel Reimbursement Surcharge.

(c) Computation of Current Fuel Reimbursement Percentage

The current Fuel Reimbursement Percentage shall be determined on the basis of (1) the estimated Quantities of Gas delivered to Seller for the account of Buyers under Rate Schedules FSS AND ISS and (2) the projected Quantities of Gas that shall be required for fuel usage and the lost and unaccounted for Gas.

- (d) Computation of the Annual Fuel Reimbursement Surcharge
  - (1) The Annual Fuel Reimbursement Surcharge shall be computed by dividing the balance four (4) Months prior to November 1 of the Deferred Fuel Reimbursement Account by Seller's estimated Quantities of Gas for Storage under Rate Schedules FSS and ISS for the Recovery Period.
  - (2) The Recovery Period for the Annual Fuel Reimbursement Surcharge shall be the 12 billing Months beginning November 1.
  - (3) Seller shall maintain a Deferred Fuel Reimbursement Account with appropriate subaccounts, beginning with the effective date of this Section 6.14. For each billing Month, the applicable subaccounts shall be increased or decreased for a positive or negative change in Fuel Reimbursement for the billing Month.
  - (4) A change in Fuel Reimbursement for each billing Month shall be the difference between (1) the applicable currently effective Fuel Reimbursement percentage for the billing Month multiplied by Buyers' total Storage Quantities injected and withdrawn during the billing Month and (2) the actual Quantities of Gas expended for fuel usage and lost and unaccounted for Gas during the billing Month.

FERC Docket: RP99-244-000

Original Sheet No. 116 Original Sheet No. 116: Superseded

RATE SCHEDULE ISS (Continued) INTERRUPTIBLE STORAGE SERVICE

(e) Notice of Responsibility of Deferred Amounts

In the event this Section 6.14 shall be changed in any manner that adversely affects Southwest's recovery of the full amount of fuel amounts reflected in its deferred fuel accounts, each Shipper that received transportation service during the period affected by such fuel adjustment deferred account shall be responsible to Southwest for its proportionate share of the amount of Southwest's unrecovered deferred fuel amounts for the storage services which they were provided.

Effective Date: 04/01/1999 Status: Effective FERC Docket: RP99-244-000

Sheet Nos. 117-199 Sheet Nos. 117-199 : Superseded

SHEET NOS. 117 THROUGH 199 ARE RESERVED FOR FUTURE USE

Effective Date: 04/01/1999 Status: Effective FERC Docket: CP97-237-001

First Revised Sheet No. 200 First Revised Sheet No. 200 : Superseded Superseding: Original Sheet No. 200

RATE SCHEDULE FSS FIRM STORAGE SERVICE

| FORM OF STORAGE SERVICE AGREEMENT  |                        |
|--|------------------------|
| CONTRACT NO.   |                        |
| This Agreement, made and entered into as of the day o, 19, by and between Pan Gas Storage Company Southwest Gas Storage Company (pSellerp) and (pBuyerp). In consider of mutual covenants and agreements as herein set forth, both Se and Buyer covenant and agree upon the following terms and conditions.  | d/b/a<br>ation<br>ller |
| ARTICLE 1 - SERVICE  |                        |
| Seller agrees to inject and withdraw at the interconnection of Panhandle Eastern Pipe Line Companybs transmission facilities and Seller's East Area Storage Facilities and West Area Storage Facilities, as defined in Sections 6.1 (o) and (p) of Rate Schedule FSS, respectively, and store on a firm basis, quantities of natural gas as described in Section 6.3 of Rate Schedule FSS. Buyer elects the following: |                        |
| East Area Storage Facilities:  |                        |
| Maximum Annual Quantity (MAQ):   | Dt.                    |
| Maximum Injection Quantity (MIQ):  | Dt.                    |
| Maximum Withdrawal Quantity (MWQ):   | Dt.                    |
| West Area Storage Facilities:  |                        |
| Maximum Annual Quantity (MAQ):   | Dt.                    |
| Maximum Injection Quantity (MIQ):  | Dt.                    |
| Maximum Withdrawal Quantity (MWQ):   | Dt.                    |

ARTICLE 2 - TERM

This Agreement shall become effective from the date first stated above. This Agreement shall remain effective for a term of from the initial date for service and thereafter shall continue in effect until terminated by

FERC Docket: CP97-237-001

Original Sheet No. 200A Original Sheet No. 200A: Superseded

RATE SCHEDULE FSS FIRM STORAGE SERVICE FORM OF STORAGE SERVICE AGREEMENT(Continued)

Seller or Buyer upon at least six (6) months prior written notice to the other, as of any date not earlier than the date of expiration of the primary term.

## ARTICLE 3 - RATES AND CHARGES

For the services provided or contracted for hereunder, Buyer agrees to pay Seller the then-effective applicable rates and charges under Sellerps Rate Schedule FSS filed with the Commission, as such rates and charges and Rate Schedule FSS may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. Seller reserves the unilateral rights from time to time to file and make effective any such changes in the terms or rate levels under Rate Schedule FSS and the applicability thereof, the General Terms and Conditions or any other provisions of Sellerps Tariff, subject to the applicable provisions of the Natural Gas Act and the Commissionps Regulations thereunder.

FERC Docket: CP90-1014-002

Original Sheet No. 201 Original Sheet No. 201: Superseded

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
FORM OF STORAGE SERVICE AGREEMENT
(Continued)

For the information of Buyer, Exhibit A hereto states the rates and charges anticipated to be effective and applicable to the service agreed to hereunder as of the date first stated above; but, the terms of this Rate Schedule FSS, other applicable provisions of Seller's Tariff, and the Regulations and Orders of the Commission shall control in the event of any conflict with the rates and charges stated on Exhibit A hereto.

#### ARTICLE 4 - FUEL REIMBURSEMENT

In addition to collection of the rates and charges provided for in Article 3, Seller shall retain the percentage as stated on Exhibit A hereto (or succeeding effective percentage) of the quantities received from Buyer and injected hereunder and of the quantities redelivered to Buyer and withdrawn hereunder for reimbursement in kind from Buyer for fuel usage.

#### ARTICLE 5 - GENERAL TERMS AND CONDITIONS

The Storage Service Agreement and all terms for service hereunder are subject to the further provisions of the General Terms and Conditions of Rate Schedule FSS, as such may be modified, supplemented, superseded or replaced generally or as to the service hereunder. Seller reserves the unilateral right from time to time to file and to make effective any such changes in the provisions of the General Terms and Conditions, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder. Such General Terms and Conditions, as may be changed from time to time, are by this reference incorporated in their entirety into this Agreement and made an integral part hereof.

## ARTICLE 6 - SUCCESSION AND ASSIGNMENTS

This Agreement shall be binding upon and inure to the benefit of any successor(s) to either Seller or Buyer by merger, consolidation or acquisition. Either Seller or Buyer may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness.

FERC Docket: CP90-1014-002

Original Sheet No. 202 Original Sheet No. 202: Superseded

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
FORM OF STORAGE SERVICE AGREEMENT
(Continued)

ARTICLE 7 - CANCELLATION OF PREVIOUS CONTRACTS

This Agreement supersedes and cancels the following Storage Service Agreement(s) between the parties hereto:

### ARTICLE 8 - NOMINATIONS AND NOTICES

Periodic scheduling of the quantities of service requested hereunder must be provided by Buyer to Seller, at the times and according to the procedures specified in Section 6.4 of the General Terms and Conditions. Except as otherwise specified, any other notice, request, demand, statement or bill provided for in the General Terms and Conditions and any other notice which either Seller or Buyer may desire to give to the other(s), shall be in writing and shall be considered as duly delivered when mailed by registered mail to the Post Office address of the other(s), or at such other address as may be designated by formal written notice. Routine communications and bills shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent. The Post Office addresses of both Seller and Buyer are as follows:

Buyer:

Billing:

Scheduling and Notification:

FERC Docket: CP90-1014-002

Original Sheet No. 203 Original Sheet No. 203: Superseded

RATE SCHEDULE FSS FIRM STORAGE SERVICE FORM OF STORAGE SERVICE AGREEMENT (Continued)

All Other:

Seller:

Payments:

Southwest Gas Storage Company Attn: Cash Management P. O. Box 1311 Houston, Texas 77001-1311

Scheduling and Notification:

Southwest Gas Storage Company Attn: Gas Control Operations P. O. Box 1642 Houston, Texas 77251-1642 Phone: (713) 627-5621 Fax: (713) 627-5769

All Other:

Southwest Gas Storage Company Attn: Marketing Administration P. O. Box 1642 Houston, Texas 77251-1642 Phone: (713) 627-4765 Fax: (713) 627-4829

FERC Docket: CP90-1014-002

 $\textbf{Original Sheet No. 204} \; \texttt{Original Sheet No. 204: Superseded}$ 

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
FORM OF STORAGE SERVICE AGREEMENT
(Continued)

IN WITNESS WHEREOF, both Seller and Buyer have caused this Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so, as of the date first stated above.

| Buyer:                         |
|--------------------------------|
| Ву:                            |
| Title:                         |
| EXECUTED, 19                   |
| ATTEST/WITNESS:                |
| Ву:                            |
| Title:                         |
| Southwest Gas Storage Company: |
| Ву:                            |
| Title:                         |
| EXECUTED, 19                   |
| ATTEST/WITNESS:                |
| By:                            |
| Title:                         |

Effective Date: 01/20/1991 Status: Effective FERC Docket: CP90-1014-002

 $\textbf{Original Sheet No. 205} \; \texttt{Original Sheet No. 205} \; : \; \; \texttt{Superseded}$ 

RATE SCHEDULE FSS FIRM STORAGE SERVICE FORM OF STORAGE SERVICE AGREEMENT

EXHIBIT A

Storage Service Agreement For Firm Storage Service Under Rate Schedule FSS

RATES

| Contract No.       |      |     |     |
|--------------------|------|-----|-----|
| Buyer:             |      |     |     |
|                    |      |     |     |
| Charge Description | Rate | Per | Dt. |

Fuel Usage Percentage

FERC Docket: CP97-237-001 First Revised Sheet No. 206 First Revised Sheet No. 206: Superseded Superseding: Original Sheet No. 206 RATE SCHEDULE ISS INTERRUPTIBLE STORAGE SERVICE FORM OF STORAGE SERVICE AGREEMENT CONTRACT NO. This Agreement, made and entered into as of the day of \_, 19\_\_\_, by and between Pan Gas Storage Company d/b/aSouthwest Gas Storage Company (pSellerp) and (pBuyerp). In consideration of mutual covenants and agreements as herein set forth, both Seller and Buyer covenant and agree upon the following terms and conditions: ARTICLE 1 - SERVICE Seller agrees to inject and withdraw at the interconnection of Panhandle Eastern Pipe Line Companybs transmission facilities and Seller's East Area Storage Facilities and West Area Storage Facilities, as defined in Sections 6.1 (o) and (p) of Rate Schedule ISS, respectively, and store on a fully interruptible basis, quantities of natural gas as described in Section 6.3 of Rate Schedule ISS. Buyer elects the following: East Area Storage Facilities: Maximum Annual Quantity (MAQ): \_\_\_\_\_ Dt. Maximum Injection Quantity (MIQ): Maximum Withdrawal Quantity (MWQ): \_ Dt. West Area Storage Facilities: \_\_ Dt. Maximum Annual Quantity (MAQ): \_\_ Dt. Maximum Injection Quantity (MIQ): Maximum Withdrawal Quantity (MWQ): Dt.

Effective Date: 04/01/1999 Status: Effective

# ARTICLE 2 - TERM

This Agreement shall become effective from the date first stated above. This Agreement shall remain effective for a term of \_\_\_\_\_ from the initial date for service and thereafter shall continue in effect until terminated by Seller or Buyer upon at

FERC Docket: CP97-237-001

Original Sheet No. 206A Original Sheet No. 206A: Superseded

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE
FORM OF STORAGE SERVICE AGREEMENT(Continued)

least six (6) months prior written notice to the other, as of any date not earlier than the date of expiration of the primary term.

ARTICLE 3 - RATES AND CHARGES

For the services provided or contracted for hereunder, Buyer agrees to pay Seller the then-effective applicable rates and charges under Sellerps Rate Schedule ISS filed with the Commission, as such rates and charges and Rate Schedule ISS may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. Seller reserves the unilateral rights from time to time to file and make effective any such changes in the terms or rate levels under Rate Schedule ISS and the applicability thereof, the General Terms and Conditions or any other provisions of Sellerps Tariff, subject to the applicable provisions of the Natural Gas Act and the Commissionps Regulations thereunder.

FERC Docket: CP90-1014-002

Original Sheet No. 207 Original Sheet No. 207: Superseded

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE
FORM OF STORAGE SERVICE AGREEMENT
(Continued)

For the information of Buyer, Exhibit A hereto states the rates and charges anticipated to be effective and applicable to the service agreed to hereunder as of the date first stated above; but, the terms of this Rate Schedule ISS, other applicable provisions of Seller's Tariff, and the Regulations and Orders of the Commission shall control in the event of any conflict with the rates and charges stated on Exhibit A hereto.

#### ARTICLE 4 - FUEL REIMBURSEMENT

In addition to collection of the rates and charges provided for in Article 3, Seller shall retain the percentage as stated on Exhibit A hereto (or succeeding effective percentage) of the quantities received from Buyer and injected hereunder and of the quantities redelivered to Buyer and withdrawn hereunder for reimbursement in kind from Buyer for fuel usage.

#### ARTICLE 5 - GENERAL TERMS AND CONDITIONS

The Storage Service Agreement and all terms for service hereunder are subject to the further provisions of the General Terms and Conditions of Rate Schedule ISS, as such may be modified, supplemented, superseded or replaced generally or as to the service hereunder. Seller reserves the unilateral right from time to time to file and to make effective any such changes in the provisions of the General Terms and Conditions, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder. Such General Terms and Conditions, as may be changed from time to time, are by this reference incorporated in their entirety into this Agreement and made an integral part hereof. Seller makes no representation, assurance or warranty that capacity will be available on Seller's system at any time to provide storage services and Buyer agrees that Seller shall bear no responsibility or liability to any person if capacity does not exist on any day to provide service hereunder.

## ARTICLE 6 - SUCCESSION AND ASSIGNMENTS

This Agreement shall be binding upon and inure to the benefit of any successor(s) to either Seller or Buyer by merger, consolidation or acquisition. Either Seller or Buyer may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness.

FERC Docket: CP90-1014-002

Original Sheet No. 208 Original Sheet No. 208: Superseded

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE
FORM OF STORAGE SERVICE AGREEMENT
(Continued)

ARTICLE 7 - CANCELLATION OF PREVIOUS CONTRACTS

This Agreement supersedes and cancels the following Storage Service Agreement(s) between the parties hereto:

ARTICLE 8 - NOMINATIONS AND NOTICES

Periodic scheduling of the quantities of service requested hereunder must be provided by Buyer to Seller, at the times and according to the procedures specified in Section 6.4 of the General Terms and Conditions. Except as otherwise specified, any other notice, request, demand, statement or bill provided for in the General Terms and Conditions and any other notice which either Seller or Buyer may desire to give to the other(s), shall be in writing and shall be considered as duly delivered when mailed by registered mail to the Post Office address of the other(s), or at such other address as may be designated by formal written notice. Routine communications and bills shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent. The Post Office addresses of both Seller and Buyer are as follows:

Buyer:

Billing:

Scheduling and Notification:

FERC Docket: CP90-1014-002

Original Sheet No. 209 Original Sheet No. 209: Superseded

RATE SCHEDULE ISS INTERRUPTIBLE STORAGE SERVICE FORM OF STORAGE SERVICE AGREEMENT (Continued)

All Other:

Seller:

Payments:

Southwest Gas Storage Company Attn: Cash Management P. O. Box 1311 Houston, Texas 77001-1311

Scheduling and Notification:

Southwest Gas Storage Company Attn: Gas Control Operations P. O. Box 1642 Houston, Texas 77251-1642 Phone: (713) 627-5621 Fax: (713) 627-5769

All Other:

Southwest Gas Storage Company Attn: Marketing Administration P. O. Box 1642

Houston, Texas 77251-1642 Phone: (713) 627-4765 Fax: (713) 627-4829

FERC Docket: CP90-1014-002

 $\textbf{Original Sheet No. 210} \; \texttt{Original Sheet No. 210} \; : \; \; \texttt{Superseded}$ 

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE
FORM OF STORAGE SERVICE AGREEMENT
(Continued)

IN WITNESS WHEREOF, both Seller and Buyer have caused this Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so, as of the date first stated above.

| Buyer:                         |      |
|--------------------------------|------|
| Ву:                            |      |
| Title:                         |      |
| EXECUTED,                      | 19   |
| ATTEST/WITNESS:                |      |
| Ву:                            |      |
| Title:                         |      |
| Southwest Gas Storage Company: |      |
| Ву:                            |      |
| Title:                         |      |
| EXECUTED                       | , 19 |
| ATTEST/WITNESS:                |      |
| Ву:                            |      |
| mi+lo.                         |      |

Effective Date: 01/20/1991 Status: Effective FERC Docket: CP90-1014-002

 $\textbf{Original Sheet No. 211} \; \texttt{Original Sheet No. 211} \; : \; \; \texttt{Superseded}$ 

RATE SCHEDULE ISS INTERRUPTIBLE STORAGE SERVICE FORM OF STORAGE SERVICE AGREEMENT

EXHIBIT A

Storage Service Agreement For Interruptible Storage Service Under Rate Schedule ISS

RATES

| Contract No.            |     |     |
|-------------------------|-----|-----|
| Buyer:                  |     |     |
|                         |     |     |
| Charge Description Rate | Per | Dt. |

Fuel Usage Percentage Effective Date: 01/20/1991 Status: Effective FERC Docket: CP90-1014-002

Sheet Nos. 212-299 Sheet Nos. 212-299 : Superseded

SHEET NOS. 212 THROUGH 299 ARE HEREBY RESERVED FOR FUTURE USE