



A  Sempra Energy company

J.P. Harrigan
Vice President, Gas Acquisition

**Southern California
Gas Company**
555 W. Fifth Street, GT24E1
Los Angeles, CA 90013-1011

Tel: 213.244.3840
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April 8, 2005

Via Federal Express and Fax

Mr. Donald J. Zinko
Vice President, Business Development
El Paso Western Pipelines and EPNG Marketing
Two North Nevada Avenue
Colorado Springs, CO 80903

Subject: Transportation Service Agreement dated October 16, 1990, as amended and restated as of July 16, 1993 - Notice of Termination and Notice of Determination Not to Exercise Right of First Refusal

Dear Don:

Pursuant to Section 2.1 of the Precedent Agreement dated December 21, 2004, between El Paso Natural Gas Company (EPNG) and Southern California Gas Company (SoCalGas), and pursuant to the attached Letter Agreement dated February 8, 2005, amending Section 5.2 of the Transportation Service Agreement (TSA) dated October 16, 1990, as amended and restated as of July 16, 1993, between EPNG and SoCalGas (TSA No. 97VT), SoCalGas hereby gives notice of termination of TSA No. 97VT at the end of the primary term on August 31, 2006; and SoCalGas hereby gives notice of its determination not to exercise its right of first refusal applicable to TSA No. 97VT.

Very truly yours,

SOUTHERN CALIFORNIA GAS COMPANY

By:  **ORE**
James P. Harrigan
Vice President Gas Acquisition

February 8, 2005

Gas Acquisition Vice President
Southern California Gas Company
555 W. 5th Street, GCT 24- E1
Los Angeles, CA 90013
Attn.: Mr. James P. Harrigan

Re: Amendment to Transportation Service Agreement dated October 16,
1990, as amended and restated as of July 16, 1993

Ladies and Gentlemen:

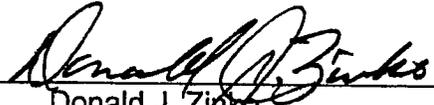
This letter sets forth the agreement of El Paso Natural Gas Company ("EPNG") and Southern California Gas Company ("SoCalGas") with respect to amending the referenced Transportation Service Agreement ("Contract No. 97VT"). In consideration of the mutual promises of the parties, EPNG and SoCalGas agree as follows:

1. Paragraph 5.2 of Contract No. 97VT is deleted in its entirety and replaced with the following:

5.2 After this Agreement becomes effective, it shall continue in full force and effect for the remaining primary term through August 31, 2006. Thereafter, this Agreement shall continue from year to year until terminated by written notice by either party given at least 16 months prior to the end of the primary term (or any extension thereof).
2. Except as amended hereby, the terms and provisions of Contract No. 97VT shall remain in full force and effect.
3. This letter agreement is subject to all valid laws, orders, decisions, rules, and regulations of duly constituted governmental authorities having jurisdiction or control of the matter related hereto, and to the provisions of EPNG's Federal Energy Regulatory Commission Gas Tariff, Second Revised Volume No. 1-A, as amended from time to time.

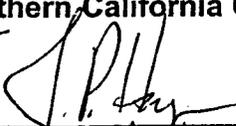
If the foregoing is acceptable to SoCalGas, please execute and return an original of this letter agreement to EPNG.

Sincerely,
El Paso Natural Gas Company

By: 
Donald J. Zinko
Vice President

Accepted and agreed to this 18th day of February, 2005:

Southern California Gas Company


By: _____
Name: J. P. HARKIGAN
Title: VP GAS ACQUISITION