

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

RATE SCHEDULE IT-1 (INTERRUPTIBLE TRANSPORTATION SERVICE)

	MAXIMUM 1/	MINIMUM 1/
Production Area	\$0.1554	\$0.0011
Texas	\$0.3790	\$0.0141
New Mexico	\$0.4514	\$0.0108
Arizona	\$0.6114	\$0.0142
Nevada	\$0.5995	\$0.0140
California	\$0.6609	\$0.0154
Samalayuca Lateral Line Facilities Charge	\$0.0644	\$0.0000
Willcox Lateral Line Facilities Charge	\$0.2737	\$0.0000
Mainline Backhaul 4/	(Forward haul rate identified above applicable to the delivery zone for which service is provided.)	

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 28.
ACA surcharge is shown in Footnote 1.

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

RATE SCHEDULE IHSW (INTERRUPTIBLE HOURLY SWING SERVICE)

	MAXIMUM 1/	MINIMUM 1/
Production Area	\$0.0967	\$0.0013
Texas	\$0.2593	\$0.0165
New Mexico	\$0.3084	\$0.0126
Arizona	\$0.4219	\$0.0165
Nevada	\$0.4136	\$0.0164

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

RATE SCHEDULE ISS (INTERRUPTIBLE STORAGE SERVICE)

	MAXIMUM 1/	MINIMUM 1/
Storage Inventory Rate (applied monthly to the average daily balance of gas in storage for Shipper's account during the month)	\$0.0664	\$0.0000
Quantity Injection Rate	\$0.0345	\$0.0345
Quantity Withdrawal Rate	\$0.0317	\$0.0317

Fuel See Sheet No. 29.

See Footnotes on Sheet No. 28.
ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 2.8156
Texas	\$ 6.6599
New Mexico	\$ 8.0412
Arizona	\$10.8996
Nevada	\$10.6857
California	\$11.7797

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.0926	\$0.0011	\$0.0000	\$0.0011
Texas	\$0.2190	\$0.0141	\$0.0000	\$0.0141
New Mexico	\$0.2644	\$0.0108	\$0.0000	\$0.0108
Arizona	\$0.3583	\$0.0142	\$0.0000	\$0.0142
Nevada	\$0.3513	\$0.0140	\$0.0000	\$0.0140
California	\$0.3873	\$0.0154	\$0.0000	\$0.0154

Samalayuca Lateral Line Facilities Charge 2/

MONTHLY 6/
 Reservation

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

\$ 1.1760	\$0.0387	\$0.0000	\$0.0000	\$0.0000
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Willcox Lateral Facilities Charge 3/

MONTHLY 6/
 Reservation

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

\$ 4.9949	\$0.1642	\$0.0000	\$0.0000	\$0.0000
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Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 3.48845
Texas	\$ 5.10630
New Mexico	\$ 5.89029
Arizona	\$ 7.99156
Nevada	\$ 8.09709
California	\$ 9.49521

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.11469	\$0.0030	\$0.0000	\$0.0030
Texas	\$0.16788	\$0.0072	\$0.0000	\$0.0072
New Mexico	\$0.19365	\$0.0249	\$0.0000	\$0.0249
Arizona	\$0.26274	\$0.0314	\$0.0000	\$0.0314
Nevada	\$0.26621	\$0.0415	\$0.0000	\$0.0415
California	\$0.31217	\$0.0404	\$0.0000	\$0.0404

Samalayuca Lateral Line Facilities Charge 2/

MONTHLY 6/
 Reservation

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

\$ 1.35305	\$0.04450	\$0.0001	\$0.0000	\$0.0001
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Willcox Lateral Facilities Charge 3/

MONTHLY 6/
 Reservation

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

\$ 4.13000	\$0.13580	\$0.0000	\$0.0000	\$0.0000
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Mainline Backhaul 4/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

Fuel and L&U See Sheet No. 29.

NOTE: These rates are subject to adjustment pursuant to the inflation provisions of Section 25 of the GT&C, to be effective January 1, 2006.
 The Shippers subject to this rate are identified in Section 25.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 2.8668
Texas	\$ 7.0955
New Mexico	\$ 8.6150
Arizona	\$11.7592
Nevada	\$11.5239

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.0943	\$0.0012	\$0.0000	\$0.0012
Texas	\$0.2333	\$0.0155	\$0.0000	\$0.0155
New Mexico	\$0.2832	\$0.0118	\$0.0000	\$0.0118
Arizona	\$0.3866	\$0.0156	\$0.0000	\$0.0156
Nevada	\$0.3789	\$0.0154	\$0.0000	\$0.0154

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 2.9009
Texas	\$ 7.3859
New Mexico	\$ 8.9975
Arizona	\$12.3323
Nevada	\$12.0828

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.0954	\$0.0013	\$0.0000	\$0.0013
Texas	\$0.2428	\$0.0165	\$0.0000	\$0.0165
New Mexico	\$0.2958	\$0.0126	\$0.0000	\$0.0126
Arizona	\$0.4054	\$0.0165	\$0.0000	\$0.0165
Nevada	\$0.3972	\$0.0164	\$0.0000	\$0.0164

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 2.9436
Texas	\$ 7.7490
New Mexico	\$ 9.4756
Arizona	\$13.0486
Nevada	\$12.7813

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.0968	\$0.0014	\$0.0000	\$0.0014
Texas	\$0.2548	\$0.0176	\$0.0000	\$0.0176
New Mexico	\$0.3115	\$0.0135	\$0.0000	\$0.0135
Arizona	\$0.4290	\$0.0177	\$0.0000	\$0.0177
Nevada	\$0.4202	\$0.0176	\$0.0000	\$0.0176

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 3.3275
Texas	\$11.0162
New Mexico	\$13.7788
Arizona	\$19.4956
Nevada	\$19.0679

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.1094	\$0.0022	\$0.0000	\$0.0022
Texas	\$0.3622	\$0.0282	\$0.0000	\$0.0282
New Mexico	\$0.4530	\$0.0215	\$0.0000	\$0.0215
Arizona	\$0.6410	\$0.0284	\$0.0000	\$0.0284
Nevada	\$0.6269	\$0.0281	\$0.0000	\$0.0281

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

RATE SCHEDULE FDBS (FIRM DAILY BALANCING SERVICE) 5/

MONTHLY 6/
Reservation

System-wide \$11.6217

DAILY MAXIMUM 1/
Reservation Usage

DAILY MINIMUM 1/
Reservation Usage

System-wide \$0.3821 \$0.0000 \$0.0000 \$0.0000

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

Fuel and L&U See Sheet No. 29.

See Footnotes on Sheet No. 28.
ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 3.9539
Texas	\$ 7.7982
New Mexico	\$ 9.1795
Arizona	\$12.0379
Nevada	\$11.8240
California	\$12.9180

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.1300	\$0.0011	\$0.0000	\$0.0011
Texas	\$0.2564	\$0.0141	\$0.0000	\$0.0141
New Mexico	\$0.3018	\$0.0108	\$0.0000	\$0.0108
Arizona	\$0.3958	\$0.0142	\$0.0000	\$0.0142
Nevada	\$0.3887	\$0.0140	\$0.0000	\$0.0140
California	\$0.4247	\$0.0154	\$0.0000	\$0.0154

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 4.0051
Texas	\$ 8.2338
New Mexico	\$ 9.7533
Arizona	\$12.8975
Nevada	\$12.6622

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.1317	\$0.0012	\$0.0000	\$0.0012
Texas	\$0.2707	\$0.0155	\$0.0000	\$0.0155
New Mexico	\$0.3207	\$0.0118	\$0.0000	\$0.0118
Arizona	\$0.4240	\$0.0156	\$0.0000	\$0.0156
Nevada	\$0.4163	\$0.0154	\$0.0000	\$0.0154

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 4.0392
Texas	\$ 8.5242
New Mexico	\$10.1358
Arizona	\$13.4706
Nevada	\$13.2211

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.1328	\$0.0013	\$0.0000	\$0.0013
Texas	\$0.2802	\$0.0165	\$0.0000	\$0.0165
New Mexico	\$0.3332	\$0.0126	\$0.0000	\$0.0126
Arizona	\$0.4429	\$0.0165	\$0.0000	\$0.0165
Nevada	\$0.4347	\$0.0164	\$0.0000	\$0.0164

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

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

MONTHLY 6/
 Reservation

Production Area	\$ 4.0819
Texas	\$ 8.8873
New Mexico	\$10.6139
Arizona	\$14.1869
Nevada	\$13.9196

DAILY MAXIMUM 1/
 Reservation Usage

DAILY MINIMUM 1/
 Reservation Usage

Production Area	\$0.1342	\$0.0014	\$0.0000	\$0.0014
Texas	\$0.2922	\$0.0176	\$0.0000	\$0.0176
New Mexico	\$0.3490	\$0.0135	\$0.0000	\$0.0135
Arizona	\$0.4664	\$0.0177	\$0.0000	\$0.0177
Nevada	\$0.4576	\$0.0176	\$0.0000	\$0.0176

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

Fuel and L&U See Sheet No. 29.

 See Footnotes on Sheet No. 28.
 ACA surcharge is shown in Footnote 1.

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

RATE SCHEDULE FT-2 (FIRM TRANSPORTATION SERVICE)

DAILY CHARGES

TIER 1 SERVICE

	MAXIMUM 1/	MINIMUM 1/
Texas	\$0.3790	\$0.0141
New Mexico	\$0.4514	\$0.0108
Arizona	\$0.6114	\$0.0142

TIER 2 SERVICE

	MAXIMUM 1/	MINIMUM 1/
Texas	\$0.5685	\$0.0141
New Mexico	\$0.6771	\$0.0108
Arizona	\$0.9172	\$0.0142

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

Fuel and L&U See Sheet No. 29.

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

See Footnotes on Sheet No. 28.
ACA surcharge is shown in Footnote 1.

STATEMENT OF RATES
(Rates per dth)

RATE SCHEDULE PAL - INTERRUPTIBLE PARKING AND LENDING SERVICE

	Maximum Daily Rate	Minimum Daily Rate
Usage Charge:		
Parking Rate:	\$0.5895	\$0.0135
Lending Rate:	\$0.5895	\$0.0135

TRANSPORTATION GENERAL TERMS AND CONDITIONS

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TRANSPORTATION GENERAL TERMS AND CONDITIONS
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25. LONG-TERM RATE STABILITY PLAN

The Stipulation and Agreement at Docket No. RP95-363-000, et al., ("Docket No. RP95-363-000 Settlement") establishes El Paso's Long-Term Rate Stability Plan for the period January 1, 1996, through December 31, 2005. Among other things, this Plan establishes the following provisions for service on El Paso's interstate pipeline system for the time periods specified.

25.1 RESERVED FOR FUTURE USE.

25.2 Annual Inflation Adjustment

- (a) Effective January 1, 1998, and on each anniversary date thereafter, El Paso shall increase the Operations and Maintenance (O&M) and Other Taxes portion of the Base Reservation and Usage Charges for Rate Schedule FT-1 and the Base Rates for Rate Schedule FT-2 ("Base Rates") in effect for the preceding year (such O&M and Other Taxes portion of such Rates or Charges being equal to 53.7% of the rates as of January 1, 1996) by 93% of the increase in the Implicit Price Deflator ("IPD") to the Gross Domestic Product ("GDP") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"), or a mutually agreed similar indicator should the GDP no longer be available on a continuing basis, or, failing such agreement, a similar indicator as approved by the Commission. Notwithstanding the above calculation, the annual increase in total Base Rates will not be less than 1% or more than 4-1/2% of the prior year's total Base Rates. The resulting rates shall become the Base Rates for purposes of applying the annual inflation adjustment for the succeeding year.
- (b) For the annual inflation adjustment to be effective January 1, 1998, the most recently published final IPD prior to the inflation adjustment filing will be compared to the IPD reported by the BEA for the same period of the prior year to determine the annual change. For the rate change to be effective January 1, 1999, and thereafter, the most recently published final IPD prior to the inflation adjustment filing will be compared to the IPD used in the prior year's filing to determine the annual change. If the BEA modifies the

TRANSPORTATION GENERAL TERMS AND CONDITIONS
(Continued)

25. LONG-TERM RATE STABILITY PLAN (Contd.)

25.2 Annual Inflation Adjustment (Continued)

(b) (Continued)

benchmark index for the IPD, then El Paso will use the restated IPD reported by the BEA instead of the IPD used by El Paso in its last inflation adjustment filing. As an illustration of this calculation, if the final IPD for 1999 is 132.1 and the final IPD for 1998 was 129.0, the calculation would be $(132.1 - 129.0) / 129.0$, which equals an annual change in the IPD of 2.40%. Since 93% of 2.40% equals 2.23%, the adjustment factor is 2.23%.

25.3 To the extent that Paragraph 11.2(a) of the 1996 rate case settlement at Docket No. RP95-363-000 is still effective for Contract Demand Shippers, it shall apply to the following TSAs. As such, FT-1 service provided under these TSAs shall be assessed at the rates listed on Sheet No. 23A. The rates shall be adjusted annually pursuant to the inflation provisions of Section 25.2 of this Tariff.

TSA	Shipper Name
97YK	Aera Energy LLC
97YG	Burlington Resources Trading Inc.
9836	Los Angeles, City of
97YR	Natural Gas Processing Co.
97YE	Saguaro Power Company
9844	San Diego Gas and Electric Company
97VT	Southern California Gas Company
97ZL	Southwest Gas Corporation - NV
97YF	Texaco Natural Gas Inc.
97YH	U.S. Borax & Chemical Corporation
982V	West Texas Gas, Inc.