

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

RATE SCHEDULE IT-1 (INTERRUPTIBLE TRANSPORTATION SERVICE)

	MAXIMUM 1/	MINIMUM 1/
Production Area	\$0.1702	\$0.0010
Texas	\$0.4081	\$0.0133
New Mexico	\$0.4860	\$0.0102
Arizona	\$0.6570	\$0.0134
Nevada	\$0.6443	\$0.0133
California	\$0.7098	\$0.0146
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.

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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	\$0.1057	\$0.0012
Texas	\$0.2780	\$0.0156
New Mexico	\$0.3311	\$0.0119
Arizona	\$0.4522	\$0.0156
Nevada	\$0.4433	\$0.0155

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.

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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	\$ 3.0882
Texas	\$ 7.2050
New Mexico	\$ 8.6842
Arizona	\$11.7451
Nevada	\$11.5161
California	\$12.6876

	DAILY MAXIMUM 1/ Reservation Usage -----		DAILY MINIMUM 1/ Reservation Usage -----	
	Production Area	\$0.1015	\$0.0010	\$0.0000
Texas	\$0.2369	\$0.0133	\$0.0000	\$0.0133
New Mexico	\$0.2855	\$0.0102	\$0.0000	\$0.0102
Arizona	\$0.3861	\$0.0134	\$0.0000	\$0.0134
Nevada	\$0.3786	\$0.0133	\$0.0000	\$0.0133
California	\$0.4171	\$0.0146	\$0.0000	\$0.0146

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

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

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.

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 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
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

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

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.

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 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	\$ 3.1431
Texas	\$ 7.6715
New Mexico	\$ 9.2986
Arizona	\$12.6656
Nevada	\$12.4137

DAILY MAXIMUM 1/  
 Reservation      Usage  
 -----

DAILY MINIMUM 1/  
 Reservation      Usage  
 -----

Production Area	\$0.1033	\$0.0011	\$0.0000	\$0.0011
Texas	\$0.2522	\$0.0147	\$0.0000	\$0.0147
New Mexico	\$0.3057	\$0.0112	\$0.0000	\$0.0112
Arizona	\$0.4164	\$0.0147	\$0.0000	\$0.0147
Nevada	\$0.4081	\$0.0146	\$0.0000	\$0.0146

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	\$ 3.1796
Texas	\$ 7.9825
New Mexico	\$ 9.7082
Arizona	\$13.2793
Nevada	\$13.0121

DAILY MAXIMUM 1/  
 Reservation Usage  
 -----

DAILY MINIMUM 1/  
 Reservation Usage  
 -----

Production Area	\$0.1045	\$0.0012	\$0.0000	\$0.0012
Texas	\$0.2624	\$0.0156	\$0.0000	\$0.0156
New Mexico	\$0.3192	\$0.0119	\$0.0000	\$0.0119
Arizona	\$0.4366	\$0.0156	\$0.0000	\$0.0156
Nevada	\$0.4278	\$0.0155	\$0.0000	\$0.0155

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.

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 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	\$ 3.2253
Texas	\$ 8.3712
New Mexico	\$10.2202
Arizona	\$14.0464
Nevada	\$13.7601

DAILY MAXIMUM 1/  
 Reservation Usage  
 -----

DAILY MINIMUM 1/  
 Reservation Usage  
 -----

Production Area	\$0.1060	\$0.0013	\$0.0000	\$0.0013
Texas	\$0.2752	\$0.0167	\$0.0000	\$0.0167
New Mexico	\$0.3360	\$0.0127	\$0.0000	\$0.0127
Arizona	\$0.4618	\$0.0167	\$0.0000	\$0.0167
Nevada	\$0.4524	\$0.0166	\$0.0000	\$0.0166

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.

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 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	\$ 3.6365
Texas	\$11.8700
New Mexico	\$14.8284
Arizona	\$20.9503
Nevada	\$20.4922

DAILY MAXIMUM 1/  
 Reservation Usage  
 -----

DAILY MINIMUM 1/  
 Reservation Usage  
 -----

Production Area	\$0.1196	\$0.0020	\$0.0000	\$0.0020
Texas	\$0.3902	\$0.0267	\$0.0000	\$0.0267
New Mexico	\$0.4875	\$0.0203	\$0.0000	\$0.0203
Arizona	\$0.6888	\$0.0268	\$0.0000	\$0.0268
Nevada	\$0.6737	\$0.0265	\$0.0000	\$0.0265

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.

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 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.

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 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	\$ 4.2265
Texas	\$ 8.3433
New Mexico	\$ 9.8225
Arizona	\$12.8834
Nevada	\$12.6544
California	\$13.8259

DAILY MAXIMUM 1/  
 Reservation Usage  
 -----

DAILY MINIMUM 1/  
 Reservation Usage  
 -----

Production Area	\$0.1390	\$0.0010	\$0.0000	\$0.0010
Texas	\$0.2743	\$0.0133	\$0.0000	\$0.0133
New Mexico	\$0.3229	\$0.0102	\$0.0000	\$0.0102
Arizona	\$0.4236	\$0.0134	\$0.0000	\$0.0134
Nevada	\$0.4160	\$0.0133	\$0.0000	\$0.0133
California	\$0.4546	\$0.0146	\$0.0000	\$0.0146

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.

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 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	\$ 4.2814
Texas	\$ 8.8098
New Mexico	\$10.4369
Arizona	\$13.8039
Nevada	\$13.5520

DAILY MAXIMUM 1/  
 Reservation Usage  
 -----

DAILY MINIMUM 1/  
 Reservation Usage  
 -----

Production Area	\$0.1408	\$0.0011	\$0.0000	\$0.0011
Texas	\$0.2896	\$0.0147	\$0.0000	\$0.0147
New Mexico	\$0.3431	\$0.0112	\$0.0000	\$0.0112
Arizona	\$0.4538	\$0.0147	\$0.0000	\$0.0147
Nevada	\$0.4455	\$0.0146	\$0.0000	\$0.0146

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.

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 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	\$ 4.3179
Texas	\$ 9.1208
New Mexico	\$10.8465
Arizona	\$14.4176
Nevada	\$14.1504

DAILY MAXIMUM 1/  
 Reservation      Usage  
 -----

DAILY MINIMUM 1/  
 Reservation      Usage  
 -----

Production Area	\$0.1420	\$0.0012	\$0.0000	\$0.0012
Texas	\$0.2999	\$0.0156	\$0.0000	\$0.0156
New Mexico	\$0.3566	\$0.0119	\$0.0000	\$0.0119
Arizona	\$0.4740	\$0.0156	\$0.0000	\$0.0156
Nevada	\$0.4652	\$0.0155	\$0.0000	\$0.0155

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.

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 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	\$ 4.3636
Texas	\$ 9.5095
New Mexico	\$11.3585
Arizona	\$15.1847
Nevada	\$14.8984

DAILY MAXIMUM 1/  
 Reservation Usage  
 -----

DAILY MINIMUM 1/  
 Reservation Usage  
 -----

Production Area	\$0.1435	\$0.0013	\$0.0000	\$0.0013
Texas	\$0.3126	\$0.0167	\$0.0000	\$0.0167
New Mexico	\$0.3734	\$0.0127	\$0.0000	\$0.0127
Arizona	\$0.4992	\$0.0167	\$0.0000	\$0.0167
Nevada	\$0.4898	\$0.0166	\$0.0000	\$0.0166

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.

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 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	\$0.4081	\$0.0133
New Mexico	\$0.4860	\$0.0102
Arizona	\$0.6570	\$0.0134

TIER 2 SERVICE

	MAXIMUM 1/	MINIMUM 1/
Texas	\$0.6121	\$0.0133
New Mexico	\$0.7291	\$0.0102
Arizona	\$0.9855	\$0.0134

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.

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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:	\$0.6485	\$0.0127
Lending Rate:	\$0.6485	\$0.0127

TRANSPORTATION GENERAL TERMS AND CONDITIONS

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TRANSPORTATION GENERAL TERMS AND CONDITIONS  
(Continued)

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 former Full Requirements and 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.
9838	Arizona Electric Power Cooperative, Inc.
97ZC	Arizona Public Service Company
982A	ASARCO Incorporated
982M	City of Las Cruces, New Mexico
97ZV	City of Mesa, Arizona
9827	El Paso Electric Company

TRANSPORTATION GENERAL TERMS AND CONDITIONS  
(Continued)

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

25.3 (Continued)

TSA	Shipper Name
97ZZ	MGI Supply, Ltd.
97ZY	Navajo Tribal Utility Authority
97Z7	Phelps Dodge Corporation
97VW	PNM Gas Services
9826	Salt River Project Agricultural
97ZK	Southwest Gas Corporation
97VX	Texas Gas Service Company
97ZH	UNS Gas, Inc.