# **Table of Contents**

Original Title Sheet	3
Original Sheet No. 1	4
Original Sheet Nos. 2-4	5
Original Sheet No. 5	6
Original Sheet No. 6	7
2nd Revised Sheet No. 7	8
2nd Revised Sheet No. 8	9
Original Sheet Nos. 9-10	10
Original Sheet No. 11	11
Original Sheet No. 12	12
Original Sheet No. 13	13
Original Sheet No. 14	14
Original Sheet No. 15	15
Original Sheet No. 16	16
Original Sheet Nos. 17-20	17
Original Sheet No. 21	18
Original Sheet No. 22	19
Original Sheet No. 23	20
Original Sheet No. 24	21
Original Sheet No. 25	22
Original Sheet No. 26	23
Original Sheet No. 27	24
Original Sheet Nos. 28-50	25
1st Revised Sheet No. 51	26 27
Original Sheet No. 52	28
Original Sheet No. 53 Original Sheet No. 54	29
Original Sheet No. 55	30
Original Sheet No. 56	31
Original Sheet No. 57	32
Original Sheet No. 58	33
Original Sheet No. 59	34
Original Sheet No. 60	35
Original Sheet No. 61	36
Original Sheet No. 62	37
Original Sheet No. 63	38
Original Sheet No. 64	39
Original Sheet No. 65	40
Original Sheet No. 66	41
Original Sheet No. 67	42
Original Sheet No. 68	43
Original Sheet No. 69	44
2nd Revised Sheet No. 70	45
4th Revised Sheet No. 71	46
3rd Revised Sheet 71.01	47

Original Sheet No. 72	48
Original Sheet No. 73	49
Original Sheet Nos. 74-75	50
Original Sheet No. 76	51
Original Sheet No. 77	52
Original Sheet No. 78	53
Original Sheet No. 79	54
Original Sheet No. 80	55
Original Sheet No. 81	56
Original Sheet No. 82	57
Original Sheet No. 83	58
Original Sheet No. 84	59
Original Sheet Nos. 85-95	60
Original Sheet No. 96	61
Original Sheet No. 97	62
Original Sheet No. 98	63

FERC Docket: GT91- 42-000

 $\textbf{Original Title Sheet} \ \texttt{Valero Interstate Transmission Company: First Revised Volume No. 1}$ 

Original Title Sheet : Superseded

F. E. R. C. GAS TARIFF

FIRST REVISED VOLUME NO. 1

OF

VALERO INTERSTATE TRANSMISSION COMPANY

FILED WITH

FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this tariff should be addressed to:

John M. Fernald, Director - Rates Valero Interstate Transmission Company P. O. Box 500 San Antonio, Texas 78292 Effective Date: 11/01/1991 Status: Effective FERC Docket: GT91- 42-000

 $\textbf{Original Sheet No. 1} \ \texttt{Original Sheet No. 1} \ : \ \texttt{Superseded}$ 

#### TABLE OF CONTENTS -----

	PAGE
Preliminary Statement	. 5
Map of the System	. 6
Schedule of Rates (For ITS-1)	. 7
Schedule of Rates (For FTS-1 )	. 8
Rate Schedule ITS-1 (Interruptible Transport. Service).	. 11
Rate Schedule FTS-1 (Firm Transportation Service)	. 21
General Terms and Conditions	. 51
Form of Service Agreement (For ITS-1)	. 76
Form of Service Agreement (For FTS-1)	. 81
Transportation Request Form	. 96
Index of Purchasers	90

Effective Date: 11/01/1991 Status: Effective FERC Docket: GT91- 42-000

Original Sheet Nos. 2-4 Original Sheet Nos. 2-4: Superseded

Original Sheet Nos. 2 through 4 are reserved for future use.

FERC Docket: GT91- 42-000

Original Sheet No. 5 Original Sheet No. 5: Superseded

# PRELIMINARY STATEMENT

Valero Interstate Transmission Company (hereinafter referred to as "Vitco" or the "Company") is a natural gas company engaged in the gathering, transmission, sale, and transportation of natural gas through company owned and operated lines in Texas. Pursuant to Commission Order issued on October 7, 1982 in Docket Nos. RP81-60-000, et. al., the Company's contracts covering sales for resale are filed in tariff format in First Revised Volume No. 2. Locations of the Company's principal pipeline facilities are shown on the Map included herein.

Transportation of natural gas is provided under specific service agreements and rate schedules, and the Company reserves the right to limit its agreements for transportation to customers acceptable to the Company after consideration of its existing commitments, delivery capacity, points of delivery, and other factors deemed pertinent by the Company.

Effective Date: 11/01/1991 Status: Effective FERC Docket: GT91- 42-000

Original Sheet No. 6 original Sheet No. 6: Superseded

MAP OF SYSTEM

FERC Docket: TM94-1-56-000

2nd Revised Sheet No. 7 2nd Revised Sheet No. 7 : Superseded

Superseding: 1st Revised Sheet No. 7

# SCHEDULE OF RATES - TO BE CHARGED

Each rate set forth in this tariff sheet applies to gas redelivered to Shipper after allowance for Retained Gas up to 1.5 percent (1.5%) in accordance with paragraph 3(c) of the appropriate rate schedule. Each rate is the currently effective rate pertaining to the particular rate schedule to which it is referenced. Each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate schedule. All rates are stated per MMBtu.

RATE SCHEDULE		RP89-226 BASE RATE	GRI SURCHARGE	ACA UNIT RATE 2/	TOTAL ADJUSTED RATE
ITS-1 (Interruptible)					
COMMODITY CHARGE Transmission Only Gathering Only Gathering & Transmission	ITS-1-T ITS-1-G ITS-1-G/T	\$0.0487 0.0396 \$0.0883	\$ - - \$ -	\$0.0023 - \$0.0023	\$0.0510 0.0396 \$0.0906
MINIMUM RATE 1/ Transmission Only Gathering Only Gathering & Transmission	ITS-1-T ITS-1-G ITS-1-G/T	\$0.0008 0.0006 \$0.0014	\$ - - \$ -	\$0.0023 - \$0.0023	\$0.0031 0.0006 \$0.0037

<sup>1/</sup> The maximum rate shall be charged unless Valero Interstate Transmission Company specifically agrees in writing to a lower rate for any service.

<sup>2/</sup> Pursuant to Section 12 of the General Terms and Conditions set forth on Sheet No. 70 hereof.

FERC Docket: TM94-1-56-000

2nd Revised Sheet No. 8 2nd Revised Sheet No. 8 : Superseded

Superseding: 1st Revised Sheet No. 8

SCHEDULE OF RATES - TO BE CHARGED

Each rate set forth in this tariff sheet applies to gas redelivered to Shipper after allowance for Retained Gas up to 1.5 percent (1.5%) in accordance with paragraph 3(c) of the appropriate rate schedule. Each rate is the currently effective rate pertaining to the particular rate schedule to which it is referenced. Each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate schedule. All rates are stated per MMBtu.

RATE SCHEDULE	RP89-226 BASE RATE	GRI SURCHARGE	ACA UNIT RATE 2/	TOTAL ADJUSTED RATE
FTS-1-T(Firm Transportation Only)				
MAXIMUM RATE RESERVATION CHARGE D-1 Daily Demand Charge Per Month	\$1.2848	\$ <b>-</b>	\$ <b>-</b>	\$1.2848
COMMODITY CHARGE Fixed Costs Variable Costs TOTAL COMMODITY	\$0.0056 0.0008 \$0.0064	\$ - - \$ -	\$ - 0.0023 \$0.0023	\$0.0056 0.0031 \$0.0087
MINIMUM RATE 1/	\$0.0008	\$ -	\$0.0023	\$0.0031
FTS-1-G(Firm Gathering Only)				
MAXIMUM RATE				
COMMODITY CHARGE Fixed Costs Variable Costs TOTAL COMMODITY	\$0.0389 0.0006 \$0.0395	\$ - - \$ -	\$ - - \$ -	\$0.0389 0.0006 \$0.0395
MINIMUM RATE 1/	\$0.0006	\$ -	\$ -	\$0.0006
FTS-1-GT(Firm Gathering & Transmission)  MAXIMUM RATE				
RESERVATION CHARGE D-1 Daily Demand Charge Per Month	\$1.2848	\$ <b>-</b>	\$ <b>-</b>	\$1.2848
COMMODITY CHARGE Fixed Costs Variable Costs TOTAL COMMODITY	\$0.0445 0.0014 \$0.0459	\$ - - \$ -	\$ - 0.0023 \$0.0023	\$0.0445 0.0037 \$0.0482
MINIMUM RATE 1/	\$0.0014	\$ -	\$0.0023	\$0.0037

<sup>1/</sup> The maximum rate shall be charged unless Valero Interstate Transmission Company specifically agrees in writing to a lower rate for any service.

<sup>2/</sup> Pursuant to Section 12 of the General Terms and Conditions set forth on Sheet No. 70 hereof.

Effective Date: 11/01/1991 Status: Effective FERC Docket: GT91- 42-000

Original Sheet Nos. 9-10 Original Sheet Nos. 9-10: Superseded

Original Sheet Nos. 9 through 10 are reserved for future use.

FERC Docket: GT91- 42-000

Original Sheet No. 11 Original Sheet No. 11: Superseded

RATE SCHEDULE ITS-1 Interruptible Transportation Service

#### 1. AVAILABILITY

- (a) This rate schedule is available for the transportation by Valero Interstate Transmission Company ("Vitco") of natural gas on an interruptible basis on behalf of any Shipper pursuant to selfimplementing authorization under Section 311 of the Natural Gas Policy Act or pursuant to Vitco's blanket certificate issued under Section 7(c) of the Natural Gas Act and Section 284.221 of Subpart G of Part 284 of the Federal Energy Regulatory Commission's Regulations, and subject to the terms and conditions of Part 284 of those regulations, where Shipper has an executed service agreement with Vitco providing for such service.
- (b) The following reasonable limitations shall apply to the availability of service under this rate schedule:
  - (1) Vitco shall not be required to agree to provide any requested transportation service for which capacity is not available or that would require the construction or acquisition of any new facilities;
  - (2) Vitco shall agree to provide requested transportation service hereunder on a "first-come, first-served" basis, as among requests for interruptible service.

# 2. APPLICABILITY AND CHARACTER OF SERVICE

The service rendered hereunder shall be the transportation of natural gas on an interruptible basis up to the maximum quantity set out in the executed service agreement, and shall be subject to interruption to the extent necessary to deliver firm sales and firm transportation quantities.

#### 3. STATEMENT OF RATE

(a) The applicable charges for deliveries to Shipper hereunder are set forth on the currently effective Sheet No. 7 of First Revised Volume No. 1 of Vitco's FERC Gas Tariff and are incorporated herein by reference.

FERC Docket: GT91- 42-000

Original Sheet No. 12 Original Sheet No. 12: Superseded

RATE SCHEDULE ITS-1
Interruptible Transportation Service
-----(continued)

(b) Shipper shall pay Vitco each month as follows:

- (1) For transportation of gas in Vitco's transmission system only, Shipper shall within thirty (30) days after Shipper's receipt of Vitco's statement therefor, pay Vitco an amount equal to the product of the ITS-1-T Commodity rate, as set forth on Sheet 7 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, or such portion of such rate as Vitco and Shipper shall have agreed upon in Shipper's executed service agreement, which portion shall be not more than the maximum nor less than the minimum set forth in Vitco's Schedule of Rates times the number of MMBtu of gas shown on Vitco's statement.
- (2) For transportation of gas in Vitco's gathering system only, Shipper shall within thirty (30) days after Shipper's receipt of Vitco's statement therefor, pay Vitco an amount equal to the product of the ITS-1-G Commodity rate, as set forth on Sheet 7 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, or such portion of such rate as Vitco and Shipper shall have agreed upon in Shipper's executed service agreement, which portion shall be not more than the maximum nor less than the minimum set forth in Vitco's Schedule of Rates times the number of MMBtu of gas shown on Vitco's statement.
- (3) For transportation of gas in Vitco's gathering and transmission systems, Shipper shall within thirty (30) days after Shipper's receipt of Vitco's statement therefor, pay Vitco an amount equal to the product of the ITS-1-GT Commodity rate, as set forth on Sheet 7 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, or such portion of such rate as Vitco and Shipper shall have agreed upon in Shipper's executed service agreement, which portion shall be not more than the maximum nor less than the minimum set forth in Vitco's Schedule of Rates times the number of MMBtu of gas shown on Vitco's statement.
- (c) In addition to the amounts charged under Paragraph 3(b) above, Vitco shall retain a percent of all gas received (such gas called "Retained Gas") by Vitco from Shipper hereunder for company fuel use and unaccounted for gas. Such percentage shall apply to gas received on an MMBtu basis and shall be an amount of company fuel use and unaccounted for gas up to 1.5 percent of gas received for transportation.

FERC Docket: GT91- 42-000

Original Sheet No. 13 Original Sheet No. 13: Superseded

# 4. REIMBURSEMENT OF REGULATORY EXPENSES

Shipper shall reimburse Vitco for all regulatory filing fees incurred by Vitco to provide service under Shipper's executed service agreement, as it may be amended, revised or superseded from time to time. No regulatory fee which is reimbursed shall be included in the cost of service in any rate filing.

5. MINIMUM BILL

None.

### 6. RECEIPTS AND DELIVERIES

-----

- (a) Shipper will make deliveries of gas to Vitco for transportation hereunder at mutually agreeable points of receipt on Vitco's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Shipper shall reimburse Vitco the cost of any facilities that Vitco may have agreed to install to receive, transport or deliver Shipper's gas.
- (b) All gas tendered by Shipper for transportation hereunder shall conform to the quality provisions of the General Terms and Conditions of Vitco's FERC Gas Tariff, First Revised Volume No. 1.
- (c) In the event Vitco and Shipper agree that during Vitco's transportation of Shipper's gas Vitco shall deliver such gas to a mutually agreeable processing plant on Vitco's system prior to Vitco's delivery of such gas back to Shipper at the points of delivery, the following conditions shall apply:
  - (1) Shipper warrants that it has the right to have such gas processed, and Shipper indemnifies Vitco against any claims that may arise out of such processing.
  - (2) The quantity of gas that Vitco shall be obligated to deliver to the processing plant shall be the total quantity of gas received by Vitco at the points of receipt, less Retained Gas.

FERC Docket: GT91- 42-000

Original Sheet No. 14 Original Sheet No. 14: Superseded

RATE SCHEDULE ITS-1 Interruptible Transportation Service (continued)

- (3) Shipper's gas will be deemed to be in Shipper's possession, control and custody from the time it is delivered by Vitco to the processing plant until it is received by Vitco at the tailgate of such plant. Shipper agrees to indemnify and hold harmless Vitco from and against any and all claims, liabilities, losses and expenses arising out of the operation of the processing plant or Shipper's possession of such gas during such processing.
- (4) The quantity of gas that Vitco shall be obligated to deliver to Shipper at the points of delivery shall be reduced by the amount of the plant volume reduction due to processing of Shipper's gas, plant volume reduction including plant fuel, shrinkage, and all other losses and reductions through the plant. The amount of the plant volume reduction shall be provided by the plant operator on behalf of Shipper, and Vitco shall be entitled to rely on the plant operator's information; provided, however, Shipper shall acquire and maintain for Vitco the right to inspect the plant operator's books and records to verify such information.
- (5) The residue gas shall be delivered to Vitco at the tailgate of the plant at the pressure sufficient to enter Vitco's system, but not less than thirty-five (35) pounds below the pressure at which the gas was delivered to the processing plant by Vitco, and at a temperature not exceeding one hundred twenty degrees Fahrenheit (120 F). The residue gas returned to Vitco shall conform to the quality provisions set forth in Vitco's FERC Gas Tariff, First Revised Volume No. 1.

#### 7. TERM

The term of any service agreement under this rate schedule shall be as set out in the service agreement between Vitco and Shipper.

FERC Docket: GT91- 42-000

Original Sheet No. 15 Original Sheet No. 15: Superseded

RATE SCHEDULE ITS-1
Interruptible Transportation Service
----(continued)

# 8. TERMINATION FOR DEFAULT

If either Vitco or Shipper shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a service agreement hereunder, then in such event the other party may at its option terminate such agreement by proceeding as follows: The party not in default stating specifically the cause for terminating the agreement and declaring it to be the intention of the party giving notice to terminate the same; thereupon the party in default shall have 30 days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the agreement, and if within said period of 30 days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient indemnity bond or otherwise, then such notice shall be withdrawn and the agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within said period of 30 days, then, after any necessary authorization by regulatory bodies having jurisdiction, the agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any termination of such agreement pursuant to the provisions of this paragraph shall be without prejudice to the right of Vitco to collect any amounts then due to it and shall be without prejudice to the right of Shipper to receive any gas which it has delivered to Vitco but which Vitco has not delivered back to Shipper, although entitled thereto, and without waiver of any remedy to which the party not in default may be entitled for violations of such agreement.

FERC Docket: GT91- 42-000

Original Sheet No. 16 Original Sheet No. 16: Superseded

# 9. ASSIGNMENT

Neither party to any service agreement under this rate schedule shall assign such service agreement or any interest therein or any property, real or personal, acquired in connection therewith, without the prior written consent of the other, except that either may assign all of its rights and obligations thereunder to a corporation which shall succeed by purchase, merger or consolidation to the properties substantially as an entirety of the assigning party and which shall assume and agree in writing to perform all of its duties and obligations under such service agreement. The foregoing notwithstanding, Vitco and Shipper may assign or pledge its right, title and interest in, and by virtue of, any service agreement under this rate schedule, including any and all extensions, renewals, and amendments, and supplements thereto, to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities, without the consent of the other party, and without such trustee or trustees assuming or becoming in any respect obligated to perform any of the obligations of the assignor, and, if any such trustee be a corporation, without its being required by the parties to such service agreement to qualify to do business in the state in which the performance of the service agreement may occur.

#### 10. WAIVER

\_\_\_\_\_

No waiver by either party of any one or more defaults by the other in the performance of any provisions of any service agreement under this rate schedule shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

#### 11. CONTROLLING LAW

-----

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the State of Texas, without recourse to the principles of conflict of laws.

# 12. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Vitco's FERC Gas Tariff, First Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

Effective Date: 11/01/1991 Status: Effective FERC Docket: GT91- 42-000

Original Sheet Nos. 17-20 Original Sheet Nos. 17-20: Superseded

Original Sheet Nos. 17 through 20 are reserved for future use.

FERC Docket: GT91- 42-000

Original Sheet No. 21 Original Sheet No. 21: Superseded

RATE SCHEDULE FTS-1 Firm Transportation Service \_\_\_\_\_\_

#### 1. AVAILABILITY

- (a) This rate schedule is available for the transportation by Valero Interstate Transmission Company ("Vitco") of natural gas on a firm basis on behalf of any Shipper pursuant to self-implementing authorization under Section 311 of the Natural Gas Policy Act or pursuant to Vitco's blanket certificate issued under Section 7(c) of the Natural Gas Act and Section 284.221 of Subpart G of Part 284 of the Federal Energy Regulatory Commission's Regulations, and subject to the terms and conditions of Part 284 of those regulations, where Shipper has an executed service agreement with Vitco providing for such service.
- (b) The following reasonable limitations shall apply to the availability of service under this rate schedule:
  - (1) Vitco shall not be required to agree to provide any requested transportation service for which capacity is not available or that would require the construction or acquisition of any new facilities;
  - (2) Vitco shall agree to provide requested transportation service hereunder on a "first-come, first-served" basis, as among requests for firm service.
- 2. APPLICABILITY AND CHARACTER OF SERVICE

The service rendered hereunder shall be the transportation of natural gas on a firm basis up to the maximum quantity set out in the executed service agreement.

- 3. STATEMENT OF RATE
  - (a) The applicable charges for deliveries to Shipper hereunder are set forth on the currently effective Sheet No. 8 of First Revised Volume No. 1 of Vitco's FERC Gas Tariff and are incorporated herein by reference.

FERC Docket: GT91- 42-000

Original Sheet No. 22 Original Sheet No. 22: Superseded

RATE SCHEDULE FTS-1
Firm Transportation Service
-----(continued)

#### (b) Shipper shall pay Vitco each month as follows:

- (1) For transportation of gas in Vitco's transmission system only, Shipper shall within thirty (30) days after Shipper's receipt of Vitco's statement therefor, pay Vitco an amount equal to the sum of the FTS-1-T Reservation Fee plus the product of the FTS-1-T Commodity rate, set forth on Sheet No. 8 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, or such portion of such rate as Vitco and Shipper shall have agreed upon in Shipper's executed service agreement, which portion shall be not more than the maximum nor less than the minimum set forth in Vitco's Schedule of Rates, times the number of MMBtu of gas shown on Vitco's statement. The FTS-1-T Reservation Fee shall be equal to the product of the "D-1" reservation fee per month per MMBtu applicable to service hereunder, as set forth on Sheet No. 8 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, times Shipper's Maximum Daily Transportation Quantity ("MAXDTQ") under Shipper's executed service agreement hereunder.
- (2) For transportation of gas in Vitco's gathering system only, Shipper shall within thirty (30) days after Shipper's receipt of Vitco's statement therefor, pay Vitco an amount equal to the product of the FTS-1-G Commodity rate, set forth on Sheet No. 8 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, or such portion of such rate as Vitco and Shipper shall have agreed upon in Shipper's executed service agreement, which portion shall be not more than the maximum nor less than the minimum set forth in Vitco's Schedule of Rates, times the number of MMBtu of gas shown on Vitco's statement.

FERC Docket: GT91- 42-000

Original Sheet No. 23 Original Sheet No. 23: Superseded

RATE SCHEDULE FTS-1
Firm Transportation Service
-----(continued)

- (3) For transportation of gas in Vitco's gathering and transmission systems, Shipper shall within thirty (30) days after Shippers' receipt of Vitco's statement therefor, pay Vitco an amount equal to the sum of the FTS-1-GT Reservation Fee plus the product of the FTS-1-GT Commodity rate, as set forth on Sheet No. 8 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, or such portion of such rate as Vitco and Shipper shall have agreed upon in Shipper's executed service agreement, which portion shall be not more than the maximum nor less than the minimum set forth in Vitco's Schedule of Rates times the number of MMBtu of gas shown on Vitco's statement. The FTS-1-GT Reservation Fee shall be equal to the product of the "D-1" reservation fee per month per MMBtu applicable to service hereunder, as set forth on Sheet No. 8 of Vitco's FERC Gas Tariff, First Revised Volume No. 1, times Shipper's MAXDTQ under Shipper's executed service agreement hereunder.
- (c) In addition to the amounts charged under Paragraph 3(b) above, Vitco shall retain a percentage of all gas received (such gas called "Retained Gas") by Vitco from Shipper hereunder for company fuel use and unaccounted for gas. Such percentage shall apply to gas received on an MMBtu basis, and shall be an amount of company use and unaccounted for gas up to 1.5 percent of gas received for transportation.
- 4. REIMBURSEMENT OF REGULATORY EXPENSES

Shipper shall reimburse Vitco for all regulatory filing fees incurred by Vitco to provide service under Shipper's executed service agreement, as it may be amended, revised or superseded from time to time. No regulatory filing fee which is reimbursed shall be included in the cost of service in any rate filing.

5. MINIMUM BILL

None

FERC Docket: GT91- 42-000

Original Sheet No. 24 Original Sheet No. 24: Superseded

RATE SCHEDULE FTS-1
Firm Transportation Service
-----(continued)

## 6. RECEIPTS AND DELIVERIES

- (a) Shipper will make deliveries of gas to Vitco for transportation hereunder at mutually agreeable points of receipt on Vitco's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Shipper shall reimburse Vitco for the cost of any facilities that Shipper has agreed to reimburse Vitco for constructing and that Vitco may have agreed to install to receive, transport or deliver Shipper's gas.
- (b) All gas tendered by Shipper for transportation hereunder shall conform to the quality provisions of the General Terms and Conditions of Vitco's FERC Gas Tariff, First Revised Volume No. 1.
- (c) In the event Vitco and Shipper agree that during Vitco's transportation of Shipper's gas Vitco shall deliver such gas to a mutually agreeable processing plant on Vitco's system prior to Vitco's delivery of such gas back to Shipper at the points of delivery, the following condition shall apply:
  - (1) Shipper warrants that it has the right to have such gas processed, and Shipper indemnifies Vitco against any claims that may arise out of such processing.
  - (2) The quantity of gas that Vitco shall be obligated to deliver to the processing plant shall be the total quantity of gas received by Vitco at the points of receipt, less Retained Gas.
  - (3) Shipper's gas will be deemed to be in Shipper's possession, control and custody from the time it is delivered by Vitco to the processing plant until it is received by Vitco at the tailgate of such plant. Shipper agrees to indemnify and hold harmless Vitco from and against any and all claims, liabilities, losses and expenses arising out of the operation of the processing plant or Shipper's possession of such gas during such processing.

FERC Docket: GT91- 42-000

Original Sheet No. 25 Original Sheet No. 25: Superseded

# RATE SCHEDULE FTS-1 Firm Transportation Service ----(continued)

- (4) The quantity of gas that Vitco shall be obligated to deliver to Shipper at the points of delivery shall be reduced by the amount of the plant volume reduction due to processing of Shipper's gas, plant volume reduction including plant fuel, shrinkage, and all other losses and reductions through the plant. The amount of the plant volume reduction shall be provided by the plant operator on behalf of Shipper, and Vitco shall be entitled to rely on the plant operator's information; provided, however, Shipper shall acquire and maintain for Vitco the right to inspect the plant operator's books and records to verify such information.
- (5) The residue gas shall be delivered to Vitco at the tailgate of the plant at a pressure sufficient to enter Vitco's system, but not less than thirty-five (35) pounds below the pressure at which the gas was delivered to the processing plant by Vitco, and at a temperature not exceeding one hundred twenty degrees Fahrenheit (120 F). The residue gas returned to Vitco shall conform to the quality provisions set forth in Vitco's FERC Gas Tariff, First Revised Volume No. 1.

# 7. TERM

The term of any service agreement under this rate schedule shall be as set out in the service agreement between Vitco and Shipper.

# 8. TERMINATION FOR DEFAULT

If either Vitco or Shipper shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a service agreement hereunder, then in such event the other party may at its option terminate such agreement by proceeding as follows: The party not in default stating specifically the cause for terminating the agreement and declaring it to be the intention of the party giving notice to terminate the same; thereupon the party in default shall have 30 days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the agreement, and if within said period of 30 days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a

FERC Docket: GT91- 42-000

Original Sheet No. 26 Original Sheet No. 26: Superseded

RATE SCHEDULE FTS-1
Firm Transportation Service
-----(continued)

good and sufficient indemnity bond or otherwise, then such notice shall be withdrawn and the agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within said period of 30 days, then, after any necessary authorization by regulatory bodies having jurisdiction, the agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any termination of such agreement pursuant to the provisions of this paragraph shall be without prejudice to the right of Vitco to collect any amounts then due to it and shall be without prejudice to the right of Shipper to receive any gas which it has delivered to Vitco but which Vitco has not delivered back to Shipper, although entitled thereto, and without waiver of any remedy to which the party not in default may be entitled for violations of such agreement.

# 9. ASSIGNMENT

Neither party to any service agreement under this rate schedule shall assign such service agreement or any interest therein or any property, real or personal, acquired in connection therewith, without the prior written consent of the other, except that either may assign all of its rights and obligations thereunder to a corporation which shall succeed by purchase, merger or consolidation to the properties substantially as an entirety of the assigning party and which shall assume and agree in writing to perform all of its duties and obligations under such service agreement. The foregoing notwithstanding, Vitco and Shipper may assign or pledge its right, title and interest in, and by virtue of, any service agreement under this rate schedule, including any and all extensions, renewals, and amendments, and supplements thereto, to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities, without the consent of the other party, and without such trustee or trustees assuming or becoming in any respect obligated to perform any of the obligations of the assignor, and, if any such trustee be a corporation, without its being required by the parties to such service agreement to qualify to do business in the state in which the performance of the service agreement may occur.

FERC Docket: GT91- 42-000

Original Sheet No. 27 Original Sheet No. 27: Superseded

RATE SCHEDULE FTS-1
Firm Transportation Service
-----(continued)

# 10. WAIVER

No waiver by either party of any one or more defaults by the other in the performance of any provisions of any service agreement under this rate schedule shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

### 11. CONTROLLING LAW

-----

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the State of Texas, without recourse to the principles of conflict of laws.

# 12. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Vitco's FERC Gas Tariff, First Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

Effective Date: 11/01/1991 Status: Effective FERC Docket: GT91- 42-000

Original Sheet Nos. 28-50 Original Sheet Nos. 28-50: Superseded

Original Sheet Nos. 28 through 50 are reserved for future use.

Effective Date: 01/06/1992 Status: Effective FERC Docket: GT92- 9-000

1st Revised Sheet No. 51 1st Revised Sheet No. 51 : Superseded Superseding: Original Sheet No. 51

# GENERAL TERMS AND CONDITIONS

# TABLE OF CONTENTS

			Sheet	No.
1	-	Definitions	[	52
2	-	Quality	:	53
3	-	Standards for Measurement and Tests	[	54
4	-	Scheduling of Receipts and Deliveries	:	57
5	-	Operating Provisions for Interruptible Transportation Service	(	50
6	-	Operating Provisions for Firm Transportation Service	(	54
7	-	Statements and Payments	6	57
8	-	Responsibility and Warranty	6	58
9	-	Force Majeure	(	59
10	-	Governmental Authorization and Regulation	6	59
11	-	General	(	59
12	-	Annual Charge Adjustment Provision		70
13	-	Standards of Conduct		71
14	-	Shared Operating Personnel and Facilities		71
15	-	Complaints		72
16	-	Availability, Pricing and Capacity Information		72
17	_	Certification for Qualifying as Section 311 Transportation	n -	73

FERC Docket: GT91- 42-000

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

GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS

For the purposes of this tariff, unless the context hereof specifies otherwise, the following words and/or terms are defined:

- a. The term "day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 7:00 a.m., Central Standard Time.
- b. The term "month" shall mean a period of time beginning at 7:00 a.m., Central Standard Time, on the first day of a calendar month and ending at 7:00 a.m., Central Standard Time, on the first day of the next succeeding calendar month.
- c. The term "contract year" shall mean a period of twelve (12) consecutive months beginning at 7:00 a.m., Central Standard Time, on the first day of the month following the date of initial receipt and delivery and ending at 7:00 a.m., Central Standard Time, on the first day of such month of the next succeeding calendar year throughout the term of this agreement, except that the first contract year shall also include the partial month commencing with the date of initial receipt and redelivery of gas hereunder.
- d. The term "Mcf" shall mean one thousand (1,000) cubic feet of gas.
- e. The term "MMBtu" shall mean one million British thermal units.
- f. The term "psia" shall mean pounds per square inch absolute.
- g. The ten "psig" shall mean pounds per square inch gauge.
- h. The term "Total Heating Value" shall mean the number of British Thermal Units evolved by the complete combustion with air, at constant pressure, of one (1) cubic foot of gas saturated with water vapor, under a pressure of 14.65 psia and at a temperature of 60 degrees Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and the water formed by combustion is condensed to the liquid state.
- i. The term "MAXDTQ" shall mean Maximum Daily Transportation Quantity.

FERC Docket: GT91- 42-000

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

# GENERAL TERMS AND CONDITIONS

#### (continued)

# 2. QUALITY

- a. All gas delivered and redelivered hereunder shall conform to the following specifications:
  - Solids The gas shall be commercially free from solid matter, dust, gums and gum-forming constituents which might interfere with its merchantability or cause injury to or interfere with the proper operation of the lines, meters, regulators or other appliances through which it flows.
  - (2) Oxygen The gas shall not contain more than one percent (1%) volume of oxygen.
  - Carbon Dioxide The gas shall not at any time have a carbon dioxide content in excess of three percent (3%) by volume.
  - (4) Liquids The gas shall be free of water and hydrocarbons in liquid form.
  - (5) Hydrogen Sulfide The gas shall not contain more than three-tenths (.3) grain of hydrogen sulfide per one hundred (100) cubic feet.
  - (6) Total Sulfur The gas shall not contain more than nine (9) grains of total sulfur per one hundred (100) cubic feet.
  - (7) Heating Value The gas shall have a total or gross heating value of not less than one thousand (1,000) Btu's per cubic foot, saturated with water vapor, at sixty degrees (60) Fahrenheit and under a pressure of 14.65 psia.
  - (8) Temperature The gas shall not be delivered or redelivered at a temperature of more than one hundred twenty (120) degrees Fahrenheit.
  - (9) Water Vapor Content The gas shall contain not in excess of seven (7) pounds of water vapor per million cubic feet.

FERC Docket: GT91- 42-000

Original Sheet No. 54 Original Sheet No. 54: Superseded

# GENERAL TERMS AND CONDITIONS (continued)

If any gas offered for receipt or delivery hereunder shall fail at any time to conform to the standards set forth herein, except heating value, then the receiving party may, at its option, refuse to accept receipt pending correction by the delivery party. Gas that does not conform to the stated specifications for heating value will not be accepted.

#### c. Heating Value

- (1) No gas received or delivered hereunder shall have a total heating value at Point of Delivery below 960 British Thermal Units (Btu) per cubic foot.
- (2) The total heating value shall be determined by a recording calorimeter or by other methods which Vitco may employ from time to time mutually agreed upon by Shipper and Vitco.

# 3. STANDARDS FOR MEASUREMENT AND TESTS

The measurement and tests of quality of gas received and delivered hereunder shall be governed by the following:

- The volumes shall be measured by orifice meters installed and operated and computations made as prescribed in ANSI/API 2530 of the American National Standards Institute as now and from time to time amended or supplemented
- The unit of volume for purposes of measurement (other than heat content) shall be one (1) cubic foot of gas at a temperature of sixty degrees (60) Fahrenheit and at a pressure base of fourteen and sixty-five hundredths (14.65) psia.
- The unit of measurement for the purpose of transportation and billing shall be one (1) MMBtu. The number of MMBtu's delivered shall be determined by multiplying the number of Mcf of gas delivered, measured on the basis hereinafter specified, by the total heating value of such gas, in British Thermal Units per cubic foot, adjusted for differences in pressure base, as defined in Section 1 above, and by dividing the product by one thousand (1,000).

FERC Docket: GT91- 42-000

Original Sheet No. 55 Original Sheet No. 55: Superseded

# GENERAL TERMS AND CONDITIONS -----(continued)

- d. Vitco shall be responsible for the taking of samples at the Delivery Point for the determination of the heating value of the gas delivered. The results shall be applied to gas deliveries for the day on which the sample is taken and for following days until a new sample is taken. Shipper shall have the right to witness the sampling and/or the Btu determination performed by Vitco.
- e. The flowing temperature of the gas shall be determined by the means of a recording thermometer of standard make acceptable to both Vitco and Shipper, and the average reading each day during which gas was flowing shall be deemed the gas temperature and used in computing the volumes of gas delivered and redelivered during such day.
- f. The specific gravity of the gas shall be determined upon initial receipt and redelivery and thereafter once each month at the point where gas is metered hereunder, and the results of such determination shall be used in computing the volumes of gas metered at such point during the following calendar month. A gravitometer of standard make and checked by the method prescribed in American Petroleum Institute code No. 50-A and amendments thereto shall be used to determine the gravity, or at Vitco's option, the gravity shall be determined by means of a recording gravitometer of standard make and the average reading each day during which gas was flowing shall be used in computing the volumes of gas metered at such point during such day.
- g. The measurement shall be corrected for the deviation of gas from Boyle's law at the pressures and temperatures under which gas is delivered and redelivered hereunder.
- h. For the purposes of measurement and meter calibration, the atmospheric pressure shall be assumed to be constant at fourteen and seven-tenths (14.7) pounds per square inch, irrespective of variations in natural atmospheric pressure from time to time.
- i. The water content shall be determined by such intervals as shall be found necessary in practice by use of a Bureau of Mines dew point tester and utilizing tables derived from Illinois Gas Institute Research Bulletin No. 8 or by such other table or method as shall be mutually agreed upon.

FERC Docket: GT91- 42-000

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

# GENERAL TERMS AND CONDITIONS -----(continued)

j. Shipper shall have access at all reasonable times to measuring equipment and all other instruments used by Vitco in determining the measurement and quality of gas delivered hereunder, but the reading, calibrating and adjusting thereof shall be done only by employees, agents or representatives of Vitco. The charts and records shall be kept on file for a period of at least one (1) year, or for such period of time as may be required by the Federal Energy Regulatory Commission or other regulatory body

having jurisdiction, for the mutual use of the parties hereto.

- If at any time of the measuring or testing equipment is found to be out of service or registering inaccurately, it shall be adjusted at once to read accurately, within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous readings of such equipment shall be disregarded for any period definitely known or agreed upon, for a period of sixteen (16) days, or one-half of the elapsed time since the last test, whichever is shorter. The volume of gas delivered during such period shall be estimated by (1) using the data recorded by any check measuring equipment if installed or registering accurately, (2) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or if neither such method is feasible, or (3) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made for recorded inaccuracies of two percent (2%) or
- Either party may, at its option, install a check meter for checking the measurement of gas being delivered by the other party, and same shall be so installed as not to interfere with the operation of the measurement facilities of the measuring party.

FERC Docket: GT91- 42-000

Original Sheet No. 57 Original Sheet No. 57: Superseded

GENERAL TERMS AND CONDITIONS
-----(continued)

#### 4. SCHEDULING OF RECEIPTS AND DELIVERIES

. Demonstrate of Recentle Table Beet Vertice

- a. Shipper shall advise Vitco's dispatcher each day during normal business hours of the volume and Btu content of natural gas scheduled to be tendered at each of the Receipt Point(s) on the following operating day. On said following operating day, the receipt of such scheduled gas will be verified. No later than the operating day next succeeding the day on which the receipt of scheduled gas is verified, Vitco shall deliver the thermally equivalent quantity of natural gas, after appropriate reductions as identified in the applicable rate schedule and/or executed Transportation Service Agreement, that Shipper desires Vitco to deliver at each of the Delivery Point(s).
- b. Operating conditions may, from time to time, cause a temporary and unintentional imbalance between the total MMBtu's of natural gas that Vitco receives under the executed Transportation Service Agreement and the quantities of natural gas that Vitco delivers under the executed Transportation Service Agreement. Vitco and Shipper shall cooperate to eliminate any such imbalances as soon as practicable but in any event no later than thirty (30) days after the expiration of the term of the executed Transportation Service Agreement. Vitco shall have the right to curtail transportation service to Shipper hereunder if Shipper fails to maintain a reasonable balance of its deliveries.
- c. Any request for new deliveries, redeliveries or other operations or for a change in existing service must be made at least 24 hours prior to the day for which the new deliveries, redeliveries or other operations or change is requested; provided, however, Vitco may at its discretion waive all or part of this requirement; and provided further, however, that any request made orally shall be confirmed immediately thereafter in writing by Shipper.
- d. If Vitco delivers gas to Shipper under several rate schedules at the same point or points of delivery on the same day Vitco shall determine which quantities are delivered first.

FERC Docket: GT91- 42-000

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

# GENERAL TERMS AND CONDITIONS

(continued)

- If Shipper's service agreement with Vitco provides for more than one point of receipt or more than one point of delivery, the total quantity that Shipper may tender to Vitco for transportation at all such points of receipt or that Shipper may request delivery of at all such points of delivery on any day shall not exceed the total quantity of gas that Vitco is obligated under the service agreement to receive and deliver. Among such points, Vitco may limit the quantity of gas that Shipper  $\bar{\text{may}}$  tender to Vitco or request delivery of at any such point, based on the availability of capacity of the facilities at that point and its effect on system operations.
- Vitco shall not be required to lower its system operating pressure, or to alter the direction of gas flow, the gas load, or other operation or utilization of its facilities in order to receive, transport or deliver gas under this rate schedule. Deliveries of gas to Vitco by Shipper at the points of receipt under the service agreement shall be at a pressure sufficient to cause the gas to enter Vitco's facilities at that point, but not in excess of the maximum allowable operating pressure ("MAOP") of Vitco's facilities at that point. Deliveries of gas by Vitco to Shipper at the points of delivery under the service agreement shall be at the pressure that exists in Vitco's facilities at that point from time to time, but not in excess of the MAOP of Vitco's facilities at that point. Vitco's MAOP at relevant points on its system shall be specified in each service agreement under this rate schedule.
- If transportation service includes delivery to a processing plant prior to delivery by Vitco back to Shipper, and if Shipper has retained the right to have its gas processed and does in fact have its gas processed during such transportation, Vitco's obligation to deliver gas shall be reduced by the reduction of Btu experienced as plant fuel and shrinkage through the plant; provided, however, such plant fuel and shrinkage shall be considered as gas delivered, for purposes of computing the transportation charge.

FERC Docket: GT91- 42-000

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

# GENERAL TERMS AND CONDITIONS (continued)

- Unless otherwise provided, all substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, that Vitco recovers in the course of transporting the quantities of natural gas tendered hereunder to Vitco shall be Vitco's sole property and Vitco shall not be obligated to account to Shipper for any value, whether or not realized by Vitco, that may attach or be said to attach to such substances.
- Vitco shall schedule all volumes tendered in sequence as follows: Pro rata among Vitco's firm sales and transportation customers;

Among customers receiving interruptible sales or transportation service on a first come/first served basis as follows:

first, among customers who contracted prior to October 9, 1985 for interruptible sales or transportation service, in order of contract date and according to the provisions of the applicable sales or transportation contracts; then

second, to and among all other sales and interruptible transportation customers utilizing Vitco's services on a first come/first served basis as set forth in Section 5 of these General Terms and Conditions.

If, on any day, Vitco determines that the capacity of its mainline system, or any portion thereof including the points at which gas is tendered for transportation, is insufficient to serve all sales and transportation requirements which are otherwise scheduled to receive service on such day, or to accept the quantities of gas tendered, capacity which requires allocation shall be allocated in a manner which results in curtailment of capacity, to zero if necessary, first to the last volumes scheduled, and then sequentially in reverse order to the scheduling provided for in Section 4(i) to provide service on a first come/first served basis.

FERC Docket: GT91- 42-000

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

## 

# 5. OPERATING PROVISIONS FOR INTERRUPTIBLE TRANSPORTATION SERVICE

- a. Interruptible transportation service under this FERC Gas Tariff shall be provided when, and to the extent that, Vitco determines that capacity is available in Vitco's existing facilities, which capacity is not subject to a prior claim by another customer or another class of service under a pre-existing contract, service agreement or certificate.
- b. With respect to all requests for interruptible service by a Shipper who had not contracted for service prior to October 9, 1985, the provisions of paragraphs c through f shall govern.
- c. On any day that sufficient capacity is not available in Vitco's system to provide transportation for all gas tendered under executed Transportation Service Agreements with Shippers referred to in paragraph 5(b) above, Vitco shall allocate its available capacity among such Shippers on a first come/first served basis. For purposes of allocating such capacity, any such Shipper who has furnished Vitco with a completed request complying with the requirements of paragraphs d and e below, when accepted by Vitco in an executed Transportation Service Agreement will be entitled to priority over any Shipper furnishing Vitco with a completed request on a later date and shall be unaffected by and shall have priority over subsequent requests for service under Rate Schedule ITS-1.
- d. Requests for transportation under this FERC Gas Tariff will be invalid and will not be considered if service is requested to commence later than six (6) months after the information specified in paragraph e of Section 5 of the General Terms and Conditions is provided to Vitco.
- e. Requests for interruptible transportation hereunder shall be made by completing Vitco's Transportation Request Form in addition to providing the following information in writing to the attention of Vitco's Field Manager.

FERC Docket: GT91- 42-000

Original Sheet No. 61 original Sheet No. 61: Superseded

# GENERAL TERMS AND CONDITIONS

#### (continued)

- (1) Gas Quantities The Maximum Daily Transportation Quantity applicable to each receipt and delivery point, and estimated total quantities to be received and transported over the delivery period should be stated individually in both Mcf's and MMBtu's for each point of receipt and each point of delivery.
- (2) Receipt Point(s) -
  - (i) The point(s) of entry into Vitco's system; and
  - (ii) The name of the pipeline, gatherer or other entity delivering the gas into Vitco's system.
- (3) Delivery Point(s) -
  - (i) Point(s) of delivery by Vitco; and
  - (ii) The name of the pipeline, local distribution company or other entity receiving the gas downstream of Vitco.
- (4) Term of Service -
  - (i) Date service requested to commence; and
  - (ii) Date service requested to terminate,
- (5) Performance Shipper must provide assurance that Shipper has title to the gas, or has a current contractual right to acquire title, to be delivered to Vitco for transportation and has entered into or will enter into those arrangements necessary to assure all upstream and downstream transportation will be in place prior to the execution of a Transportation Service Agreement.
- (6) Shipper shall provide the following information prior to the time that service commences and must update this information five business days prior to the end of each month for the next month's transportation business:
  - (i) Supplier of gas. Name of supplier of gas and specify whether a producer, marketer, broker, etc. This information must be supplied for each receipt point and each source of gas.

FERC Docket: GT91- 42-000

Original Sheet No. 62 original Sheet No. 62: Superseded

# GENERAL TERMS AND CONDITIONS

(continued)

- (ii) Source of gas. Specify the producing area for each source of gas requested to be transported. This information must be supplied for each receipt point.
- (iii) Paragraph deleted pursuant to Order No. 500-K, Commission Order dated April 4, 1991.
- Affiliated marketer loses. If the entity for which trans-(iv) portation is requested is a Vitco affiliate, specify whether and by how much the cost of the gas to the Vitco affiliate exceeds the price received for the sale of the gas by the Vitco affiliate, after deducting associated costs, including those incurred for transportation (i.e., whether the gas is being sold at a loss). Shipper shall cause this information to be supplied by Vitco's affiliate.

In the event Shipper fails to provide the foregoing information and the information required by Vitco's Transportation Request Form included in Vitco's FERC Gas Tariff in order to qualify for FTS-1 service, Shipper shall not be entitled to schedule gas for transportation by Vitco until Shipper provides such information to

- A request will be deemed invalid if a requesting party does not execute a standard service agreement within 45 days from the date of the request or if gas does not commence flowing within 30 days from the date of contract execution.
- Vitco shall not be required to perform or continue service on behalf of any Shipper that fails to comply with the terms contained in this Section 5 and any and all terms of the applicable Rate Schedule and the terms of Shipper's Transportation Service Agreement with Vitco. Vitco shall have the right in its reasonable discretion to waive any one or more specific defaults by any Shipper under paragraphs (g) through (i), inclusive, or any provision of the applicable Rate Schedule or Transportation Service Agreement; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.
- h. Upon request of Vitco, Shipper shall from time to time submit estimates of daily, monthly and annual quantities of gas to be transported, including peak day requirements.

FERC Docket: GT91- 42-000

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

### 

i. Shipper shall endeavor to deliver and receive natural gas in uniform hourly quantities during any day with operating variations to be kept to the minimum feasible.

- j. Vitco shall not be required to perform or to continue interruptible service under this FERC Gas Tariff on behalf of any Shipper who is or has become insolvent or who, at Vitco's request, fails within a reasonable period to demonstrate credit-worthiness; provided, however, such Shipper may receive interruptible service under this FERC Gas Tariff if Shipper prepays for such service or furnishes good and sufficient security, as determined by Vitco in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for a six (6) month period. For purposes of this FERC Gas Tariff, the insolvency of a Shipper shall be evidenced by the filing by such Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.
- k. With respect to interruptible transportation service authorized under 18 C.F.R. Part 284, at the end of each year, if, for twelve (12) months ended the most recent September 30, Shipper's actual average daily use of Vitco's transportation service hereunder has been less than fifty percent (50%) of the MAXDCQ under Shipper's executed service agreement, Shipper's MAXDCQ shall be reduced to the level of two hundred percent (200%) of Shipper's actual average daily use for the period, rounded to the next highest 1,000 Mcf, effective on the first day of the next year.

FERC Docket: GT91- 42-000

Original Sheet No. 64 Original Sheet No. 64: Superseded

# GENERAL TERMS AND CONDITIONS ------(continued)

### 6. OPERATING PROVISIONS FOR FIRM TRANSPORTATION SERVICE

- a. Firm transportation service under this FERC Gas Tariff shall be provided when, and to the extent that, Vitco determines that firm capacity is available in Vitco's existing facilities, which firm capacity is not subject to a prior claim by another customer or another class of service. Firm capacity which becomes available on and after the effective date of this Section 6 shall be made available to potential Shippers to support new firm transportation agreements on a first come/first served basis.
- b. With respect to all requests for firm transportation service by a Shipper made on and after the effective date of this Section 6, the provisions of paragraphs c and d shall govern.
- c. Available firm capacity shall be allocated by Vitco among new customers in accordance with the first come/first served principle as determined by the time and date Vitco receives a complete written request for service under this FERC Gas Tariff, which conforms to paragraph d below. Vitco shall consider all complete requests in the order received.
- d. Requests for firm transportation hereunder shall be made by completing Vitco's Transportation Request Form in addition to providing the following information in writing to Vitco attention Field Manager, accompanied by a prepayment, not to exceed \$5,000.00, of the total Reservation Charge provided by Section 3 of Rate Schedule FTS-1 of this FERC Gas Tariff:
  - (1) Gas Quantities The Maximum Daily Transportation Quantity applicable to each receipt and delivery point, and estimated total quantities to be received and transported over the delivery period should be stated individually in both Mcf's and MMBtu's for each point of receipt and each point of delivery.
  - (2) Receipt Point(s) -
    - (i) The point(s) of entry into Vitco's system; and

FERC Docket: GT91- 42-000

Original Sheet No. 65 Original Sheet No. 65: Superseded

### GENERAL TERMS AND CONDITIONS

(continued)

- The name of the pipeline, gatherer or other entity delivering the gas into Vitco's system.
- (3) Delivery Point(s) -

  - (i) Point(s) of delivery by Vitco; and(ii) The name of the pipeline, local distribution company or other entity receiving the gas downstream of Vitco.
- (4) Term of Service -
  - Date service requested to commence; and
  - (ii) Date service requested to terminate.
- (5) Performance Shipper must provide assurance that Shipper has title to the gas, or has a current contractual right to acquire title, to be delivered to Vitco for transportation and has entered into or will enter into those arrangements necessary to assure all upstream and downstream transportation will be in place prior to the execution of a Transportation Service Agreement.
- (6) Shipper shall provide the following information prior to the time that service commences and must update this information five business days prior to the end of each month for the next month's transportation business:
  - Supplier of gas. Name of supplier of gas and specify whether a producer, marketer, broker, etc. This information must be supplied for each receipt point and each source of gas.
  - (ii) Source of gas. Specify the producing area for each source of gas requested to be transported. This information must be supplied for each receipt point.

FERC Docket: GT91- 42-000

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

### GENERAL TERMS AND CONDITIONS (continued)

- (iii) Paragraph deleted pursuant to Order No. 500-K, Commission Order dated April 4, 1991.
- (iv) Affiliated marketer loses. If the entity for which transportation is requested is a Vitco affiliate, specify whether and by how much the cost of the gas to the Vitco affiliate exceeds the price received for the sale of the gas by the Vitco affiliate, after deducting associated costs, including those incurred for transportation (i.e., whether the gas is being sold at a loss). Shipper shall cause this information to be supplied by Vitco's affiliate.

In the event Shipper fails to provide the foregoing information and the information required by Vitco's Transportation Request Form included in Vitco's FERC Gas Tariff in order to qualify for ITS-1 service, Shipper shall not be entitled to schedule gas for transportation by Vitco until Shipper provides such information to Vitco.

e. Vitco shall not be required to perform or continue service on behalf of any Shipper that fails to comply with the terms contained in this Section 6 and any and all terms of the applicable Rate Schedule and the terms of Shipper's Transportation Service Agreement with Vitco. Vitco shall have the right to waive any one or more specific defaults by any Shipper under paragraphs f through h, inclusive, or any provision of the applicable Rate Schedule or Transportation Service Agreement; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

FERC Docket: GT91- 42-000

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

### GENERAL TERMS AND CONDITIONS (continued)

- f. Upon request of Vitco, Shipper shall from time to time submit estimates of daily, monthly and annual quantities of gas to be transported, including peak day requirements.
- g. Shipper shall endeavor to deliver and receive natural gas in uniform hourly quantities during any day with operating variations to be kept to the minimum feasible.
- h. Vitco shall not be required to perform or to continue firm service under this FERC Gas Tariff on behalf of any Shipper who is or has become insolvent or who, at Vitco's request, fails within a reasonable period to demonstrate creditworthiness; provided, however, such Shipper may receive firm service under this FERC Gas Tariff if Shipper prepays for such service or furnishes good and sufficient security, as determined by Vitco in its reasonable discretion, an amount equal to the cost of performing the service requested by Shipper for a six (6) month period. For purposes of this FERC Gas Tariff, the insolvency of a Shipper shall be evidenced by the filing by such Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

#### 7. STATEMENTS AND PAYMENTS

a. Statements hereunder shall be on a calendar month basis. After receipt and deliveries have commenced, Vitco shall furnish Shipper, on or before the fifteenth (15th) of each month, a statement showing the quantities of gas measured at the Receipt and Delivery Points, during the preceding calendar month.

FERC Docket: GT91- 42-000

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

### GENERAL TERMS AND CONDITIONS (continued)

b. Vitco and Shipper shall have the right at all reasonable times to examine the books and records of each other to the extent necessary to verify the accuracy of any statement, computation or demand made under or pursuant to this agreement. Any statement shall be final as to both parties unless questioned within one (1) year after the date thereof.

c. Any and all applicable production related taxes and assessments which are imposed upon the gas transported hereunder shall be paid by Shipper.

### 8. RESPONSIBILITY AND WARRANTY

- a. As between the parties hereto, Shipper shall be deemed to be in control and possession of the gas prior to receipt at the Receipt Point and after redelivery at the Delivery Point, and Vitco shall be deemed to be in control and possession of the gas transported hereunder after receipt at the Receipt Point and prior to delivery at the Delivery Point. Each party shall have responsibility for gas handled hereunder or for anything which may be done, happen or arise with respect to such gas, only when such gas is in its control and possession.
- b. Shipper hereby warrants title, or authority to transport gas free and clear of all liens, encumbrances, and claims whatsoever, to all gas delivered to Vitco hereunder at the Receipt Point. Vitco hereby warrants that upon delivery of the gas to Shipper, such gas shall be free and clear of all liens, encumbrances, and claims arising by virtue of its transportation thereof. Each party agrees to indemnify and hold the other harmless from any and all claims to said gas by owners, royalties, or from any other person claiming any interest in the gas to which it warrants title.
- c. Each Shipper under this Rate Schedule agrees to protect, defend, indemnify and hold harmless Vitco from and against any and all losses, damages, or expenses of every kind and character that Vitco or Shipper may suffer, sustain, or be liable for as a result of any interruption pursuant to the terms and conditions of transportation service under Shipper's executed service agreement, except those due to Vitco's negligence or misconduct.

FERC Docket: GT91- 42-000

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

# GENERAL TERMS AND CONDITIONS -----(continued)

#### 9. FORCE MAJEURE

-----

- a. Neither Vitco or Shipper shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of riots, epidemics, landslides, lightning, earthquakes, fires, storm, floods, washouts, arrests and restraints of rules and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority, and any other cause, whether of the kind herein enumerated, or otherwise, not within the control of the one claiming suspension and which by the exercise of due diligence it is unable to prevent or overcome.
- b. Such cause or contingencies affecting performance shall not relieve either party of liability in the event of its concurring negligence or in the event of failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party from its obligations to make payments of amounts then due hereunder.

### 10. GOVERNMENTAL AUTHORIZATION AND REGULATION

This tariff is subject to all valid applicable state and federal laws and orders, directives, rules and regulations of any governmental body or official having jurisdiction.

#### 11. GENERAL

-----

- a. Vitco will not be required to build or contribute to the cost of building any lateral pipelines to customers.
- b. Nothing in this policy statement shall require Vitco to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act or prevent Vitco from contesting an application for service filed pursuant to Section 7(a). Vitco reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the Commission instituted under Section 7 of the Natural Gas Act.

FERC Docket: TM94-1-56-000

2nd Revised Sheet No. 70 2nd Revised Sheet No. 70 : Superseded

Superseding: 1st Revised Sheet No. 70

GENERAL TERMS AND CONDITIONS
-----(continued)

### 12. ANNUAL CHARGE ADJUSTMENT CLAUSE (ACA)

12.1 Purpose

Annual charges are assessed against gas pipelines by the Federal Energy Regulatory Commission (FERC) under Part 382 of the Commission's Regulations prior to each fiscal year in order to cover the cost of operation of the FERC. For the purpose of recovering annual charges, assessed Vitco by the FERC, this Section established pursuant to section 154.38 (d) (6) of the Commission's Regulations an ACA unit rate to be applicable to quantities transported under Vitco's Rate Schedules FTS-1-T, FTS-1-GT and ITS-1. This ACA unit rate is in addition to any amounts otherwise payable to Vitco under said Rate Schedules. Vitco does not intend to recover any annual charges recorded in FERC Account No. 928 in a Natural Gas Act Section 4 rate case.

### 12.2 Basis of the Annual Charge Adjustment

The Rate Schedules FTS-1-T, FTS-1-GT and ITS-1 specified in paragraph 12.1 shall include an increment for an Annual Charge Adjustment (ACA) for the fiscal year ending September 30. Such increment shall be the unit charge, adjusted to Vitco's pressure base and heating value, if required, which has been established by the Federal Energy Regulatory Commission. The Annual Charge Adjustment is \$.0023 per MMBtu (\$.0026 per Mcf at 14.73 psia).

### 12.3 Filing Procedure

The Annual Charge Adjustment shall be filed by Vitco at least 30 days prior to the proposed effective date unless, for good cause shown, lesser periods are allowed by valid Commission Order.

FERC Docket: MT88- 28-011

4th Revised Sheet No. 71 4th Revised Sheet No. 71: Superseded

Superseding: 3rd Revised Sheet No. 71

GENERAL TERMS AND CONDITIONS (continued)

### 13. STANDARDS OF CONDUCT

Vitco hereby adopts the Standards of Conduct under Section 161.3 of the Commission's Regulations, as revised pursuant to Order 497-A. To the extent that any of the General Terms and Conditions established herein conflict with those standards, those standards will apply.

### 14. SHARED OPERATING PERSONNEL AND FACILITIES

As of January 16, 1993, the following operating personnel were shared by Vitco and its marketing affiliates:

Jess Lawrence - Director - Gas Control

Homer Gibbs - Supervisor - Gas Control

John M. Fernald - Coordinator - Rates - Responsible for cost-based rates and tariff matters for Vitco and its affiliates. His function does not include gas sales or marketing activities related to affiliates.

Management personnel to whom operating personnel of Vitco and its marketing affiliates report are as follows:

Edward C. Benninger - Chairman of the Board and C.E.O. - Chief Executive Officer of Vitco and its Marketing Affiliates.

John W. Ehlers - President and C.O.O. - Head of Transmission and Distribution Operations Department of Vitco and its Marketing Affiliates. \*

Stan L. McLelland - Executive Vice President \*

Mark J. Stavinoha - Controller \*

Officers of Vitco and its marketing affiliates not involved in day to day operations of Vitco.

FERC Docket: MT88- 28-011

3rd Revised Sheet 71.01 3rd Revised Sheet 71.01 : Superseded

Superseding: 2nd Revised Sheet No. 71.01

GENERAL TERMS AND CONDITIONS
-----(continued)

14. SHARED OPERATING PERSONNEL AND FACILITIES (continued)

\_\_\_\_\_

Don M. Heep - Vice President Finance \*

Steven E. Fry - Vice President Administration \*

Larry N. Reed - Vice President - Head of Engineering Department of Vitco and its Marketing Affiliates  $\ ^{\star}$ 

T. W. Snailum - Vice President \*

G. G. Beem - Treasurer \*

Rand C. Schmidt - Secretary \*

Anita R. Granato - Assistant Secretary \*

Roy G. Martin, Jr. - Assistant Secretary \*

Vitco shares with its affiliates, office space, furniture and office equipment assigned to shared personnel as well as computer dispatching equipment.

\* Officers of Vitco and its marketing affiliates not involved in day to day operations of Vitco.

FERC Docket: GT91- 42-000

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

# GENERAL TERMS AND CONDITIONS

(continued)

### 15. COMPLAINTS

All complaints by Shippers and potential Shippers must be directed to Vitco's Field Manager. The complainant shall submit in writing to the Field Manager a complete description of the complaint and a suggested resolution of the complaint. The Field Manager will verify that all procedures have been correctly followed and correct, where required, any actions taken that were inconsistent with the established and required procedures.

Upon completion of the Field Manager's verification and action, if any, the complainant shall receive a response to his complaint within 48 hours initially and in writing within 30 days. If the complainant is dissatisfied with the Field Manager's written response, the complainant may bring the results of his complaint and the Field Manager's actions to Vitco's Management. Vitco's Management will determine whether the actions taken have been in compliance with established procedures and consistent with treatment accorded all other similarly situated Shippers. If Vitco Management determines that any actions taken have not been in compliance with established procedures or inconsistent with treatment accorded all other similarly situated Shippers, then appropriate action to rectify the situation will be taken. If not, then no further action will be taken and the Shipper may exercise whatever remedies it deems appropriate.

### 16. AVAILABILITY, PRICING, AND CAPACITY INFORMATION

All potential shippers must contact the Field Manager's office to receive information regarding availability and pricing of transportation service and capacity of the pipeline available for service.

FERC Docket: GT92- 9-000

Original Sheet No. 73 Original Sheet No. 73: Superseded

# GENERAL TERMS AND CONDITIONS -----(continued)

17. Certification for Qualifying as Section 311 Transportation

All Shippers requesting transportation service under Section 311 of the NGPA of 1978 must provide to Vitco certification from an intrastate pipeline company or local distribution company sufficient for Vitco to verify that Vitco's transportation service is qualified under Section 284.102 of the Commission's Regulations. Certification that is solely applicable to paragraph (3) below must be received by Vitco prior to the commencement of transportation service.

The certification provided by Shipper must include sufficient information to verify that:

- (1) An intrastate pipeline or local distribution company has physical custody of and transports the natural gas at some point; or
- (2) An intrastate pipeline or local distribution company holds title to the natural gas at some point, which may occur prior to, during, or after the time that the gas is being transported by Vitco, for a purpose related to its status and functions as an intrastate pipeline or its status and functions as a local distribution company; or
- (3) The gas is delivered at some point to a customer that either is located in a local distribution company's service area or is physically able to receive direct deliveries of gas from an intrastate pipeline, and that local distribution company or intrastate pipeline certifies that it is on its behalf that Vitco is providing transportation service.

Original Sheet Nos. 74-75 Original Sheet Nos. 74-75: Superseded

Original Sheet Nos. 74 and 75 are reserved for future use.

FERC Docket: GT91- 42-000

Original Sheet No. 76 Original Sheet No. 76: Superseded

FORM OF SERVICE AGREEMENT FOR ITS-1 RATE SCHEDULE

This Agreement, made and entered into this \_\_\_\_\_day of \_\_\_\_, 19\_\_, by and between Valero Interstate Transmission Company, a Delaware Corporation (herein called "Vitco") and \_\_\_\_\_ (herein called "Shipper," whether one or more),

WITNESSETH:

WHEREAS,

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

## ARTICLE I SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Vitco's Rate Schedule ITS-1, Vitco agrees to receive at the points of receipt specified herein from or for the account of Shipper for transportation of natural gas within the following quantity:

Maximum Daily Transportation Quantity ("MAXDTQ") MMBtu

Vitco agrees to deliver to or for the account of Shipper and Shipper agrees to accept or cause acceptance of delivery of an equivalent quantity, on a heating value basis, less Retained Gas, at the points of delivery specified herein.

#### ARTICLE II TERMS OF AGREEMENT

This Agreement shall become effective on \_\_\_\_\_, and shall terminate on \_\_\_\_\_, provided, however, this agreement shall automatically terminate upon the date Vitco abandons its mainline facilities pursuant to an order of the Federal Energy Regulatory Commission.

FERC Docket: GT91- 42-000

Original Sheet No. 77 Original Sheet No. 77: Superseded

FORM OF SERVICE AGREEMENT
FOR ITS-1 RATE SCHEDULE
(continued)

#### ARTICLE III RATE SCHEDULE

Shipper shall pay Vitco for all services rendered hereunder at the rate specified under Vitco's Rate Schedule ITS-1 as filed with the FERC and as the same may be hereafter revised or changed. In addition, Vitco shall retain a percent of all gas received (such gas called "Retained Gas") by Vitco from Shipper hereunder, to insure that Vitco retains a quantity of gas sufficient to meet its requirements for company use, which shall include company fuel use and unaccounted for gas. Such percentage shall be determined pursuant to the terms of Section 3(c) to Rate Schedule ITS-1.

The following are charges which apply to service rendered under this agreement: (List applicable charges by reference to Section 3 of Rate Schedule ITS-1 and the quantities of natural gas to which such charges apply.)

Vitco shall have the right from time to time, by the filing of a revised Rate Schedule, to increase or decrease rates, to increase or decrease the quantity of gas retained by Vitco in providing such service, to change the form of the applicable Rate Schedule and to take such other further action with respect thereto without further consent by Shipper, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Shipper shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Shipper is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said Rate Schedule and of the General Terms and Conditions of Vitco's FERC Gas Tariff on file with the FERC, all of which are by this reference made a part hereof.

## ARTICLE IV POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Vitco from or for the account of Shipper for transportation hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt

FERC Docket: GT91- 42-000

Original Sheet No. 78 Original Sheet No. 78: Superseded

FORM OF SERVICE AGREEMENT
FOR ITS-1 RATE SCHEDULE
-----(continued)

and natural gas to be delivered by Vitco to or for the account of Shipper hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Vitco's Maximum Daily Receipt Obligation (MMBtu)	Shipper's Delivery Pressure
Dainta of	With the La Maurinum Daile.	Sufficient to enter Vitco's system, but not in excess of Vitco's maximum allowable operating pressure.
Points of Delivery	Vitco's Maximum Daily Delivery Obligation (MMBtu)	Vitco's Delivery Pressure
		Such pressure as may exist on Vitco's system, but not in excess of Vitco's maximum allowable operating pressure.

# ARTICLE V NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

(a) Field Manager
 Valero Interstate Transmission Company
 P. O. Box 500
 San Antonio, Texas 78292

(b)

Either party may change its address under this Article by written notice to the other party.  $\,$ 

FERC Docket: GT91- 42-000

Original Sheet No. 79 Original Sheet No. 79: Superseded

FORM OF SERVICE AGREEMENT
FOR ITS-1 RATE SCHEDULE
-----(continued)

#### ARTICLE VI CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the transportation of the gas that is the subject of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

	VALERO	INTERSTATE	TRANSMISSION	COMPANY
ATTEST:	Ву		<del></del>	
ATTEST:	Ву			

Original Sheet No. 80 original Sheet No. 80 : Superseded

Original Sheet No. 80 is reserved for future use.

FERC Docket: GT91- 42-000

Original Sheet No. 81 Original Sheet No. 81: Superseded

FORM OF SERVICE AGREEMENT FOR FTS-1 RATE SCHEDULE

This Agreement, made and entered into this \_\_\_\_\_day of \_\_\_\_\_, 19\_\_\_, by and between Valero Interstate Transmission Company, a Delaware Corporation (herein called "Vitco") and \_\_\_\_\_ (herein called "Shipper," whether one or more),

WITNESSETH:

WHEREAS,

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

## ARTICLE I SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Vitco's Rate Schedule FTS-1, Vitco agrees to receive at the points of receipt specified herein from or for the account of Shipper for transportation of natural gas within the following quantity:

Maximum Daily Transportation Quantity (MAXDTQ) MMBtu

Vitco agrees to deliver to or for the account of Shipper and Shipper agrees to accept or cause acceptance of delivery of an equivalent quantity, on a heating value basis, less Retained Gas, at the points of delivery specified herein.

#### ARTICLE II TERMS OF AGREEMENT

This Agreement shall become effective on \_\_\_\_\_, and shall terminate on \_\_\_\_\_\_, provided, however, this agreement shall automatically terminate upon the date Vitco abandons its mainline facilities pursuant to an order of the Federal Energy Regulatory Commission.

FERC Docket: GT91- 42-000

Original Sheet No. 82 Original Sheet No. 82: Superseded

FORM OF SERVICE AGREEMENT
FOR FTS-1 RATE SCHEDULE
(continued)

#### ARTICLE III RATE SCHEDULE

Shipper shall pay Vitco for all services rendered hereunder, and for the availability of service hereunder, at the rate specified under Vitco's Rate Schedule FTS-1 as filed with the FERC and as the same may be hereafter revised or changed. In addition, Vitco shall retain a percent of all gas received (such gas called "Retained Gas") by Vitco from Shipper hereunder, to insure that Vitco retains a quantity of gas sufficient to meet its requirements for company use, which shall include company fuel use and unaccounted for gas. Such percentage shall be determined pursuant to the terms of Section 3(c) to Rate Schedule FTS-1.

The following are charges which apply to service rendered under this agreement: (List applicable charges by reference to Section 3 of Rate Schedule FTS-1 and the quantities of natural gas to which such charges apply.)

Vitco shall have the right from time to time, by the filing of a revised Rate Schedule, to increase or decrease rates, to increase or decrease the quantity of gas retained by Vitco in providing such service, to change the form of the applicable Rate Schedule and to take such other further action with respect thereto without further consent by Shipper, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Shipper shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Shipper is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said Rate Schedule and of the General Terms and Conditions of Vitco's FERC Gas Tariff on file with the FERC, all of which are by this reference made a part hereof.

# ARTICLE IV POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Vitco from or for the account of Shipper for transportation hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt

FERC Docket: GT91- 42-000

Original Sheet No. 83 Original Sheet No. 83: Superseded

FORM OF SERVICE AGREEMENT
FOR FTS-1 RATE SCHEDULE
(continued)

and natural gas to be delivered by Vitco to or for the account of Shipper hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Vitco's Maximum Daily Receipt Obligation (MMBtu)	Shipper's Delivery Pressure
		Sufficient to enter Vitco's system, but not in excess of Vitco's maximum allowable operating pressure.
Points of Delivery	Vitco's Maximum Daily Delivery Obligation (MMBtu)	Vitco's Delivery Pressure
		Such pressure as may exist on Vitco's system, but not in excess of Vitco's maximum allowable operating pressure.

## ARTICLE V NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

a) Field Manager Valero Interstate Transmission Company P. O. Box 500 San Antonio, Texas 78292

(b)

Either party may change its address under this  $\mbox{Article}$  by written notice to the other party.

FERC Docket: GT91- 42-000

Original Sheet No. 84 Original Sheet No. 84: Superseded

FORM OF SERVICE AGREEMENT
FOR FTS-1 RATE SCHEDULE
-----(continued)

# ARTICLE VI CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the transportation of the gas that is the subject of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

VALERO INTERSTATE TRANSMISSION COMPANY

ATTEST:	Ву
ATTEST:	Ву

Original Sheet Nos. 85-95 Original Sheet Nos. 85-95 : Superseded

Original Sheet Nos. 85 through 95 are reserved for future use.

\* PROVIDED BY VITCO

Original Sheet No. 96 Original Sheet No. 96: Superseded

### TRANSPORTATION REQUEST FORM

1.	(A) DATE OF REQUEST (B) REQUEST RECEIVED BY (NAME)	TIME
2. *	DATE REQUEST ACCEPTED AS VALID	
3.	REQUESTER (A) NAME (B) AFFILIATE (Y/N)	
4.	SUPPLIER AFFILIATION (Y/N)	<del></del>
5.	SHIPPER: (A) NAME  (B) AFFILIATE (Y/N)  (C) TYPE LDC  INTRASTATE P/L  PRODUCER	INTERSTATE P/L END-USER MARKETER
6.	VOLUMES: (A) MAXIMUM DAILY TRANSPORTATION MCF MMBTU  (B) TOTAL CONTRACT QUANTITY MCF MMBTU	
7.	PRODUCING AREA OF SOURCE OF GAS:  (A) STATE  (B) FIELD NAME	COUNTY
8.	SERVICE DATES: (A) COMMENCE (B) TERMINATE	
9.	RECEIPT/DELIVERY POINT(S):  (A) RECEIPTS POINT(S)  (B) DELIVERY POINT(S)  (C) PIPELINE MILES BETWEEN FUR	THEST POINTS
10.	TYPE OF SERVICE: FIRM INTERRU	PTIBLE
11.	LOCATION OF ULTIMATE END-USER (STATE)	
12.	* APPLICABLE RATES TO BE CHARGED:  (A) RATE SCHEDULE	RATE

Original Sheet No. 97 Original Sheet No. 97: Superseded

	TRANSPORTATION REQUEST FORM	
	(continued)	
13.	Paragraph deleted pursuant to Order No. 500-K, Commission Order dated April 4, 1991.	
14.	IF TRANSPORTATION FOR AFFILIATE - IS GAS BEING SO  (A) YES NO (B) IF YES, HOW MUCH PER MMBTU?	OLD AT A LOSS?
15.*	STATUS OF REQUEST:  A) INCOMPLETE B) COMPLETE AND AWAITING SERVICE C) COMPLETE, A CONTRACT SIGNED AND AWAITING COMMENCEMENT OF SERVICE D) COMPLETE, SERVICE HAS BEGUN COMMISSION DOCKET NUMBER E) REQUEST WITHDRAWN F) REQUEST DENIED AND REASON WHY	DATE: DATE: DATE: DATE: DATE:
16.*	POSITION OF REQUEST: REQUEST	NO
17.*	DISPOSITION OF REQUEST:  (A) DATE SHIPPER NOTIFIED CAPACITY AVAILABLE:  (B) DATE CONTRACT EXECUTED:  (C) CONTRACT NUMBER:  (D) ACTUAL RATE CHARGED:  (E) VOLUMES SCHEDULED FOR DISCOUNT RATE:	
18.*	COMPLAINTS BY SHIPPER OR END-USER AND DISPOSITION	N THEREOF:

\* PROVIDED BY VITCO

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

TRANSPORTATION REQUEST FORM (continued)

19.*	DISCOUNTED RATE INFORMATION:  (A) DISCOUNT REQUESTED: YES NO  (B) DISCOUNT OFFERED: YES NO  (C) MAXIMUM RATE  (D) ACTUAL RATE CHARGED
	(E) VOLUMES SCHEDULED FOR DISCOUNT RATE
20.*	HAS VITCO GRANTED A WAIVER OF A TARIFF PROVISION IN PROVIDING THE REQUESTED SERVICE? YES NO
*	NOTES/COMMENTS:

\* PROVIDED BY VITCO