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Original Sheet No. 1 Pacific Interstate Transmission Company: Original Volume No. 1
Original Sheet No. 1 : Effective

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Volume No. 2

Jurisdictional rate schedules pertaining to sales made by Pacific Interstate from its Southwest Division System. For a full description of the services rendered therefrom, see Pacific Interstate's FERC Gas Tariff, Original Volume No. 2.

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FERC Docket: GT97- 67-000

First Revised Sheet No. 2 First Revised Sheet No. 2 : Effective
Superseding: Original Sheet No. 2

PRELIMINARY STATEMENT

Pacific Interstate Transmission Company, sometimes referred to herein as "Pacific Interstate" or "Seller," is a natural gas company and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission. Pacific Interstate supplies gas to purchasers under service agreements for delivery at various points in the western portion of the United States.

Pacific Interstate's system consists of its Northwest Division System and its Southwest Division System.

The Northwest Division System was established as part of an overall project for the purchase, transportation and sale of gas from the northern regions of Alaska and Canada. Currently, Canadian gas is purchased at the international boundary near Kingsgate, British Columbia, transported by others to the California border and sold to customers.

The Southwestern Division System is more fully described in Original Volume No. 2 of this FERC Gas Tariff.

The gas receipt and delivery points of the Northwest Division System are depicted on the map constituting Sheet No. 3 of Original Volume No. 1 of Pacific Interstate's FERC Gas Tariff.

It is the policy of Pacific Interstate to undertake the purchase, sale and transport, or provide for transport, of gas only pursuant to written contracts with selected customers upon terms and conditions acceptable to Pacific Interstate, executed after consideration of its existing commitments, supplies of gas, delivery capacities, points of delivery and other factors deemed material to Pacific Interstate.

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FERC Docket: CP95-251-001

Third Revised Sheet No. 3 Third Revised Sheet No. 3 : Effective
Superseding: Second Revised Sheet No. 3

Map page, see hard copy for actual map.

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FERC Docket: GT97- 67-000

Original Sheet No. 4 Original Sheet No. 4 : Effective

RATE SCHEDULE CQS-1
(Contract Quantity Service)

1. AVAILABILITY

This Rate Schedule is available to Southern California Gas Company (sometimes referred to hereinafter as "Buyer") for the purchase of gas from Pacific Interstate Transmission Company (hereinafter called "Seller") upon the execution of a Service Agreement in the form contained in this FERC Gas Tariff, Original Volume No. 1.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all gas delivered or caused to be delivered under Buyer's Services Agreement for service under Rate Schedule CQS-1. Gas caused to be delivered by Seller to Buyer under this Rate Schedule shall be firm and not subject to interruption, except as Provided in Sections 8, 9, and 21 of the General Terms and Conditions.

3. BUYER'S OBLIGATION TO PAY COST OF SERVICE

Buyer shall be obligated to pay Seller in respect of each billing month, charges determined in accordance with Section 4 hereof, for each such billing month. Such obligation is subject to adjustment as provided in Section 5 and 6 hereof and shall be discharged as provided in Section 7 hereof and in Section 5 of the General Terms and Conditions.

4. COST OF SERVICE

4.1 Computation: Seller's Cost of Service shall be determined by Seller for each billing month and shall be equal to the aggregate of the items described in Subsection 4.4 through 4.9 hereof for such billing month determined in accordance with this Section 4. Computation of Cost of Service under this Section and shall be based on the amounts related to sales under this Rate Schedule recorded in Seller's books of account applicable to its Northwest Division System except to the extent that such amounts must be adjusted in order to give effect to the provisions of this Section 4.

4.2 Seller's Accounts: Seller shall maintain books of account in accordance with the requirements of the Federal Energy Regulatory Commission ("FERC" or "Commission") applicable to Seller and, to the extent not inconsistent with such requirements, in accordance with generally accepted accounting principles.

(continued)

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First Revised Sheet No. 5 First Revised Sheet No. 5 : Effective
Superseding: Original Sheet No. 5

RATE SCHEDULE CQS-1 (Continued)
(Contract Quantity Service)

4. COST OF SERVICE (cont'd)

4.3 Uniform System of Accounts: Account numbers specified herein are those provided for in the Uniform System of Accounts Prescribed for Natural Gas Companies by the FERC, ("Uniform System of Accounts"). In the event that the Uniform System of Accounts is renumbered, replaced, supplemented, amended, modified or revised, the accounts, categories of such accounts, and the description thereof referred to herein shall be deemed to refer to the corresponding accounts in such renumbered, replaced, supplemented, amended, modified or revised Uniform System of Accounts, all without prejudice to the ability of Seller to receive payment equal to its costs in the manner contemplated by Subsection 4.4 through 4.9 hereof.

4.4 Operation and Maintenance Expenses

4.41 Natural Gas Purchases: Seller's obligations to its suppliers relative to the billing month for natural gas purchases by Seller for sale to buyer as recorded in Account Nos. 800 through 803; plus an amount equal to payments made by Seller and not previously billed for gas not received under "take-or-pay" provisions of the sale and purchase agreements between producers and Seller; and minus an amount equal to credits received by Seller and not previously credited under take-or-pay makeup provisions of such agreements.

4.42 Costs of Transportation Performed by Others: Seller's obligations for costs relative to the billing month associated with transportation service performed by others related to sales under this Rate Schedule as recorded by Seller in Account No. 858, including:

- (a) Seller's obligations to pay to Pacific Gas Transmission Company all amounts in connection with the transportation of gas by Pacific Gas Transmission Company.
- (b) Seller's obligations to pay to Northwest Pipeline Corporation all amounts in connection with the transportation of gas by Northwest Pipeline Corporation.
- (c) Seller's obligations to pay El Paso Natural Gas Company all amounts in connection with the transportation of gas by El Paso Natural Gas Company.

(continued)

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First Revised Sheet No. 6 First Revised Sheet No. 6 : Effective
 Superseding: Original Sheet No. 6

RATE SCHEDULE CQS-1 (Cont'd)
 (Contract Quantity Service)

4. COST OF SERVICE (Continued)

4.43 Other O&M: Other reasonable gas operating and maintenance expenses relative to the billing month, as recorded in Account Nos. 800 through 932, inclusive, (other than those provided for in Subsections 4.41 and 4.42), including payments of interest by Seller required under Subsections 5.22 and excluding any provision with respect to doubtful accounts or bad debts relating to amounts payable by Buyers hereunder and excluding expenses related to research and development unless specific prior authorization therefor has been received from the FERC.

4.5 Depreciation and Amortization Expenses: A provision for depreciation and amortization of Seller's depreciable or amortizable gas plant in service properly recorded in Account Nos. 403 through 407.2, which shall be an amount equal to one-twelfth of the sum of the products of multiplying each annual straight-line depreciation rate set forth in the Depreciation Rate Table below times the actual original cost, at the beginning of the billing month, of the items included in each applicable class of depreciable or amortizable gas plant in service to which such rate applies on such Table; provided, however, that (a) leasehold improvements may, at the option of Seller, be amortized on a straight-line basis over the initial term of the lease to which they relate, and (b) transportation and power operated equipment may, at the option of Seller, be depreciated using the accelerated method of depreciation and a five-year life.

DEPRECIATION RATE TABLE

Classes of Gas Plant in Service	Uniform System of Accounts Account No.	Annual Straight- Line Rate
Communication, office, shop, garage, stores, laboratory and miscellaneous equipment, tools, and other tangible property.	370, 393 394, 395, 397 398 and 399	10%

(Continued)

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Second Revised Sheet No. 7 Second Revised Sheet No. 7 : Effective
Superseding: First Revised Sheet No. 7

RATE SCHEDULE CQS-1 (Cont'd)
(Contract Quantity Service)

4. COST OF SERVICE (Continued)

DEPRECIATION RATE TABLE (Continued)

Office furniture, transportation and power operated equipment	391, 392 and 396	20%
All other gas plant in service	301 to 399 except those listed above	1.97%

4.6 Taxes Other Than Income Taxes: Accruals recorded in Account No. 408.1 for the billing month with respect to all taxes other than income taxes associated with operations, minus or plus any interest received or paid on tax refunds or deficiencies, as recorded in Account Nos. 419 or 431. Such accruals shall be appropriately adjusted for taxes, tax deficiencies and tax penalties paid for which accruals have not been made and for refunds of taxes paid which have previously accrued, unless such penalty is incurred as a result of gross negligence or fraud. Any such adjustment shall be made in the billing month, in which any such tax, tax deficiency, tax penalty or interest is paid for in which such tax refund or interest is received.

4.7 Income Taxes: A monthly allowance for federal and state income taxes, including current income taxes and provisions for deferred income taxes, shall be computed in accordance with comprehensive tax allocation procedures, all as recorded in Account Nos. 409.1, 409.3, 410.1 and 411.1, minus or plus any interest received or paid on tax refunds or deficiencies, as recorded in Account Nos. 419 or 431. As used in this Subsection 4.7, "comprehensive tax allocation procedures" shall mean those procedures which require recording a full provision for all income tax effects of timing differences between recorded amounts and amounts reported for income tax purposes, including: (a) interest, taxes and pension costs capitalized per books and expensed currently for tax purposes, (b) all differences between book and tax depreciation, and (c) any other timing differences between the recording of other revenues and expenses for book and tax purposes.

(Continued)

Effective Date: 10/01/1981 Status: Effective

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Original Sheet No. 8 Original Sheet No. 8 : Effective

RATE SCHEDULE CQS-1 (Continued)
(Contract Quantity Service)

4. COST OF SERVICE (Continued)

4.8 Adjustments: An addition or deduction, as the case may be, to Cost of Service equal to the result of combining the following amounts properly included for the billing month:

4.81 A deduction equal to other revenues which relate to gas operations;

4.82 An addition equal to all costs associated with other revenues which relate to gas operations referred to in Subsection 4.81 hereof, provided such costs are not otherwise includible in computing Seller's Cost of Service pursuant to this Section 4;

4.83 An addition equal to the appropriate amortization of all extraordinary deductions, as recorded in Account No. 435, which relate to gas operations;

4.84 Additions or deductions, as required, reflecting adjustments of accruals or deferrals with respect to tax, expense and income accounts equal to the difference between accrued and deferred amounts and adjusted for actual amounts, all of which shall be given effect to in the month in which such adjustments or conclusive determinations or settlements of such actual amounts are made;

4.85 An addition to compensate Seller for timing differences between payments to Transporters and receipts from billings to Buyers.

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Fourth Revised Sheet No. 9 Fourth Revised Sheet No. 9 : Effective
Superseding: Third Revised Sheet No. 9

RATE SCHEDULE CQS-1 (Cont'd)
(Contract Quantity Service)

4. COST OF SERVICE (Continued)

4.9 Return: An amount of return for the billing month which shall be the product of multiplying one-twelfth of the annual Rate of Return set forth in Subsection 4.91 hereof times the Rate Base for the billing month computed pursuant to Subsection 4.92 hereof.

4.91 The annual Rate of Return for the billing month shall be 11.10%.

4.92 The Rate Base for the billing month shall be the average of the sum of the balances of the items listed in (a) below as of the beginning and as of the end of such billing month, except in the case of the balance of accumulated deferred income taxes (Account Nos. 190, 281, 282 and 283), which shall be as of the beginning of the billing month, plus the amount determined in accordance with (b) below.

(a) (i) The sum of the balances of: actual or original investments in gas plant in service as properly recorded in Account Nos. 301 through 399; gas plant leased to others (Account No. 104); gas plant held for future use (Account No. 105) if specific prior authorization for inclusion in Seller's Rate Base has been received from the FERC; completed construction not classified (Account No. 106); miscellaneous deferred debits (Account No. 186); if specific prior authorization for inclusion in Seller's Rate Base has been received from the FERC; and accumulated deferred income taxes (Account No. 190); less (ii) the sum of the balances of: accumulated depreciation and amortization reserves (Account Nos. 108 and 111); customer advances for construction (Account No. 252); and accumulated deferred income taxes (Account No. 281, 282 and 283).

(b) A working capital allowance represented in the sum of outstanding balances of prepayments and necessary materials and supplies for operating purposes.

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Original Sheet No. 10 Original Sheet No. 10 : Effective

RATE SCHEDULE CQS-1 (Continued)
(Contract Quantity Service)

5. REDUCTION IN BILLING FOR COST OF SERVICE

5.1 General

During any month in which Northwest Pipeline Corporation is required to make a Facility Charge Adjustment pursuant to Section 5 of Rate Schedule T-1 of its FERC Gas Tariff, Volume No. 1, other than for reasons of Force Majeure, Seller shall also be required to reduce its billing for cost of service pursuant to Section 4 hereof.

5.2 Computation of Reduction in Billing for Cost of Services

Subject to the Minimum Monthly Bill provisions in Section 6 hereof, Seller shall be required to reduce that portion of the cost of service determined in this subsection in the same proportion that Northwest Pipeline's Facility Charge is reduced. The cost of service which shall be subject to reduction shall be the total of the following costs: Other O & M (subsection 4.43), Depreciation (subsection 4.5), Taxes other Than Income Taxes (subsection 4.6), Income Taxes (subsection 4.7), Adjustments (subsection 4.8, except subsections 4.83 and 4.84) and Return (subsection 4.9).

5.3 Recovery of Reduction in Billing for Cost of Service

Seller shall recover any reduction in its cost of service billing, made pursuant to this Section 5, if it delivers makeup volumes in excess of Buyer's Total Maximum Delivery Quantity prior to the end of the second billing month following the delivery deficiency causing the billing reduction. The amount of such recovery for any billing month shall be determined by multiplying the billing reduction by a fraction, the numerator of which shall be the makeup volumes delivered in such billing month and the denominator of which shall be the volume of such delivery deficiency. Any makeup volumes shall be first applied to the earliest of delivery deficiencies then eligible for cost of service recoupment.

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Original Sheet No. 11 Original Sheet No. 11 : Effective

RATE SCHEDULE CQS-1 (continued)
(Contract Quantity Service)

6. MINIMUM MONTHLY BILL

Notwithstanding the provisions of subsection 5.1, Seller shall not be required to make a reduction in its billing for cost of service for any billing month to an amount less than the sum of the following:

	Subsection -----
Operation and Maintenance Expense	4.4
Depreciation and Amortization Expenses	4.5
Taxes other Than Income Taxes	4.6
Income Taxes	4.7
Adjustments	4.8
Return for the billing month multiplied by a fraction, the numerator of which is the volume of gas delivered to Buyer under this tariff in the billing month and the denominator of which is the Total Maximum Delivery Quantity times the number of days in the billing month, provided that such fraction, in no event, shall be less than one-half (1/2).	4.9

7. MONTHLY CHARGE

Buyer's Monthly Charge for each billing month shall be Cost of Service determined in accordance with Section 4 hereof.

8. HEAT CONTENT

Refer to Section 4 of the General Terms and Conditions.

9. MEASUREMENT BASE

Refer to Section 3 of the General Terms and Conditions.

10. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions are applicable to this Rate Schedule.

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FERC Docket: CP96-544-001

Original Sheet No. 12 Original Sheet No. 12 : Effective

RATE SCHEDULE CQS-1 (Continued)
(Contract Quantity Service)

11. CURTAILMENT PURSUANT TO TITLE IV OF THE NATURAL GAS POLICY
ACT OF 1978

11.1 Curtailment procedures are specified in Section 24 to
the General Terms and Conditions, Original Sheet No.
120.

Effective Date: 11/01/1996 Status: Effective
FERC Docket: GT97- 67-000

Original Sheet No. 13 Original Sheet No. 13 : Effective

RATE SCHEDULE S-1
(General Unbundled Sales Service)

1. AVAILABILITY

1.1 This Rate Schedule is available to any party ("Buyer") for the purchase of natural gas from Pacific Interstate Transmission Company ("Seller") when Buyer and Seller have executed a contract for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule applies to all natural gas sold by Seller to Buyer other than volumes sold pursuant to Rate Schedule CQS-1.

2.2 Natural Gas sold under this Rate Schedule shall be sold at the inlet to the systems on which Seller holds capacity.

2.3 The transportation and delivery of natural gas purchased by Buyer under this Rate Schedule shall be effectuated through transportation arrangements Buyer may make with Pacific Interstate Transmission Company (as releaser of capacity) or with any other transporting party, the relevant pipeline, or through capacity retained by Buyer.

2.4 Natural gas sold under this Rate Schedule shall be sold pursuant to the blanket sales certificate issued by the Federal Energy Regulatory Commission in Docket No. CP96-544-000.

3. RATE

3.1 The rate for natural gas sold under this Rate Schedule shall be negotiated between the Buyer and Seller and shall be specified in the Agreement between the Buyer and Seller but shall not be posted in this Tariff and shall not be subject to the jurisdiction of the FERC.

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FERC Docket: CP96-544-001

Original Sheet No. 14 Original Sheet No. 14 : Effective

RATE SCHEDULE S-1
(General Unbundled Sales Service)

4. CURTAILMENT PURSUANT TO TITLE IV OF THE NATURAL GAS POLICY ACT OF 1978
 - 4.1 Curtailment procedures are specified in Section 24 to the General Terms and Conditions, Original Sheet No. 120.

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FERC Docket: CP96-544-001

Original Sheet Nos. 15-99 Original Sheet Nos. 15-99 : Effective

(Original Sheet Nos. 15 through 99, inclusive are reserved.)

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Original Sheet No. 100 Original Sheet No. 100 : Effective

GENERAL TERMS AND CONDITIONS

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Original Sheet No. 101 Original Sheet No. 101 : Effective

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

The following terms, when used in this FERC Gas Tariff, Original Volume No. 1 or a Service Agreement, shall have the following respective meanings:

- 1.1 The term "accumulated deferred income taxes" shall mean the total of the balances in Account Nos. 281, 282 and 283, less the balance in Account No. 190.
- 1.2 The term "billing month" shall mean the period beginning at 8:00 A.M., Mountain Standard Time, on the first day of a calendar month (except that the first billing month with respect to any Buyer shall begin with the first day of service to that Buyer) and ending 8:00 A.M., Mountain Standard Time, on the first day of the next succeeding calendar month.
- 1.3 The term "Btu" shall mean British thermal unit.
- 1.4 The term "Buyers" shall mean, at anytime, the Persons which have entered into Service Agreements with Seller which are then in effect; and the term "Buyer" shall mean one of such Persons.
- 1.5 The term "calendar year" shall mean the period from 8:00 A.M., Mountain Standard Time, on January 1 of any year to 8:00 A.M., Mountain Standard Time, on January 1 of the next succeeding year.
- 1.6 The term "Cost of Service" relative to a billing month shall mean the amount determined for such billing month pursuant to Section 4 of Rate Schedule CQS-1.
- 1.7 The term "day" shall mean a period of 24 consecutive hours beginning and ending at 8:00 A.M., Mountain Standard Time, or such other period of time as parties may agree. The reference date for any day shall be the date of the beginning of such day.
- 1.8 The term "Federal Energy Regulatory Commission" shall mean the Federal Energy Regulatory Commission of the United States of America or any other tribunal which may hereafter exercise the functions now exercised by that Commission with respect to regulation of gas pipelines.
- 1.9 The term "gas" shall mean natural gas, manufactured, artificial or synthetic gas, or any mixture or combination thereof.

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GENERAL TERMS AND CONDITIONS (continued)

- 1.10 The term "gas plant" shall mean all tangible and intangible plant of Seller, excluding plant that is entirely distinct from and is not operated in connection with Seller's gas operations.
- 1.11 The term "General Terms and Conditions" shall mean, at anytime, these General Terms and Conditions as from time to time amended or supplemented.
- 1.12 The term "gross heating value", when used in respect of any gas, shall mean the number of Btu's which would be produced by the combustion, in a recording calorimeter at constant pressure, of the amount of such gas which would occupy a volume of one cubic foot at a temperature of 60oF when saturated with water vapor, and under a pressure of 14.73 psia with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water vapor formed by combustion is condensed to the liquid state.
- 1.13 The term "Interest Rate" for any period shall mean the interest rate and the compounding of interest as set forth in Sections 154.67 (d) (2) (iii) (A) and (B), respectively, of the Commission's Regulations, as amended from time to time.
- 1.14 The term "Maximum Delivery Quantity" relative to a Point of Delivery to a Buyer for any day shall mean the volume of gas shown as the Maximum Delivery Quantity for such Point of Delivery on Exhibit A to such Buyer's Service Agreement.
- 1.15 The term "Mcf" shall mean 1000 cubic feet of gas determined in accordance with the measurement base described in Subsection 3.1 hereof.
- 1.16 The term "Monthly Charge" relative to a Buyer for a billing month shall mean the amount computed as such Buyer' Monthly Charge for such billing month pursuant to Section 7 of Rate Schedule CQS-1.
- 1.17 The term "Person" shall mean an individual, a corporation, a partnership, an association, a trust, an unincorporated organization or a government or political subdivision thereof; and pronouns shall have a similarly extended meaning.
- 1.18 The term "Point of Delivery" relative to a Buyer shall mean one of the Points of Delivery shown on Exhibit A to such Buyer's Service Agreement for delivery of gas to such Buyer.

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Original Sheet No. 103 Original Sheet No. 103 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

- 1.19 The term "psia" shall mean pounds per square inch, absolute.
- 1.20 The term "psig" shall mean pounds per square inch, gauge.
- 1.21 The term "Service Agreement" shall mean, at anytime with respect to any Buyer, an executed Service Agreement for service under this Tariff made by and between Seller and such Buyer which is then in effect.
- 1.22 The term "Tariff" shall mean the compilation on file with the Federal Energy Regulatory Commission of Seller's Rate Schedules, General Terms and Conditions and related Forms of Service Agreement from time to time in effect for Seller's Northwest Division System.
- 1.23 The term "Total Maximum Delivery Quantity" relative to a Buyer for any day shall mean the Total Maximum Delivery Quantity shown on Exhibit A to such Buyer's Service Agreement.
- 1.24 The term "Transporter" shall mean Pacific Gas Transmission Company, ("PGT") Northwest Pipeline Corporation, ("NWP") El Paso Natural Gas Company ("EL PASO") and other gas pipeline companies performing transportation service for Seller.

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Original Sheet No. 104 Original Sheet No. 104 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

2. MEASURING EQUIPMENT

- 2.1 Measuring Equipment: Unless otherwise agreed by Seller and Buyers, Seller shall cause to be furnished, installed, maintained and operated at each Point of Delivery all equipment, devices and material necessary to determine gas volume, pressure, temperature, gross heating value, quality, specific gravity and supercompressibility.
- 2.11 When orifice meters are used, the manufacture, installation, operation and maintenance thereof shall be consistent with the recommendations and specifications contained in the latest edition from time to time of "Orifice Metering of Natural Gas--Gas Measurement Committee Report No. 3", including any appendices and amendments thereto, published by the American Gas Association.
- 2.12 Positive displacement and turbine meters, if used, together with auxiliary equipment therefor shall be installed in accordance with the recommendations of the manufacturer of the meter and operated within the capacity and pressure ranges recommendations of the manufacturer. The latest edition from time to time of "Orifice Metering of Natural Gas--Gas Measurement Committee Report No. 3", including any appendices and amendments thereto, published by the American Gas Association or accepted industry standards agreeable to all parties, shall be used as a reference standard for the calibration of large capacity positive displacement and turbine meters on initial calibrations. Spin tests or turbine meter rotors shall be conducted quarterly and shall meet manufacturer's specifications. Such meters shall be equipped with a counting device for indicating the actual volume of gas passing through the meter and gauges for continuously recording the pressure and temperature of such gas. Such meters may also be equipped with a device for recording flow rate and/or a device for integrating the produce of the volume of gas measured multiplied by pressure and temperature corrections, and indicating the volume of gas delivered.
- 2.13 Recording calorimeters shall be of a standard type acceptable to Seller and Buyers.

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Original Sheet No. 105 Original Sheet No. 105 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

- 2.14 Recording specific gravity instruments shall be of a standard manufacture acceptable to Seller and Buyers, and shall be installed so as to properly record the specific gravity of the gas at the Point of Receipt or Point of Delivery. Any such instrument shall be checked at least once each month by a standard calibrating gas, or by any other method agreed upon by Seller and Buyers.
- 2.2 Check Measuring Equipment: At each Point of Delivery, of a Buyer, the Buyer affected, at its own expense, may cause to be furnished, installed, maintained and operated check measuring equipment; provided, however, that such equipment does not interfere with the operations of the measuring equipment caused to be installed by Seller.
- 2.3 Right of Access: Each party shall have access to measuring equipment at all reasonable times, but the reading, calibrating and adjusting thereof and the changing of charts shall be done only by the Person or Persons installing such equipment, unless otherwise agreed upon. Both Seller and Buyer shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with measuring equipment. The records from such measuring equipment shall remain the property of the Person or Persons installing such equipment, but, upon request, will provide or have provided the records and charts, together with calculations therefrom, for inspection, subject to return within 30 days after receipt thereof.
- 2.4 Reasonable Care: The Person or Persons installing any such equipment shall exercise reasonable care in the installation, maintenance and operation of its measuring equipment so as to avoid any inaccuracy in the determination of the volume and other attributes of gas received and delivered.
- 2.5 Test Measuring Equipment: The Person or Persons installing measuring equipment shall conduct tests to verify the accuracy of its measuring equipment, using means and methods acceptable to Seller and Buyer, at least once each month, or at such other interval as may be mutually agreed upon, and at other times upon request of Seller or Buyer. Notice of the time and nature of each test shall be given by the Person or Persons conducting the test to the other sufficiently in advance to permit convenient arrangement for the presence of the other's representatives. If, after notice, a Person fails to have a representative

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GENERAL TERMS AND CONDITIONS (Continued)

present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at the expense of the Person or Persons conducting the test, except that the Person or Persons requesting a test shall bear the expense of such test if the inaccuracy is found not to exceed two percent, at a reading corresponding to the average hourly rate of flow.

- 2.6 Correction and Adjustment: If, upon test, any measuring equipment is found to be registering inaccurately by not more than two percent, at a reading corresponding to the average hourly rate of flow, then readings of such equipment since the time of the last test thereof shall be considered accurate in computing deliveries of gas. If, upon test, any measuring equipment is found to be registering inaccurately by more than two percent, at a reading corresponding to the average hourly rate of flow, then readings of such equipment shall be corrected to zero error for any past period definitely known, or agreed, to have been inaccurate, or if the inaccuracy during all or part of the period of time since the last test of such equipment is not so known or agreed upon, for a period of sixteen days, or one-half of the elapsed time since such last test, whichever is the shorter period. Any recording equipment found to be registering inaccurately shall be immediately adjusted to register accurately.
- 2.7 Failure of Measuring Equipment: If measuring equipment at any Point of Delivery is out of service for any period, the measurement determinants for such Point of Delivery during such period shall be determined:
 - 2.71 By using the data recorded by any check measuring equipment accurately registering: or
 - 2.72 If such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or
 - 2.73 If neither of the methods provided in Subsections 2.71 and 2.72 above can be used, by estimating the necessary determinants by reference to receipts or deliveries under similar conditions.
- 2.8 Preservation of Records: Each party shall preserve for a period of at least three years, or such longer period as may be required by public authority, all test data, charts, and other similar records.

(continued)

Effective Date: 10/01/1981 Status: Effective
FERC Docket: GT97- 67-000

Original Sheet No. 107 Original Sheet No. 107 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

3. MEASUREMENTS

- 3.1 Unit of Measurement and Measurement Base: The volumetric measurement base of all volumes of gas referred to in any Service Agreement or this FERC Gas Tariff, Original Volume No. 1 shall be one cubic foot of gas at a pressure base of 14.73 psia, at a temperature base of 60°F and without adjustment for water vapor content.
- 3.2 Computation of Volume from Meter Readings and Registrations:
- 3.21 Seller, Buyer and Transporter shall endeavor to agree upon methods so that volumes of gas delivered under Buyer's Service Agreement shall be computed in accordance with the latest approved methods in use in the industry generally.
- 3.22 When orifice meters are used, gas volumes shall be computed in accordance with the specifications prescribed in the latest edition from time to time of "Orifice Metering of Natural Gas--Gas Measurement Committee Report No. 3" published by the American Gas Association, including any appendices and amendments thereto or accepted industry standards agreeable to all parties.
- 3.23 If positive displacement and turbine meters are used, measurements of the volumes received or delivered at flowing pressures and temperatures shall be corrected to the volumetric measurement base by the application of proper correction factors for (a) absolute static pressure, (b) flowing temperature and (c) super-compressibility. If an integrating device is used, correction for the deviation from Boyle's Law may be built into the device; otherwise such correction shall be applied to the volume of gas indicated.
- 3.3 Flowing Temperature: The flowing temperatures of the gas shall be determined by the use of standard continuously recording thermometers. The flowing temperatures used in determining the flowing temperature factor for each meter chart shall be the arithmetical average of the temperatures at each hour shown by the recording thermometers during the period of time covered by the meter chart, during periods of flow only.

(continued)

GENERAL TERMS AND CONDITIONS (Continued)

- 3.4 Specific Gravity: The specific gravity of the gas shall be determined by a recording specific gravity instrument as specified in Subsection 2.14 hereof. The arithmetical average of the hourly specific gravity recording each day shall be deemed to be the specific gravity of the gas for that day, during periods of flow only.
- 3.5 Supercompressibility: Measured gas volumes shall be corrected for supercompressibility (deviation of the gas from the laws of ideal gases) at the pressures and temperatures at which the gas is measured. Except as otherwise agreed by Seller and Buyers, the factors for such corrections shall be obtained from data contained in the A.G.A. Manual for the Determination of Supercompressibility Factors for Natural Gas developed under P.A.R. Research Project NX-19 completed in December 1962, or any subsequent revision or replacement thereof.
- 3.6 Atmospheric Pressure: The absolute atmospheric (barometric) pressure at each measuring station shall be the pressure corresponding to the elevation at such station, and shall be stated in pounds per square inch. No atmospheric changes for weather shall be taken into account.
- 3.7 Gross Heating Value: The gross heating value of the gas shall be determined by use of a recording calorimeter as specified in Subsection 2.13 hereof. The arithmetical average of the hourly gross heating values so recorded each day, during periods of flow only, shall be deemed to be the gross heating value of the gas for such day.
- 3.8 Measurement Responsibility: Subject to the provisions of Subsections 2.6 and 2.7 hereof, measurement of gas volumes and gross heating values shall for all purposes of this FERC Gas Tariff, Original Volume No. 1 be as recorded on or computed from the measuring equipment and devices installed and operated, or caused to be installed and operated, by Seller.

(continued)

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 109 Original Sheet No. 109 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

4. QUALITY OF GAS

- 4.1 Quality Standards of Gas Delivered by Seller: Buyer may refuse to accept gas which does not conform to the following specifications:
- 4.11 Shall not contain sand, dust, gums, crude oil, impurities or other objectionable substances which may be injurious to pipelines or may interfere with the transmission of the gas; and
 - 4.12 Shall not contain more than 1/4 grain of hydrogen sulfide per 100 cubic feet; and
 - 4.13 Shall not contain more than 5 grains of total sulfur per 100 cubic feet; and
 - 4.14 Shall not contain more than one percent by volume of carbon dioxide;
 - 4.15 Shall not have a water vapor content in excess of seven (7) pounds per million standard cubic feet at the point of delivery; and
 - 4.16 Shall be as free of oxygen as it can be kept through the exercise of all reasonable precautions and shall not in any event contain more than two-tenths of one percent by volume of oxygen; and
 - 4.17 Shall have a gross heating value of not less than 975 Btu per cubic foot;/and
 - 4.18 Shall be delivered at temperatures not higher than 120o Fahrenheit.
- 4.2 Quality Tests: At each Point of Delivery, Seller shall cause tests to be made, by approved standard methods in general use in the gas industry, to determine whether the gas conforms to the quality specifications set out in Subsection 4.1 hereof. Such tests shall be made at such intervals as Seller may deem reasonable, and at other times, but not more often than once per day, at the request of any Buyer.

(continued)

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 110 Original Sheet No. 110 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

- 4.3 Failure to Conform: If gas delivered, or caused to be delivered, by Seller does not comply with the quality specifications set out in Subsection 4.1 hereof, Buyer shall have the right, in addition to all other remedies available to it by law, to refuse to accept any such gas. Buyer may, at its option, accept receipt of gas not complying with the quality specifications set out in Subsection 4.1 hereof provided Buyer, at the expense of Seller, may make all changes necessary to bring such gas into compliance with such specifications. Any change in gross heating value of gas treated by Buyer pursuant to this Subsection 4.3 shall be appropriately reflected in the total Btu content of gas delivered by Seller to Buyer.

(continued)

Effective Date: 05/15/1982 Status: Effective
FERC Docket: GT97- 67-000

First Revised Sheet No. 111 First Revised Sheet No. 111 : Effective
Superseding: Original Sheet No. 111

GENERAL TERMS AND CONDITIONS (Continued)

5. BILLING AND PAYMENT

5.1 Billing: On or before the fifteenth day of each billing month, Seller shall cause to be received by Buyer an invoice for the amount payable under Buyer's Service Agreement during such billing month. Such invoice shall reflect:

(a) Buyer's Monthly Charge for the immediately preceding billing month, computed pursuant to Section 7 of Rate Schedule CQS-1; and

(b) other charges or credits to Buyer hereunder;

and shall set forth in reasonable detail the basis of determining the amount shown thereby to be payable.

5.2 Payment:

5.21 The amount invoiced pursuant to Section 5.1 hereof in a billing month shall be paid by Buyer to Seller or, if such invoice shows an amount owing to Buyer, by Seller to Buyer, on or before the twenty-fifth day of such billing month, except that as to the portion of such invoice covering billings from Seller's suppliers of gas, payment shall be made on such date as Seller is required to make payment to its suppliers. Each such payment by Buyer shall be made at Seller's principal office; provided that Seller by written notice to Buyer, may require Buyer to pay all or a designated portion of such amount at another place from time to time specified by Seller and/or to such other Person as Seller shall from time to time designate.

5.22 Buyer shall, without further notice or demand, make payments pursuant to Subsection 5.21 hereof irrespective of any dispute relative to the amount invoiced, and shall not be entitled to any abatement of such payments or any set-off against them, including, but not limited to, abatement or set-off due or alleged to be due by reason of any past, present or future claims of Buyer against Seller under Buyer's Service Agreement or otherwise. If any portion of an amount so paid to Seller by Buyer is finally determined to be repayable to Buyer, Seller shall pay or credit such amount to Buyer, together with interest thereon at the Interest Rate.

(Continued)

GENERAL TERMS AND CONDITIONS (Continued)

- 5.3 Late Billing: If the receipt of an invoice by Buyer is delayed beyond the date provided in Subsection 5.1 hereof, then the time for payment shall be extended correspondingly unless Buyer is responsible for such delay.
- 5.4 Delinquency Charge: Should Buyer fail to pay the whole of the amount of any invoice rendered by Seller as herein provided when such amount is due, Buyer shall pay interest on such amount, on the unpaid portion thereof, at the Interest Rate from the date due until paid.
- 5.5 Remedies for Failure to Pay Bills: If a failure by Buyer to pay in full the amount of any invoice rendered by Seller as herein provided shall continue for 60 days after payment is due, Seller may, after any required application to and authorization from any regulatory authority having jurisdiction, suspend further delivery of gas to Buyer until such amount is paid in full, in addition to any other remedies it may have. Such suspension shall not terminate Buyer's Service Agreement or otherwise affect Buyer's obligations to Seller under Buyer's Service Agreement and no reduction in Buyer's Monthly Charge pursuant to Section 7 of Rate Schedule CQS- 1 shall be made because thereof.
- 5.6 Errors in Billing: If Buyer shall notify Seller in writing, at any time within the first six months of any calendar year, that it has been overcharged in any invoice rendered during the prior calendar year, and that Buyer has actually paid an amount containing such overcharge, then within 30 days after the amount of such overcharge has been agreed, or failing agreement, has been determined by final decision of a body of competent jurisdiction, Seller shall pay or credit the amount of such overcharge actually paid, with interest thereon at the Interest Rate.

If Seller shall notify Buyer in writing, at any time within the first six months of any calendar year, that there has been an undercharge in any invoice rendered to Buyer during the prior calendar year, Buyer shall be liable to pay the amount of such undercharge to Seller, without interest, subject to the right of Buyer to thereafter seek refund of all or a portion of such amount by agreement or by final decision of a body of competent jurisdiction, in which event the provisions of the first paragraph of this Subsection 5.6 shall apply.

(continued)

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 113 Original Sheet No. 113 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

6. POSSESSION OF AND RESPONSIBILITY FOR GAS

6.1 Possession of Gas: Seller shall be deemed to own the gas, and a Transporter shall be deemed to be in control and possession thereof while in a Transporter's pipeline system, until it shall have been delivered to Buyer at the point of delivery, at which time ownership, control, and possession thereof shall be in Buyer.

6.2 Responsibility: Buyer shall have no responsibility with respect to any gas until it is delivered to Buyer, or an account of anything done, occurring or arising with respect to said gas before delivery, and Seller shall have no responsibility with respect to gas after it is delivered to Buyer, or on account of anything done, occurring or arising with respect to said gas after delivery to Buyer.

7. INDEMNIFICATION

Each of Seller and Buyer shall indemnify and save harmless the other from all liability, damages, costs, losses and charges of every character resulting from any claim made against such other by any Person for injury or death to Persons, or damage to property, in any way connected with the property and equipment of the indemnitor or the presence of gas deemed hereby to be the responsibility of the indemnitor, unless such injury, death or damage is caused by the negligence or wilful misconduct of the indemnitee or any Person for whose actions the indemnitee is responsible in law; provided that neither Seller nor Buyer shall be liable to indemnify the other unless the Person requesting indemnification shall have promptly notified the other in writing of any claim, suit or action for or in respect of which indemnification is to be claimed. The Person receiving such notification shall be entitled to participate in any such suit or action, and, to the extent that it may wish, assume the defense thereof with counsel who shall be to the reasonable satisfaction of the Person requesting indemnification, and after notice from the indemnitor to the indemnitee of its election so as to assume the defense thereof, the indemnitor will not be liable to the indemnitee for any legal or other expenses incurred by the indemnitee in connection with the defense thereof. An indemnitor shall not be liable to indemnify an indemnitee on account of any settlement of any claim, suit or action effected without the consent of such indemnitor. Claims made under this Section 7 with respect to injury or death to Persons or damage to property occurring during the term of a Buyer's Service Agreement shall survive the termination thereof.

Seller covenants that it will indemnify and save Buyer harmless from and against any and all suits, actions, causes of action, claims and demands arising from or out of any adverse claims by third parties claiming ownership of or an interest in the gas tendered for sale hereunder.

(continued)

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 114 Original Sheet No. 114 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

8. LIABILITY FOR NON-PERFORMANCE

8.1 Limitation of Liability: Seller shall have no liability in damages to Buyer in respect of failure for any reason whatever, to deliver gas pursuant to the provisions of Buyer's Service Agreement and Buyer shall, notwithstanding any failure for any reason whatever, to deliver gas, make payment to Seller in the amounts, in the manner and at the times provided in Buyer's Service Agreement and in accordance with Section 5 hereof.

8.2 Force Majeure: Neither Seller nor Buyer shall be liable in damages to the other for any act, omission or circumstance which shall be caused, in whole or substantial part, by force majeure. The term "force majeure", as used herein shall mean any acts of God, strikes, lockouts or other labor disputes or industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, other storms, floods, washouts or other acts of nature, civil disturbances, explosions, breakage, accident or repairs to machinery or lines of pipe, temporary or permanent failure of gas supply, inability to obtain or unavoidable delay in obtaining pipe, materials or other equipment, acts or binding orders of any court or other governmental authority which have been resisted, if feasible, by reasonable and lawful means, and any other cause, whether similar or dissimilar to any above enumerated, not reasonably within the control of the Person claiming relief from liability and which such Person was or would have been unable to prevent by the exercise of due diligence. Failure to prevent or settle any strike or strikes or any dispute leading to a lock-out shall not be considered to be a matter within the control of the Person claiming relief. Force Majeure affecting the performance by either Buyer or Seller of any of its obligations under Buyer's Service Agreement shall not relieve the Person seeking relief from liability in respect of any period when the continuance of its inability to perform such obligations is due to its failure to use reasonable effort to remedy the situation in a reasonable manner and with reasonable dispatch. The Person claiming relief from liability by reason of force majeure shall give prompt notice to the other of the occurrence and cessation of such force majeure. Nothing contained in this Subsection 8.2 shall in any way limit or affect any of the provisions of Subsection 8.1 hereof.

(continued)

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 115 Original Sheet No. 115 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

9. TEMPORARY INTERRUPTIONS

Seller shall at all times attempt to operate, or cause to be operated, the pipeline systems of Transporters in a manner designed to make possible, as nearly as practicable, continuous delivery of gas to Buyer in the respective quantities provided for in Buyer's Service Agreement. If a temporary interruption or curtailment of such delivery shall become necessary, Seller shall at once notify Buyer by telephone, telegraph or other prompt means of communication of the nature, extent and probable duration of such temporary interruption or curtailment, and shall give like notice of the cessation of such interruption or curtailment.

10. WAIVER OF DEFAULT

No waiver by either Seller or Buyer of any one or more defaults by the other in the performance of any provisions of Buyer's Service Agreement shall operate or be construed as a waiver of any subsequent or other default or defaults, whether of a like or of a different character.

11. SEPARATE LIABILITY OF BUYER

The execution of a Service Agreement by Buyer shall result in Buyer undertaking obligations of a separate nature, and shall not be deemed to cause a joint, or joint and several, obligation vis a vis any one or more other Buyers.

12. PRESSURE

Seller shall deliver, or cause to be delivered, gas to Buyer at each of Buyer's Points of Delivery at the pressure existing in the pipeline at such Point of Delivery, provided that Seller shall not deliver, or cause to be delivered, gas to any Buyer at any Point of Delivery at a pressure less than the Minimum Pressure specified with respect to such Point of Delivery in Exhibit A to such Buyer's Service Agreement.

(continued)

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 116 Original Sheet No. 116 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

13. RIGHT TO AUDIT BOOKS

Buyer shall have the right, at reasonable times, during normal business hours, upon written request and at Buyer's expense, to review, or cause to be reviewed by Buyer's representatives, all books, records, documents and other data of Seller pertaining to its performance under Buyer's Service Agreement necessary to verify the amount payable by Buyer to Seller under Buyer's Service Agreement in any billing month, so long as such review shall be completed within six billing months following the end of the calendar year in which such amount is payable.

14. AUTHORIZED PERSONS

Buyer may, by notice to Seller, authorize connecting pipelines or other Persons to receive deliveries of gas on behalf of Buyer in accordance with the provisions of Buyer's Service Agreement. Unless such authorization is revoked by notice from Buyer to Seller, Buyer shall be bound by all actions taken by any Person so authorized in connection with the delivery, measurement or testing of gas so delivered by Seller under Buyer's Service Agreement. Seller shall inform Buyer and the Person so authorized of the volume of gas delivered to such Person for the account of Buyer and of all other relevant information concerning the volume, gross heating value and other quality specifications of such gas.

15. LATERAL LINES

It is the policy of Seller that it will not build or contribute to the cost of building any lateral pipelines to Buyer or other Persons.

Nothing in this policy statement shall require Seller to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Seller from contesting an application for service filed pursuant to Section 7(a) of such Act. Seller reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the Federal Energy Regulatory Commission instituted under Section 7 of the Natural Gas Act.

(continued)

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 117 Original Sheet No. 117 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

16. NOTICES

Any notice or other communication required to be given or made in writing under a Buyer's Service Agreement shall be sufficiently given if reduced to writing and delivered, mailed by prepaid mail, or sent by telegraph or other mechanical means of transmitting written messages, to the Person to which it is to be given or made at the address of such Person provided for in Exhibit A to such Service Agreement or at such other address as shall have last been notified by such Person to the other in the manner provided in this Section 16. Any such notice or other communication which is mailed or sent as aforesaid shall only be considered to be given or made when it is actually received by the Person to which it is given or made.

17. DEFAULTS

No default in the performance of any of the obligations of Seller or Buyer under Buyer's Service Agreement shall operate to terminate such Service Agreement, or except as specifically provided in such Service Agreement, to relieve Seller or such Buyer from due and punctual compliance with its obligations thereunder.

18. SUCCESSORS AND ASSIGNS

Any Person which shall succeed by purchase, amalgamation, merger or consolidation to the properties, substantially as an entirety, of Buyer or of Seller, as the case may be, and which shall assume all obligations under Buyer's Service Agreement of Buyer or Seller, as the case may be, shall be entitled to the rights, and shall be subject to the obligations, of its predecessor under Buyer's Service Agreement. Either party to a Buyer's Service Agreement may pledge or charge the same under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has executed covering substantially all of its properties, or assign such Service Agreement to any affiliated Person (which for such purpose shall mean any Person which controls, is under common control with or is controlled by such party). Nothing contained in this Section 18 shall, however, operate to release predecessor Buyer from its obligations under its Service Agreement unless Seller shall, in its sole discretion, consent in writing to such release, which it shall not do unless it concludes that, on the basis of the facts available to it, such release is not likely to have a substantial adverse effect upon other Buyers or other Persons who may become liable to provide funds to Seller to enable it to meet any of its obligations. Buyer shall, at Seller's request, execute such instruments and take such other action as may be desirable to give effect to any such assignment of Seller's rights under such Buyer's Service Agreement or to give effect to the right of a Person whom the Seller has specified pursuant to Subsection 5.21 hereof as the person to whom payment of amounts invoiced by Seller shall be made.

(continued)

Effective Date: 12/01/1992 Status: Effective
FERC Docket: CP92-446-001

First Revised Sheet No. 118 First Revised Sheet No. 118 : Effective
Superseding: Original Sheet No. 118

GENERAL TERMS AND CONDITIONS (Continued)

19. FORM OF SERVICE AGREEMENTS

Seller shall not be obliged to enter into a Service Agreement with any Person in a form other than the Form of Service Agreement forming part of this FERC Gas Tariff, Original Volume No. 1.

20. AMENDMENT OF EXHIBIT A

Buyer and Seller may at any time and from time to time amend Exhibit A to Buyer's Service Agreement by executing a new Exhibit A, as shown on Sheet No. 203 of this Tariff, which shall be given effect as of the effective date thereof and shall thereupon be deemed to be incorporated in Buyer's Service Agreement.

21. APPLICABLE LAW AND SEVERABILITY

This Tariff and the Service Agreements executed hereunder, shall be subject to all valid applicable laws, orders, rules and regulations and governmental authorities in the United States of America having jurisdiction.

If any provision of a Buyer's Service Agreement shall be contrary to or prohibited by applicable law, such provision shall be severable from the remaining provisions of such Service Agreement and shall be deemed to be deleted therefrom, and all of the provisions of such Service Agreement which are not contrary to or prohibited by applicable law shall, notwithstanding such deletion, remain in full force and effect. If any provision of Buyer's Service Agreement requires the payment of interest at a rate which exceeds the rate which the Person to whom such interest is required to be paid is permitted under applicable law to receive, or which the Person required to pay such interest is permitted under applicable law to pay, such rate shall be reduced to the highest rate which is permitted under applicable law.

Effective Date: 10/01/1981 Status: Effective

FERC Docket: GT97- 67-000

Original Sheet No. 119 Original Sheet No. 119 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

22. SURVIVAL OF OBLIGATIONS

Notwithstanding the termination of Buyer's Service Agreement:

- (a) Buyer shall remain liable thereafter to pay all invoices rendered by Seller to it under Section 5 hereof in the manner contemplated, and subject to Buyer's rights in respect of such payments provided, in such Section;
- (b) Seller shall remain liable thereafter to make all payments to Buyer required to be made under Section 5 hereof;
- (c) Seller and Buyer shall remain liable thereafter to indemnify each other as provided in Section 7 hereof with respect to events taking place prior to such termination;
- (d) Buyer and Seller shall remain liable thereafter to discharge all other obligations to the date of such termination.

With all reasonable dispatch after the giving of a notice of termination under Article 4 of Buyer's Service Agreement, Seller and Buyer shall enter into such arrangements as may be reasonably necessary to ensure performance of the foregoing obligations and otherwise as may be necessary or desirable in connection with such termination.

23. HEADINGS

The headings appearing in these General Terms and Conditions or in any other part of this FERC Gas Tariff, Original Volume No. 1 or a Buyer's Service Agreement are for the purpose of convenient reference only and shall not affect the interpretation thereof.

(continued)

Effective Date: 11/01/1996 Status: Effective

FERC Docket: CP96-544-001

Original Sheet No. 120 Original Sheet No. 120 : Effective

GENERAL TERMS AND CONDITIONS (Continued)

24. CURTAILMENT PURSUANT TO TITLE IV OF THE NATURAL GAS POLICY ACT OF 1978

24.1 Curtailment Procedure. If, due to any cause whatsoever, Seller is unable to deliver its total obligation to sell gas, then, all sales shall be made under the following procedure:

- (a) Seller shall notify each Buyer orally (to be confirmed in writing) of the potential need to curtail as early as Seller can reasonably foresee that curtailment may become necessary at the point of sale.
- (b) Upon providing the notification described in the preceding paragraph, Seller shall limit Buyer's right to purchase as follows:
 1. All volumes sold under Rate Schedule CQS-1 shall take precedence over volumes sold under Rate Schedule S-1.
 2. All volumes will be subject to the applicable curtailment rules of the transporting interstate pipeline. Volumes which shall have equal priority of service on such pipelines shall be curtailed in the following manner.
 3. If the method of transportation is capacity released by Seller, such capacity will be curtailed in order of price paid with the lowest being curtailed first. If the amount paid is equal, curtailments will be pro rata.

Effective Date: 11/01/1996 Status: Effective

FERC Docket: CP96-544-001

Original Sheet Nos. 121-199 Original Sheet Nos. 121-199 : Effective

(Original Sheet Nos. 121 through 199, inclusive are reserved.)

Effective Date: 10/01/1981 Status: Effective
FERC Docket: GT97- 67-000

Original Sheet No. 200 Original Sheet No. 200 : Effective

FORM OF SERVICE AGREEMENT
(For Service Under Rate Schedules CQS-1)

This Agreement is made as of _____, 19____, by and between Pacific Interstate Transmission Company, hereinafter referred to as "Seller" and _____ a _____, hereinafter referred to as "Buyer".

NOW, THEREFORE, in consideration of their respective covenants and agreements hereinafter set out, the parties hereto covenant and agree as follows:

ARTICLE I--BASIC DELIVERIES

Seller agrees to tender for sale and delivery to Buyer, and Buyer agrees to take-or-pay for as hereinafter provided the following quantities of gas:

ARTICLE 2--PAYMENTS

Buyer shall make payments to Seller in accordance with the Rate Schedules and other applicable terms and provisions of this Agreement.

ARTICLE 3--CHANGE IN TARIFF PROVISIONS

Upon notice to Buyer, Seller shall have the right to file with the Federal Energy Regulatory Commission any changes in the terms of any of its Rate Schedules, General Terms and Conditions or Form of Service Agreement as Seller may deem necessary, and to make such changes effective at such times as Seller desires before the Federal Energy Regulatory Commission, and exercise any other rights it may have with respect thereto.

ARTICLE 4--TERM

This Agreement shall become effective on _____, 19____, and shall continue in effect until _____, 19____ and hereafter unless and until terminated by Buyer by written notice given to Seller at least eighteen months prior to the date of termination specified in such notice, which date shall not be earlier than _____, 19____, and shall be the last day of a calendar year.

(continued)

Effective Date: 10/01/1981 Status: Effective
FERC Docket: GT97- 67-000

Original Sheet No. 201 Original Sheet No. 201 : Effective

FORM OF SERVICE AGREEMENT (Continued)

ARTICLE 5--APPLICABLE LAW

This Agreement and Seller's FERC Gas Tariff, Original Volume No. 1, and the rights and obligations of Seller and Buyer thereunder are subject to all valid applicable laws, orders, rules and regulations and governmental authorities in the United States having jurisdiction.

ARTICLE 6--RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

Seller's General Terms and Conditions and Rate Schedules which are on file with the Federal Energy Regulatory Commission and in effect and Exhibit A hereto are each applicable to this Agreement, and are hereby incorporated in and made a part of this Agreement.

ARTICLE 7--AGREEMENTS

Buyer and Seller each stipulate that all understandings between them with respect to matters covered by this Agreement have been reduced to writing and that this Agreement may not be amended except by written instrument.

ARTICLE 8--WAIVER

Waiver at any time by any party of any specific right or matter under this Agreement shall not be deemed to be a waiver of such right or matter in the future.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first set forth above.

ATTEST: PACIFIC INTERSTATE TRANSMISSION COMPANY

By: _____

Title: _____

ATTEST: (NAME OF BUYER)

By: _____

Title: _____

Effective Date: 10/01/1997 Status: Effective
FERC Docket: GT97- 67-000

First Revised Sheet No. 202 First Revised Sheet No. 202 : Effective
Superseding: Original Sheet No. 202

EXHIBIT A TO SERVICE AGREEMENT

SELLER--Pacific Interstate Transmission Company

SELLER'S ADDRESS--633 West 5th Street, Los Angeles, California 90071-2006

BUYER--

BUYER'S ADDRESS--

Points of Delivery -----	Maximum Delivery Quantity (per day) -----	Minimum Pressure -----
Describe Point 1	_____ Mcf	_____ psig
Describe Point 2	_____ Mcf	_____ psig
etc.	_____ Mcf	_____ psig
Total Maximum Delivery Quantity	_____ Mcf	

EFFECTIVE DATE OF EXHIBIT--

DATE OF SERVICE AGREEMENT--

ATTEST:

PACIFIC INTERSTATE TRANSMISSION COMPANY

By: _____

Title: _____

ATTEST:

(NAME OF BUYER)

By: _____

Title: _____

Effective Date: 05/01/1995 Status: Effective
FERC Docket: CP95-251-001

First Revised Sheet No. 203 First Revised Sheet No. 203 : Effective
Superseding: Original Sheet No. 203

PACIFIC INTERSTATE - SOCIAL SERVICE AGREEMENT

AMENDED EXHIBIT "A"

SELLER -- Pacific Interstate Transmission Company

SELLER'S ADDRESS -- 633 West Fifth Street
Los Angeles, California, 90071-2006

BUYER -- Southern California Gas Company

BUYER'S ADDRESS -- 555 West Fifth Street
Los Angeles, California 90013-1001

Points of Delivery	Maximum Delivery Quantity (per day)	Minimum Pressure
At the California- Arizona border near Topock, Arizona	300,000 Mcf	At a pressure adequate to enter Buyer's pipeline, but not less than 600 psig
At the California- Oregon border near Malin, Oregon	300,000 Mcf	
At Ignacio, Colorado, the interconnect between Northwest Pipeline and El Paso Natural Gas Company	300,000 Mcf	
At Blanco, New Mexico at the Blanco Hub interconnect with Transwestern Pipeline Company (56498), and/or the interconnect between Northwest Pipeline and El Paso Natural Gas Company (INWPLBLA)	300,000 Mcf	
Total Maximum Delivery Quantity	300,000 Mcf	

Service Agreement dated September 22, 1980, as amended.

Effective Date: 12/01/1992 Status: Effective

FERC Docket: CP92-446-001

Original Sheet Nos. 204-249 Original Sheet Nos. 204-249 : Effective

Original Sheets Nos. 204 through 249, inclusive are reserved.

Effective Date: 10/01/1981 Status: Effective
FERC Docket: GT97- 67-000

Original Sheet No. 250 Original Sheet No. 250 : Effective

INDEX OF BUYERS

NAME OF BUYER -----	SCHEDULE -----	IDENTIFICATION OF SERVICE AGREEMENT -----		
		EXECUTION DATE -----	EFFECTIVE DATE -----	TERM -----
Southern California Gas Company	CQS-1	9/22/80	8/11/80	*

* Coterminous with the entire term of the export licenses granted to Pan-Alberta Gas Ltd., and any extensions thereof.

