

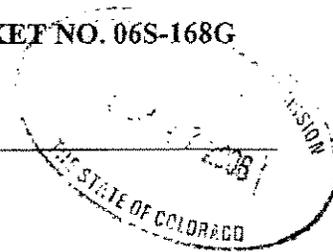
BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

7/15/2015 10:45

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RE: THE INVESTIGATION AND )  
SUSPENSION OF TARIFF SHEETS )  
FILED BY PUBLIC SERVICE COMPANY )  
OF COLORADO WITH ADVICE )  
LETTER NO. 665-GAS. )

DOCKET NO. 06S-168G



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STIPULATION AND AGREEMENT  
IN RESOLUTION OF PROCEEDING

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This Stipulation and Agreement in Resolution of Proceeding ("Stipulation") is entered into by and among Public Service Company of Colorado ("Public Service" or "Company"), the Staff of the Public Utilities Commission of the State of Colorado ("Staff"), the Colorado Office of Consumer Counsel ("OCC"), Atmos Energy Corporation ("Atmos"), Climax Molybdenum Company ("Climax"), and Seminole Energy Services, LLC ("Seminole"), collectively referred to herein as the "Parties." This Stipulation sets forth the terms and conditions by which the Parties have agreed to resolve all outstanding issues presented by the Company's tariff filing made in conjunction with Advice Letter No. 665-Gas that have or could have been contested in this proceeding. The Parties state that the results of the compromises reflected herein are a just and reasonable resolution of this proceeding, that reaching agreement as set forth and implementation of the compromises and settlements reflected in this Stipulation will result in substantial savings to all concerned by establishing certainty and avoiding litigation. Each party hereto pledges its support of this Stipulation and states that each will defend the settlement reached. Pursuant to Rule 1408 of the

Commission's Rules of Practice and Procedure, the Parties respectfully request that the Commission approve this Stipulation without modification. For those Parties for whom this Stipulation is executed by counsel, such counsel states that (s)he has authority to execute this Stipulation on behalf of his/her client.

## I. BACKGROUND

1. On February 28, 2006, Public Service filed revised tariff sheets with Advice Letter No. 665-Gas, proposing to make numerous revisions to the rates, terms and conditions of its gas transportation tariff, with a proposed effective date of April 1, 2006. By this tariff filing, Public Service proposed to make the following modifications to the gas transportation rate schedules (Rate Schedules TF and TI and the General Terms and Conditions for gas transportation service contained in its Colorado P.U.C. No. 6 – Gas tariff):

(a) revise the market-responsive price applicable to cash-out transactions in which gas transportation imbalances incurred by Shippers are eliminated through the purchase or sale of gas by the Company, and to Backup Supply Sales Service provided under Rate Schedules TF and TI;

(b) revise the index price used to calculate cash-outs of gas transportation imbalances created as the result of prior period adjustments due to measurement errors;

(c) eliminate the requirement for shippers to nominate imbalance resolution gas and to modify the existing procedure for assigning daily gas quantities received on behalf of shippers in the determination of gas transportation imbalances;

(d) update and clarify the requirements for shippers to maintain credit security with Public Service as a condition of gas transportation service;

(e) modify and clarify the provisions concerning the suspension and termination of gas transportation service by Public Service for cause, and the provision of interim imbalance gas supply service to end-use customers affected thereby;

(f) clarify the provisions regarding aggregate balancing among multiple gas transportation service agreements;

(g) update and revise the requirements concerning communication equipment for the reporting of electronic measurement data relating to gas transportation delivery quantities;

(h) include the Company's standard agency forms for use in facilitating gas transportation service and aggregate balancing in compliance with Rule 4206(e) of the Commission's new Rules Regulating Gas Utilities and Pipeline Operators, 4 Code of Colorado Regulations (CCR) 723-4;

(i) revise the standard forms of gas transportation service agreements to include language required by Rule 4206(d) of the Commission's new Rules Regulating Gas Utilities and Pipeline Operators, 4 CCR 723-4; and

(j) other minor housekeeping revisions to the gas transportation terms and conditions.

2. This filing was made, in part, to comply with Public Service's obligation under the Stipulation and Agreement entered in its last gas rate case proceeding in Docket No. 05S-264G ("Rate Case Stipulation"). Section II.H.3 of the Rate Case Stipulation, which was approved by the Commission, with modifications, in Decision No. C06-0086, mailed February 3, 2006, Public Service agreed to propose changes to the gas transportation terms and conditions of its tariff on or before February 28, 2006.

3. By Decision No. C06-0301, mailed March 31, 2006, the Commission suspended the effective date of the tariffs filed with Advice Letter No. 665-Gas, established May 1, 2006 as the deadline for the filing of motions to intervene, and referred the matter to an administrative law judge ("ALJ").

4. Notices to Intervene were filed by the Staff of the Commission ("Staff") and the Colorado Office of Consumer Counsel ("OCC"). Petitions or motions to intervene were filed by Atmos Energy Corporation ("Atmos"), Seminole Energy Services, LLC ("Seminole") and Climax Molybdenum Company ("Climax").

5. After convening a prehearing conference on May 11, 2006, Presiding Administrative Law Judge G. Harris Adams ("ALJ") issued an interim order, Decision No. R06-557-I, mailed May 12, 2006, granting the interventions, establishing the procedural schedule and scheduling a hearing for August 21-22, 2006 in this docket. Upon a subsequent unopposed motion of Public Service, the ALJ issued an interim order, Decision No. R06-946-I, mailed June 1, 2006, modifying the procedural schedule and resetting the hearing for August 29-30, 2006.

6. To accommodate this procedural schedule, Public Service filed Advice Letter No. 665-Gas-Amended on May 22, 2006, to extend the proposed effective date of the filed tariff sheets in order to allow for the maximum 210-day suspension period, as prescribed by Section 40-6-111(1)(b), C.R.S., to expire on November 30, 2006, and for any new or revised tariffs resulting from this proceeding to become effective no later than December 1, 2006. By Decision No. C06-0649, mailed June 2, 2006, the Commission issued an order revising the suspension period of the filed tariff sheets based on the revised proposed effective date.

7. Pursuant to the revised procedural schedule, on May 26, 2006, Public Service filed the Direct Testimony and Exhibits of Messrs. Ted L. Niemi, Timothy J. Carter and Donald J. Basler in support of the proposed changes to its gas transportation tariff Exhibit No. DJB-1, attached to Mr. Basler's Direct Testimony, presents the tariff changes proposed by Public Service in its February 28, 2006 tariff filing in legislative marked text, or redline/strikeout, format.

8. Also pursuant to the revised procedural schedule, on July 21, 2006, Staff filed the Answer Testimony and Exhibits of Mr. Billy Kwan, Seminole filed the Testimony of Mr. Daniel M. Frey and Climax filed the Answer Testimony and Exhibits of Mr. Michael D. McElrath. Finally, on August 17, 2006, Public Service filed the Rebuttal Testimony and Exhibits of Messrs. Ted L. Niemi and Timothy J. Carter, and Ms. Lori Van West, who also adopted the Direct Testimony and Exhibits of Mr. Basler. Also on August 17, 2006, Staff filed the Cross-Answer Testimony of Mr. Kwan, Seminole filed the Cross-Answer Testimony of Mr. Frey, and Atmos filed the Cross-Answer Testimony and Exhibits of Mr. Joe T. Christian.

9. On August 24, 2006, a conference was held at Public Service's offices among representatives of each of the parties to this proceeding to explore the possibility of settling some or all of the issues. In the subsequent days leading up to and including August 28, 2006, the parties continued their discussions through conference calls and meetings culminating in an agreement on a set of settlement principles that would settle all of the contested issues in this proceeding except the issue raised by Climax, which relates to Public Service's refusal to provide both firm and interruptible gas transportation service through a single meter to Climax's industrial complex. By informal conference call among counsel for

all of the parties and the Presiding ALJ in this docket on August 28, 2006, counsel for Public Service presented an oral unopposed motion to vacate the August 29-30, 2006 hearing to provide the parties additional time to discuss detailed terms of settlement and to reduce such settlement to writing and further moved that September 8, 2006, be established as the date for filing of the stipulation. These motions were granted by the ALJ's interim order, Decision No. R06-1011-I, mailed August 29, 2006.

10. By Unopposed Motion of Public Service filed on August 30, 2006, the oral motions made in the August 28, 2006 informal telephone conference were repeated and a further request was made to set a hearing on September 18, 2006, to consider the stipulation planned to be filed September 8, 2006, and to hear evidence on any remaining unresolved issues. This Unopposed Motion, as to the latter request for a September 18, 2006 hearing, was granted by interim order, Decision No. R06-1033-I, mailed September 5, 2006.

11. On August 29, 2006, representatives of each of the parties met for several hours at the offices of Holland & Hart, LLP, to discuss further details of the settlement principles and to reduce certain of the major tariff changes reflecting the settlement principles to writing. As a result of this meeting and subsequent communications, a comprehensive settlement in principle was reached as to all issues in this proceeding. On September 7, 2006, parties sought additional time to finalize the settlement and the related tariffs due to the complexity and pervasiveness of certain of the tariff changes necessitated by the terms of the settlement. By Unopposed Motion filed by Public Service on September 8, 2006, Public Service requested that the procedural schedule be modified such that the date for the filing of the settlement in this proceeding be extended from September 8, 2006, to and including September 21, 2006, and that the hearing scheduled for September 18,

2006 in this docket be vacated, and a new hearing date of October 13, 2006 be set, if necessary, for the sole purpose of considering the merits of the settlement. This Unopposed Motion was granted by interim order, Decision No. R06-1104-I, mailed September 15, 2006.

12. To accommodate this further extension of the procedural schedule, Public Service filed Advice Letter No. 665-Gas-Second Amended on August 31, 2006, to extend the proposed effective date of the filed tariff sheets in order to allow for the maximum 210-day suspension period, as prescribed by Section 40-6-111(1)(b), C.R.S., to expire on December 31, 2006, and for any new or revised tariffs resulting from this proceeding to become effective no later than January 1, 2006. By Decision No. C06-1097, mailed September 19, 2006, the Commission issued an order revising the suspension period of the filed tariff sheets based on the revised proposed effective date.

13. This Stipulation reflects the culmination of the Parties joint and cooperative efforts. This Stipulation incorporates by this reference the Appendices A through D, appended hereto, which are identified as follows:

- Appendix A - Redlined/strikeout tariff sheets showing settled changes to the tariff sheets originally filed February 28, 2006
- Appendix B - *Pro forma* tariff sheets to become effective December 1, 2006
- Appendix C - *Pro forma* tariff sheets implementing changes to Allocation of Imbalance Resolution Gas
- Appendix D - *Pro forma* tariff sheet reducing current month imbalance threshold from 25% to 20%

## **II. ISSUES RESOLVED BY SETTLEMENT**

14. The Parties agree to the following terms and conditions reflecting modifications to the proposals reflected in Public Service's original tariff filing, and further

agree to all other proposed tariff changes reflected in the tariff sheets filed with Advice Letter No. 665-Gas, and supported by Public Service's direct testimony and exhibits filed May 26, 2006. The Parties recognize that certain additional modifications to the gas transportation tariff and *pro forma* agency agreements will need to be made in order to conform said tariff and agency agreements to the settlement principles concerning Aggregate Balancing and Agency Agreements, as set forth in Section 5 below.

**A. Reduction of Current Month Imbalance Threshold from 25% to 20%.**

15. The threshold at which current month gas transportation Imbalances will be cashed out by Public Service shall be reduced from the current 25% to 20%. The Parties agree not to oppose a proposal in Public Service's next gas rate case to include the recovery of the reasonable costs for such programming in the revenue requirement used to develop the rates and charges for gas transportation service. The change shall be reflected by the following modification to the existing Imbalance Provision, appearing on proposed Revised Sheet No. T12:

**IMBALANCE PROVISION**

Shipper shall make every effort to manage daily receipts of Shipper's Gas and deliveries to the Receiving Party(s) so that the Imbalance(s) at the end of each Month, including any Imbalance(s) under the five (5) Dth quantity limitation carried forward from the previous Month, are as close to zero as practicable. Determination of such Imbalance(s) will be made after adjusting for Fuel Reimbursement.

If at the end of any Month the imbalance is in excess of twenty-five percent (250%), except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then the imbalance will be cashed out effective on the last day of such month to zero percent (0%) when the Shipper is billed by Company for the month in which the imbalance occurred. Shipper's exceeding the twenty-five percent (250%) imbalance threshold are prohibited from decreasing the amount of the imbalance by swapping imbalances, or nominating imbalance payback gas during the succeeding month.

Shippers having imbalances which are 250% or less at the end of any Month shall endeavor to bring such imbalance to zero percent (0%) of actual usage within the subsequent billing period. If at the end of the

subsequent billing period the Imbalance is greater than two percent (2%), then Shipper shall be subject to the Over and Under-Delivery provisions of this tariff ("Cashout") and the Imbalance shall be brought to two percent (2%). Any Imbalance remaining after said Cashout shall be added to the current Month's Imbalance and carried forward into the following Month.

Company may enter into separate Imbalance Agreements with Shipper that take into consideration, special unique circumstances.

**B. Communication Lines.**

16. Clarifying language shall be added to the Communication Line requirements set forth in Rate Schedules TF and TI to specify the circumstances in which a customer is not responsible for the installation and maintenance of such equipment. This change shall be reflected by the following modification to proposed Sheet 30G (with corresponding change to Sheet 31F):

COMMUNICATION LINE INSTALLATION AND MAINTENANCE

Except as otherwise provided below, Shipper assumes responsibility for installation and maintenance costs associated with communication equipment compatible with Company's communication equipment, if such equipment is required by Company for electronic reporting of measurement data. Shipper shall provide such communication equipment prior to initiation of transportation service by Company. Shipper shall coordinate installation of the communication equipment with Company. Communication equipment will not be required for deliveries through meters owned by a downstream gas utility for subsequent sales gas distribution within the downstream gas utility's service area. Company assumes responsibility for installation and maintenance costs associated with advanced communication equipment required for operational purposes.

**C. Farm Taps.**

17. During the course of this proceeding, it was represented that Public Service provides gas transportation service to downstream gas utilities, or local distribution companies ("LDCs"), regulated by the Commission, at certain interconnecting points referred to as "farm taps," where the downstream LDC receives gas for subsequent sales distribution to one or a few customers located in the downstream LDC's gas service area.

Unlike the meters Public Service requires for end-use customer delivery points, the meters at these farm tap delivery points, typically installed and owned by the downstream LDC, are typically not capable of storing measurement data and electronically transmitting such data to Public Service's computer interface on a daily basis. These farm taps constitute an exception to Public Service's standard requirement for metering and electronic reporting equipment for transportation services, along with certain very large meters for which Public Service requires Supervisory Control and Data Acquisition ("SCADA") access for its system operations. The Parties recognize that the quantities of gas flowing through these farm taps may not economically justify the cost of the more sophisticated and more costly meters used for gas transportation service. In order to provide additional information regarding these farm taps, Public Service agrees to file a report in this docket within six months of the effective date hereof identifying all such farm tap delivery points, historical gas quantities, name of interconnecting LDCs, and number of downstream LDC customers served from each of these farm taps.

**D. Use of the Five Week High/Low Average Gas Daily Index Price.**

18. In its February 2, 2006 tariff filing, Public Service proposed to revise the index price applicable to cash-out transactions and Backup Supply Sales Service from the current first-of-the-month Colorado Interstate Gas Company (CIG) Rocky Mountain spot price index, published in Platts' Inside F.E.R.C.'s Gas Market Report, to the "Weekly Weighted Average Price" for CIG Rocky Mountains, as published by Gas Daily on the first business day of each of the first four weeks during the month. Public Service believes that this new index better captures the fluctuations of spot gas prices during the month, as opposed to the current index. For cash-outs of imbalances reflecting the net over delivery of gas to the

Company, the proposed cash-out price is 75% of the lowest weekly price over the four-week period for the new index. For cash-outs of imbalances reflecting the net under delivery of gas to the Company, the proposed cash-out price is 125% of the highest weekly price over the four-week period for the new index, plus the effective interruptible gas transportation commodity rate for upstream service on CIG, including applicable surcharges and adjustment for fuel use, lost and unaccounted for gas. The proposed market-responsive price for Backup Supply Sales Service will be the same as the proposed cash-out price for under deliveries, unless the shipper has subscribed to Firm Supply Reservation Service, in which case the Backup Supply Sales Service rate will be equal to 100% of the new index, plus the effective firm gas transportation commodity rate for upstream service on CIG, including applicable surcharges and adjustment for fuel use, lost and unaccounted for gas. Public Service believes that these new market-responsive prices strike the appropriate balance between providing the necessary disincentives for transportation customers to incur and not remedy imbalances and providing fair and adequate compensation in the underlying cash-out and backup supply transactions.

19. The Parties agree that Index Price One and Index Price Two, which are applicable to imbalance cashout transactions, backup supply service, and Imbalance gas supply service, will be calculated using a five-week high/low weekly average Gas Daily index for CIG, Rocky Mountains, rather than the four-week high/low weekly average Gas Daily index originally proposed by Public Service. This change shall be reflected by the following modifications to the definitions for Index Price One and Index Price Two on proposed Sheet T4:

Index Price One – A gas commodity market index price equal to the highest reported “Weekly Weighted Average Price” for CIG, Rocky Mountains, as published by Platt's Gas Daily on the first Business Day of each of the first four weeks during the month week of a five-week period, where the first applicable “Weekly Weighted Average Price” for each month such five-week period includes the fourth (4th) calendar day of the Month. All or a portion of the fifth week may consist of days from the next Month. Should Platt's Gas Daily become unavailable, Company shall determine the highest weekly average index price based on information posted in a similar publication.

Index Price Two – A gas commodity market index price equal to the lowest reported “Weekly Weighted Average Price” for CIG Rocky Mountains, as published by Platt's Gas Daily on the first Business day of each of the first four weeks during the month week of a five-week period, where the first applicable “Weekly Weighted Average Price” for each Month such five-week period includes the fourth (4th) calendar day of the Month. All or a portion of the fifth week may consist of days from the next Month. Should Platt's Gas Daily become unavailable, Company shall determine the lowest weekly average index price based on information posted in a similar publication.

**E. Aggregate Balancing and Agency Agreements.**

20. Aggregate balancing shall be clarified so as not to be permitted among master agreements held by different shippers. Only a Shipper who is also the end-use customer (referred to as “Receiving Party” in the tariff) may authorize another Shipper to include the imbalances incurred under its gas transportation service agreement for purposes of aggregate balancing. This limitation allows for Public Service to simplify the *pro forma* agency agreements in the tariff by eliminating the need for a separate Aggregate Balancing Agency Agreement. Instead, in addition to the “Designation of End-User Agent” form which is applicable for Master Agreements (described in more detail below) in which the end-use customer does not execute its own gas transportation service agreement, there will be a second *pro forma* Agency Agreement in the tariff that will be applicable where the end-use customer has executed its own gas transportation service agreement. The two agency agreements serve similar purposes in that both are used to designate an agent to perform

certain management and administrative functions on behalf of the Receiving Party with respect to Public Service's provision of gas transportation service to the Receiving Party.

21. The "Designation of End User Agent" provides for an agency designation for *all* management and administrative functions associated with gas transportation service on behalf of the Receiving Party, including the authority to contract for transportation services, and is applicable where the designated agent acts on behalf of a Receiving Party under a Master Agreement that has been executed by the agent with Public Service (an "all-inclusive agency designation"). The agent is the "Shipper" under the Master Agreement. The "Designation of End User Agent" agreement is being proposed to be included in the tariff for the first time. A Master Agreement is a single agreement between Public Service and a Shipper designated and acting as agent on behalf of multiple Receiving Parties, each of which has executed a Designation of End User Agent designating the Shipper as its agent. The Master Agreement reflects a composite (or aggregation) of all of the individual gas transportation service agreements that would otherwise be necessary for Public Service to provide gas transportation service to each of the Receiving Parties individually. Public Service represents that the use of Master Agreements significantly reduce the administrative burden of providing transportation service. Additionally, under the all-inclusive agency designation, the Shipper/agent has agreed to be jointly and severally liable for payment to Public Service of all transportation service charges for the transportation service to the Receiving Parties. Although the Shipper/agent has not received the benefit of the transportation service, it has contractually accepted responsibility on behalf of the Receiving Parties for payment of transportation charges to Public Service under the Designation of End User Agent. Each Receiving Party is also individually liable for the transportation service it

receives. Receiving Parties may change agents and may also elect to execute their own transportation service agreement instead of designating a Shipper/agent under a Master Agreement. Because the Shipper/agent under a Master Agreement is merely an agent for the Receiving Parties, it is not assuming the role of a public utility by paying for transportation services or providing any of the other agency functions under a Master Agreement.

22. The second *pro forma* Agency Agreement provides for agency designation for *selected* management and administrative functions on behalf of the Receiving Party and is applicable only for Receiving Parties that have executed their own gas transportation service agreement with Public Service. The Receiving Parties executing the second *pro forma* Agency Agreement are the Shippers under their individual transportation service agreements. The second type of Agency Agreement will identify a menu of functions which, at the Shipper/end-use customer's option, the Agent shall be authorized to perform on behalf of the Shipper/end-use customer. These optional functions shall include: (1) arranging for the delivery of gas supplies to Public Service on behalf of the end-user and submitting all necessary nominations therefor (aggregation of nominations); (2) managing gas transportation imbalances incurred on behalf of the end-user in the aggregate with those of all other end-users for whom the Shipper similarly has been authorized to act as agent under either Designation of End User Agreements or the second type of Agency Agreement (aggregation of balancing); and (3) receiving invoices from Public Service and paying all applicable charges for gas transportation service received by the end user (aggregation of billing). Because the Agent designated under the second type of Agency Agreement is merely an agent for the Shipper/end-use customer, the Agent is not assuming the role of a public utility by providing any of the functions authorized by the Shipper/end-use customer.

23. With the addition of this second type of Agency Agreement, a separate Aggregate Balancing Agency Agreement will not be necessary. The remaining substantive provisions of the proposed Aggregate Balancing Agency Agreement shall be placed in an appropriate section of the gas transportation tariff. References in the tariff to gas transportation service agreements "controlled by Shipper" shall be changed and, where appropriate, replaced with the phrase "controlled by Shipper through an agency agreement," or similar reference. Other clarifying and conforming changes to the gas transportation tariff shall also be made consistent with the principles stated herein and the provisions of the *pro forma* agency agreements originally proposed by Public Service. The new *pro forma* Agency Agreements shall be used prospectively for all agency authorizations. Agency agreements which are existing and currently in effect shall continue in effect to the extent consistent with all general terms and conditions of Public Service's gas transportation tariff (except for the form of agency agreement) until such agency agreement is modified, terminated, or replaced.

**F. Imbalance Level Constituting Shipper Default.**

24. In the proposed new section providing for the Suspension or Termination of Service For Cause, the Imbalance level triggering a Shipper default shall be changed from 5,000 Dth to 2,500 Dth and either a cumulative imbalance incurred for the current month that exceeds 50% on any Day or, if there was a prior month Imbalance, a cumulative imbalance for both the prior month and the current month that exceeds 30% on any Day. In addition, Public Service will not have the right to send advance notices of default to Shipper's end-use customers before the Shipper has been given its opportunity to cure the default. These

changes shall be reflected by the following modifications to the Suspension or Termination of Service For Cause section on proposed Sheet No. T18:

SUSPENSION OR TERMINATION OF GAS TRANSPORTATION SERVICE FOR CAUSE

In each of the following circumstances constituting default by Shipper, Company may immediately discontinue gas transportation service by suspending service under Shipper's Service Agreement, by revoking Shipper's authority to act as agent on behalf of other Shippers or Receiving Parties, or by terminating Shipper's Service Agreement: (i) Shipper failed to remit full and timely payment for services invoiced by Company; (ii) Shipper has failed to provide Company sufficient quantities of Shipper's Gas to meet the daily load requirements under the Service Agreement, ~~constituting a Default Imbalance, as defined below~~ constituting a significant Imbalance for the current Month (more than 5,000 Dth), and Shipper further has failed to take the necessary steps to remedy such Imbalance as required in writing by Company; (iii) Shipper has failed to provide sufficient security for gas transportation service as required by Company; and (iv) Shipper otherwise has failed to conform to the material requirements of this tariff. A Default Imbalance is an underdelivery Imbalance that is greater than 2,500 Dth for the current Month and either (i) a cumulative underdelivery Imbalance for the current Month that exceeds 50% of the current Month deliveries as of any Day after the tenth Day of the Month, or (ii) if there was a prior Month underdelivery Imbalance, a cumulative underdelivery imbalance for both the prior Month and the current Month that exceeds 30% of the cumulative deliveries as of any Day. Before any such suspension of service, revocation of agency or termination of Service Agreement, Company shall provide at least two (2) Business Day's written notice to Shipper of the circumstances constituting default by Shipper and of Company's intention to suspend service, revoke agency, or terminate the Service Agreement in the event such default is not remedied within the period specified by Company therein. ~~Company may provide a copy of such notice to all Receiving Parties to which gas transportation service would be suspended or terminated, or whose designation of agent would be revoked pursuant to such notice. In the event the default is not remedied within the period specified by Company in its notice to Shipper,~~ such suspension of service, revocation of agency or termination of Service Agreement shall become effective upon the date set forth in Company's notice, but in no event less than two (2) Business Days following Shipper's receipt of Company's notice.

**G. Operational Flow Orders (OFOs).**

25. The OFO tariff language will be modified to give Public Service the right to issue OFOs targeted at one or more Shippers within an Operational Area that the Company reasonably believes are causing to the condition necessitating the OFO, to restrict Public

Service's proposal to install a 2:00 p.m. deadline for calling a same-Day OFO to those which generally apply to all Shippers within an Operational Area, and to provide for an advance advisory on Public Service's Electronic Bulletin Board before calling an advance- Day OFO. These changes shall be reflected by the following modifications to the definition of Operational Flow Order appearing on proposed Sheet No. T5, and to the first sentence and the fourth paragraph of the Operational Flow Order section on proposed Sheet No. T15, respectively:

Sheet T5:

Operational Flow Order (OFO) – An order issued by Company for a specific Gas-Day(s) and covering either a designated Operational Area, by Company or a designated Shipper or group of Shippers within an Operational Area that the Company reasonably believes are causing the condition necessitating the OFO, to alleviate conditions which threaten or could threaten the safe operation or integrity of Transporter Company's system or to maintain operations required to provide efficient and reliable firm service under the following circumstances: a) when delivery system pressure or other unusual conditions are reasonably expected, in Company's judgment, to jeopardize the operation of the Company's system; b) when transmission, storage, or supply resources are being used at or near maximum deliverability; c) when one or more upstream pipelines call an operational flow order and such operational flow order creates conditions on Company's system which necessitate calling an Operational Flow Order; and d) when Company is unable to fulfill its firm service obligations or to maintain overall operational integrity of the system. When issued, the Operational Flow Order shall specify the Tolerance Range of over or under-delivery permitted for the Gas-Day(s).

Sheet T15, First Sentence:

In the event a condition is developing that may require the implementation of an Operational Flow Order, or circumstances are present that significantly increase the likelihood that such conditions will develop, the Company will undertake reasonable efforts to post an advance advisory on its Electronic Bulletin Board of the developing condition or circumstances to provide transportation customers time and opportunity to take steps to help address the condition. Additionally, in the event the Company has decided to issue an Operational Flow Order, the Company will attempt to post notice on its Electronic Bulletin Board by 4:00 p.m. the day prior to the implementation of the Operational Flow Order.

Sheet T15, Fourth Paragraph:

~~In the event of an emergency, the Company may at any time call an Operational Flow Order; (a) at any time during the Day, if the Operational Flow Order is directed at a Shipper or limited number of Shippers within an Operational Area that Company reasonably believes are causing the condition necessitating the OFO, but or (b) no later than 2:00 p.m. CCT of the Gas-Day in which the Operational Flow Order is effective, if it is directed at all Shippers within an Operational Area. Company will post the conditions under which it will accept revised Nominations at the time notice of such emergency Operational Flow Order is posted on its Electronic Bulletin Board as soon as possible during the Day once it has made the decision to call the Operational Flow Order.~~

**H. Firm Supply Reservation Service and On-Peak Service**

26. In its February 28, 2006 tariff filing, Public Service proposed to reset the market responsive price applicable for Firm Supply Reservation Service provided under Rate Schedule TF, for which subscribing customers pay a demand charge (Firm Supply Reservation Charge) designed to compensate Public Service for an allocated share of demand costs incurred under its upstream pipeline service and gas supply contracts. The proposed market responsive price for the commodity portion of this Firm Supply Reservation Service (Backup Supply Sales Charge) is 100% of Index Price One plus the CIG TF Transportation Rate. Under Public Service's proposal, quantities of gas purchased in excess of the Firm Supply Reservation Quantity will be treated as unsubscribed Backup Supply Sales Service and will continue to be priced the same as the applicable under delivery cashout price, or 125% of Index Price One plus the CIG TI Transportation Rate.

27. During the course of this proceeding, it was determined that the demand charge component for On-Peak Service provided under Public Service's Rate Schedule TI is currently priced in a manner identical to that for Firm Supply Reservation Service -- *i.e.*, the On-Peak Demand Charge is the same as the Firm Supply Reservation Charge. It is therefore

reasonable for the commodity portion of On-Peak Service (Backup Supply Sales Charge) to be modified to be equal to the Backup Supply Sales Charge for Firm Backup Supply Reservation Service. Public Service did not propose to price the commodity portion of On-Peak Service in this manner as part of its February 28, 2006 tariff filing. Nevertheless, in the interest of fairness to On-Peak Service customers and the very small quantities of On-Peak Service currently subscribed (approximately 67 Dth per day), the Parties agree to provide for such price comparability and otherwise to make the following clarifying changes to footnotes (1) and (2), applicable to Rate Schedule TF and TI, respectively, reflected in proposed Tariff Sheet No. 50H:

- (1) The Current Gas Cost shall be established each month as follows: at a rate equal to ~~f~~For each Dth of Backup Supply Sales Service quantities purchased on any Day up to the Firm Supply Reservation Quantity, the rate shall be equal to 100% of Index Price One, as defined in the Gas Transportation Terms and Conditions, plus the CIG TF Transportation Rate, as defined in the Gas Transportation Terms and Conditions. For each Dth of Backup Supply Sales Service quantities purchased on any Day in excess of the Firm Supply Reservation Quantity, the rate shall be equal to 125% of Index Price One, plus the CIG TI Transportation Rate, as defined in the Gas Transportation Terms and Conditions.
  
- (2) The Current Gas Cost shall be established each month as follows: at a rate equal to For each Dth of gas purchased on any Day up to the On-Peak Gas Service quantity, the rate shall be equal to 100% of Index Price One, as defined in the Gas Transportation Terms and Conditions, plus the CIG TF Transportation Rate, as defined in the Gas Transportation Terms and Conditions. ~~f~~For each Dth of Backup Supply Sales Service quantities purchased on any Day, the rate shall be equal to 125% of Index Price One, plus the CIG TI Transportation Rate, as defined in the Gas Transportation terms and Conditions.

28. In addition, the Parties agree that a quantity limitation of 25 dekatherms should be placed on On-Peak Demand Service and reflected in proposed Tariff Sheet No. 31E as follows:

### ON-PEAK GAS

Shippers have the option to contract, on behalf of a Receiving Party, those minor amounts of firm sales gas that are not subject to Supply Curtailment or Capacity Interruption. Such gas is normally supplied for the pilots of gas consuming appliances and other such minor uses. Commitments for On-Peak Service shall be at the option of Company, dependent upon the sufficiency of pipeline and System capacity with respect to the requirements of Company's other firm gas sales Customers and firm Shippers. The maximum daily quantity of On-Peak gas to be supplied to each Receiving Party shall be specified in the Service Agreement between Shipper and Company and shall in no event exceed 25 dekatherms for any Delivery Point.

#### **I. Firm and Interruptible Service Through a Single Meter**

29. Public Service and Climax have engaged in discussions concerning Climax's request for a level of firm gas transportation service in conjunction with the interruptible gas transportation service currently being provided by Public Service for Climax's mining operations. While Public Service concedes that Climax's need is real and that its request is not unreasonable, Public Service's position is that its tariff does not presently allow for both firm and interruptible gas transportation service through a single meter. Public Service represents that, during the course of this proceeding, it has considered various changes to its metering requirements, operational procedures and tariff provisions that would permit it to provide both firm and interruptible gas transportation service to a single customer. Public Service states that it requires additional time to examine each of these changes more fully in order to better determine the operational and economic impacts, and whether a more significant change, such as an additional service offering, may be warranted.

30. Although Public Service is not prepared to implement any of these particular changes at this time, Public Service agrees to work diligently over the next several months to resolve these issues, and to undertake commercially reasonable efforts within that time to

make the necessary systemic changes to allow for the provision of firm and interruptible gas transportation service to customers that are similarly-situated with Climax, or to offer Climax a special contract that satisfies Climax's needs, subject to Commission approval. Public Service agrees to notify Climax in writing addressed to its undersigned attorneys of the results of Public Service's efforts and the substance of any proposal it intends to file with the Commission addressing Climax's need for firm gas transportation in conjunction with interruptible gas transportation service at the same location, no later than April 1, 2007. If Climax determines that the results reported in Public Service's notice to its attorneys are not satisfactory to meet Climax's needs, then Climax shall be free to file a formal complaint with the Commission. In the event Climax files such a formal complaint on or before April 15, 2007, Public Service hereby provides its irrevocable consent to expedited procedures in accordance with Rule 1302(c) of the Commission's Rules of Practice and Procedure, 4 C.C.R. 723-1-1302(c), as necessary to allow for a Commission order to be issued on such formal complaint on or before September 15, 2007.

**J. Issues Raised But Not Expressly Dealt With in This Stipulation**

31. Except as modified in this Stipulation and for the purpose of this settlement, the Parties agree to implementation of the proposals contained in the Company's February 28, 2006 tariff filing and supported in its direct testimony and exhibits application as originally filed on May 26, 2006, and Commission approval of this Stipulation shall constitute Commission approval of all such aspects of the tariff changes as filed by Public Service on February 28, 2005, with Advice Letter No. 665-Gas.

### III. IMPLEMENTATION AND EFFECTIVE DATE

32. This Stipulation shall not become effective and shall be of no force and effect until the issuance of a final Commission order that accepts and approves this Stipulation in all material respects. If this Stipulation is rejected by the Commission, then this Stipulation shall be null and void and of no force and effect in this or any other proceeding. In the event the Commission requires any material modification of the terms and conditions set forth in this Stipulation that is unacceptable to any of the Parties hereto, such Party shall notify the other Parties within ten (10) days after the date the Commission's decision becomes final, which shall be effective notice to render this Stipulation null and void, after which this Stipulation shall be considered null and void and of no force and effect in this or any other proceeding. In the event that this Stipulation is not approved, this Stipulation, the settlement terms and conditions, as well as the negotiations and discussions undertaken in conjunction with the Stipulation, shall not be admissible into evidence in this or any other proceeding.

33. The Parties request that the Commission, upon approval of this Stipulation in all material respects, permanently suspend the proposed tariff sheets filed with Advice Letter No. 665-Gas Second Amended and direct Public Service to file tariff sheets in substantially the same form as the *pro forma* tariff sheets contained in Appendices B, C and D in accordance with the schedule detailed below.

34. The Parties acknowledge that the changes proposed by Public Service to the Allocation of Imbalance Resolution Gas, as reflected on proposed Sheet No. T11 (page 23 of Exhibit No. DJB-1) and the reduction of the current month gas transportation Imbalance threshold from 25% to 20%, cannot be implemented before the completion of necessary computer programming and testing. Other than those two changes, the Parties request that

the Commission allow the tariff changes set forth in Appendix B attached to the Stipulation and Agreement to become effective as of December 1, 2006.<sup>1</sup> With respect to the changes to the provisions for Allocation of Imbalance Resolution Gas, as reflected on proposed Sheet No. T11 (page 23 of Exhibit No. DJB-1), the Parties agree that these tariff changes should be filed to become effective January 1, 2007, or, in the event the necessary programming changes and testing are not completed by then, the first calendar day of the first calendar month immediately following the completion of such programming changes and testing. In order to allow for Public Service's completion and testing of the necessary programming changes and any customer education initiatives associated with the reduction of the current month imbalance threshold from 25% to 20%, the Parties agree that these tariff changes should be filed to become effective May 1, 2007. It is the desire of Public Service's and the transportation customers to defer implementation of lowering the current month imbalance threshold from 25% to 20% after the 2006-07 winter heating season. The Parties agree that these tariff changes should be filed to become effective May 1, 2007 and that no extension of the May 1, 2007 effective date will be permitted without Commission approval.

35. Accordingly, the Parties hereto agree that, upon a final Commission Order approving this Stipulation, including the *pro forma* tariff sheets attached hereto and contained in Appendices B, C and D, Public Service shall file three separate advice letters in

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<sup>1</sup> In order to allow the hearing scheduled for August 29-30, 2006 to be vacated and to provide for additional time to complete settlement negotiations and to reduce the settlement in principle to writing, Public Service filed Second Amended Advice Letter No. 665-Gas on August 31, 2006, revising the proposed effective date to allow the suspension period applicable to the tariff sheets to be extended an additional 31 days through December 31, 2006. The Commission approved the extended suspension period in Decision No. C06-1097, mailed September 19, 2006. Despite this extension, the Parties agree that the Commission should approve the Stipulation to provide for the

compliance with such final order tendering for approval all tariff sheets contained in Appendices B, C and D, respectively. The tariff sheets contained in Appendix B shall be filed on not less than one day's notice to become effective December 1, 2006. The tariff sheets contained in Appendix C, reflecting the changes related to the Allocation of Imbalance Resolution Gas, shall be filed by Public Service on not less than one week's notice before the first day of the calendar month following the completion of the necessary programming changes and testing, estimated to be January 1, 2007. The tariff sheets contained in Appendix D, reflecting the reduction of the current month imbalance threshold from 25% to 20%, shall be filed by Public Service on not less than one week's notice before the first day of the calendar month following the completion of the necessary programming changes and testing, but in no event before May 1, 2007. Once these compliance filings have been made, these tariff revisions shall then become final terms and conditions and shall not be subject to modification except in accordance with the Colorado Public Utilities Law and the Commission's Rules and Regulations promulgated thereunder.

#### **IV. GENERAL TERMS AND CONDITIONS**

36. The Parties hereby agree that all pre-filed testimony and exhibits shall be admitted into evidence in this docket without cross-examination. This Stipulation reflects compromise and settlement of all issues raised or that could have been raised in this docket. This Stipulation shall be filed as soon as possible with the Commission for Commission approval.

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filing of tariff sheets by PSCo to be effective December 1, 2006, 31 days prior to the expiration of the suspension period.

37. Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable and reasonable resolution of issues that were or could have been contested among the parties in this proceeding. The Parties state that reaching agreement as set forth herein by means of a negotiated settlement rather than through a formal adversarial process is in the public interest and that the results of the compromises and settlements reflected in this Stipulation are in the public interest. Each Party hereto pledges its support of this Stipulation and urges the Commission to approve the Stipulation, in its entirety, subject to the terms and conditions provided herein.

38. Notwithstanding the resolution of the issues set forth in this Stipulation, none of the methodologies or ratemaking principles herein contained shall be deemed by the Parties to constitute a settled practice or precedent in any future proceeding, and nothing herein shall constitute a waiver by any party with respect to any matter not specifically addressed herein. Further, by entering into this Stipulation, no party shall be deemed to have agreed to any principle or method of ratemaking or rate design.

39. Except as otherwise provided herein, neither anything said, admitted or acknowledged in the negotiations leading up to the execution of said Stipulation, the settlement terms and conditions contained in this Stipulation, nor the Stipulation itself, may be used in this or any other administrative or court proceeding by any of the Parties hereto.

40. The Parties agree to a waiver of compliance with any requirements of the Commission's Rules and Regulations to the extent necessary to permit all provisions of this Stipulation to be carried out and effectuated.

41. This Stipulation may be executed in counterparts, each of which when taken together shall constitute the entire Stipulation with respect to the issues addressed by this Stipulation.

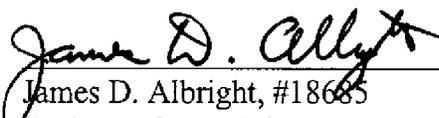
Respectfully submitted this 26th day of September, 2006,

**PUBLIC SERVICE COMPANY OF  
COLORADO**

Approved as to form:

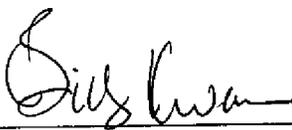
By:

  
Fredric C. Stoffel  
Vice President, Policy Development  
Xcel Energy Services Inc.  
Agent for Public Service  
Company of Colorado

  
James D. Albright, #18685  
Assistant General Counsel  
Xcel Energy Services Inc.  
1225 17th Street, Suite 900  
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Telephone: 303.294.2753

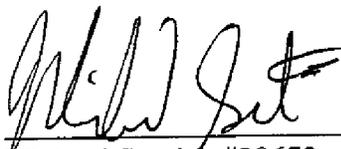
Attorney for Public Service  
Company of Colorado

**STAFF OF THE COLORADO  
PUBLIC UTILITIES COMMISSION**

By:  \_\_\_\_\_

Billy Kwan  
Energy Analyst  
Colorado Public Utilities Commission  
1580 Logan Street, OL2  
Denver, CO 80203

Approved as to form:

 \_\_\_\_\_

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Assistant Attorneys General  
Business and Licensing Section  
1525 Sherman Street, 5th Floor  
Denver, CO 80203  
Telephone: 303.866.3764

Attorney for Staff of the  
Colorado Public Utilities Commission

COLORADO OFFICE OF  
CONSUMER COUNSEL

Approved as to form:

By: PB Schechter

PB Schechter  
Rate/Financial Analyst  
Office of Consumer Counsel  
1580 Logan Street, Suite 740  
Denver, CO 80203

Chris Irby

Christopher M. Irby, #35778  
Assistant Attorney General  
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Office of the Attorney General  
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Denver, CO 80203  
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Fax: 303.866.5342  
Email: [chris.irby@state.co.us](mailto:chris.irby@state.co.us)

Attorney for  
Colorado Office of Consumer Counsel

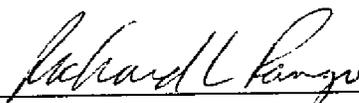
**ATMOS ENERGY CORPORATION**

A handwritten signature in black ink, appearing to read "Thomas R. O'Donnell", written over a horizontal line.

Thomas R. O'Donnell, #15185  
Holland & Hart, LLP  
555 17th Street, Suite 3200  
Denver, CO 80202  
Telephone: 303.295.8291

Attorney for  
Atmos Energy Corporation

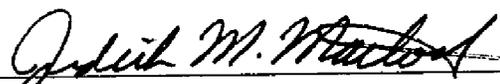
**CLIMAX MOLYBDENUM COMPANY**



Richard L. Fanyo, #7238  
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Telephone: 303.861.8013

Attorney for and on behalf of  
Climax Molybdenum

**SEMINOLE ENERGY SERVICES LLC**



Judith M. Matlock, #12405  
Davis Graham & Stubbs LLP  
1550 17th Street, Suite 500  
Denver, CO 80202  
Telephone: 303.892.7380

Attorney for and on behalf of  
Seminole Energy Services LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on this, the 26th day of September 2006, the original and seven (7) copies of the foregoing **“STIPULATION AND AGREEMENT IN RESOLUTION OF PROCEEDING”** were served via hand delivery on:

Doug Dean, Director  
Colorado Public Utilities Commission  
1580 Logan OL2  
Denver, CO 80203

and copies were hand delivered or placed in the U. S. Mail postage pre-paid, addressed to all, to all Parties on this service list.

\*Michael Santisi  
Assistant Attorney General  
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Denver, CO 80203

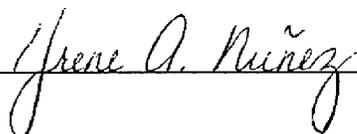
\*Douglas C. Walther  
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\*Mark A. Davidson  
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1700 Broadway, Ste 2100  
Denver, CO 80290-2101

\*Judith Matlock  
Davis Graham & Stubbs, LLP  
1550 17<sup>th</sup> Street, Ste 500  
Denver, CO 80202

\*Don Krattenmaker  
Seminole Energy Services, LLC  
11990 North Grant Street, Ste 303  
Northglenn, CO 80233

  
\_\_\_\_\_

# **APPENDIX A**

**REDLINED/STRIKEOUT TARIFF SHEETS SHOWING SETTLED  
CHANGES TO THE TARIFF SHEETS ORIGINALLY FILED  
FEBRUARY 28, 2006**

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 30  
 Cancels  
 Sheet No. 30

P.O. Box 840  
 Denver, CO 80201-0840

NATURAL GAS RATES	RATE
FIRM GAS TRANSPORTATION SERVICE	
SCHEDULE TF	
<u>APPLICABILITY</u>	
<p>Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas), and satisfied the Conditions of Gas Transportation Service, as set forth in the Gas Transportation Terms and Conditions, where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and firm Shippers. Service is applicable to firm transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through Company's System. Service provided hereunder shall be in accordance with the Firm Gas Transportation Service Agreement (Service Agreement) between Company and Shipper and the Gas Transportation Terms and Conditions of Company's Gas Transportation Tariff. Firm Capacity and Firm Supply quantities reserved under this rate schedule shall be designated for Receiving Party(s) at specific Delivery Point(s).</p>	
<u>MONTHLY RATE - FIRM GAS TRANSPORTATION SERVICE CHARGES</u>	
Service and Facility Charge per service meter:	\$ 70.00
Firm Capacity Reservation Charge, per Dth.....	
Standard Rate, per Dth.....	\$ 4.66
Minimum Rate, per Dth.....	\$ 0.68
Usage Charge: Applicable to all of	
Shipper's gas transported by Company up to	
Contracted Peak Day Quantity	
Standard Rate, per Dth.....	0.2284
*Minimum Rate, per Dth.....	0.010
Authorized Overrun Transportation Charge, per Dth.....	0.2284
Unauthorized Overrun Transportation Penalty Charge	
Standard Rate, per Dth.....	\$ 25.00
Minimum Rate, per Dth.....	0.2284
<p>*The minimum transportation charge shall be \$.01, excluding the base gas cost, but in no instance will it be less than the variable costs of providing service.</p>	
(Continued on Sheet No. 30A)	

ADVICE LETTER  
 NUMBER \_\_\_\_\_

DECISION  
 NUMBER \_\_\_\_\_

Vice President,  
 Policy Development

ISSUE  
 DATE \_\_\_\_\_

EFFECTIVE  
 DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 30G

P.O. Box 840  
 Denver, CO 80201-0840

Cancels  
 Sheet No.

NATURAL GAS RATES	RATE
FIRM GAS TRANSPORTATION SERVICE	
SCHEDULE TF	
COMMUNICATION LINE INSTALLATION AND MAINTENANCE	
<p><u>Except as otherwise provided below, Shipper assumes responsibility for installation and maintenance costs associated with communication equipment compatible with Company's communication equipment, if such equipment is required by Company for electronic reporting of measurement data. Shipper shall provide such communication equipment prior to initiation of transportation service by Company. Shipper shall coordinate installation of the communication equipment with Company. Communication equipment will not be required for deliveries through meters owned by a downstream gas utility for subsequent sales gas distribution within the downstream gas utility's service area. Company assumes responsibility for installation and maintenance costs associated with advanced communication equipment required for operational purposes.</u></p> <p>Receiving Party will maintain the communication equipment and cause any interruption in service over the communication line to be repaired as soon as possible. Shipper or Receiving Party will notify Company in advance of any planned outages. In the event the communication line is out of service for a period of more than two (2) days, and Company determines that such out of service condition is the result of a communication line failure, Company shall notify Shipper in writing that the communication line is inoperative and Shipper shall take the necessary measures to ensure the communication line is reactivated and operational within a two (2) week correction period identified by Company in its notification letter. The grant of the two (2) week correction period does not waive the tariff provision under an Operational Flow Order. During the period from the date when the phone line became inoperative to the end of the two-week correction period specified in Company's notification letter to Shipper, Shipper shall be responsible for making transportation nominations on behalf of the Receiving Party to Company in accordance with Company's nomination procedures. If, following the two (2) week correction period Company is required to make site trip(s), in addition to the initial trip made by Company to confirm the communication line outage and the final trip to synchronize the meter with the communication line, Company shall charge Shipper for Trip Charges and other related charges that may be applicable as provided under the Gas Service Schedule of Charges for Rendering Service in Company's tariff.</p>	
(Continued on Page Sheet No. 30H)	

ADVICE LETTER  
 NUMBER \_\_\_\_\_

ISSUE  
 DATE \_\_\_\_\_

DECISION  
 NUMBER \_\_\_\_\_

Vice President,  
 Policy Development

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 DATE \_\_\_\_\_

P.O. Box 840  
 Denver, CO 80201-0840

Cancels  
 Sheet No. \_\_\_\_\_

NATURAL GAS RATES	RATE
FIRM GAS TRANSPORTATION SERVICE	
SCHEDULE TF	
<p><u>COMMUNICATION LINE INSTALLATION AND MAINTENANCE - Cont'd</u></p>	
<p>Consumption during the period the communication line was inoperative will be prorated on a daily basis. If the communication line is not made operative within the period designated in the notification, Company shall treat all gas delivered subsequent to the two (2) week correction period specified by the Company in its written notification and ending on the date customer's communication line is operative as sales gas, and Company shall no longer accept transportation nominations for that receiving party. Such quantities may be sold to Shipper at Company's Back Up Supply Sales Charge, in addition to Unauthorized Overrun Supply Penalty Charges which may be charged during an Operational Flow Order, Interruption or Curtailment.</p>	
<p><u>TERMINATION</u></p>	
<p>In the event that Shipper or Receiving Party gives thirty (30) days written notice of its intention to cancel Firm Gas Transportation Service for any or all Delivery Points prior to the end of the Contract Period or any subsequent Contract Period, as provided for in said Service Agreement, Shipper shall be obligated to pay Company a termination charge equal to the Firm Capacity Reservation Charge and the Firm Supply Reservation Charge, if applicable, multiplied by the Peak Day Quantity and Firm Supply Reservation Quantity respectively, as described in the Service Agreement, for every month remaining in any Contract Period. Company may agree to a notice period of less than 30 days if it determines that sufficient time to effectuate the necessary changes has been provided. To the extent that the Receiving Party subscribes to Company's firm sales service or firm transportation service under a different Service Agreement in place of such terminated service, the termination charge will not apply. If Firm Supply Reservation Service has not been purchased for Receiving Party under Shipper's Firm Gas Transportation Service Agreement for a quantity equal to Receiving Party's Peak Day Quantity, then conversion to firm sales shall be contingent upon Company's determination that firm supply is available for sale to Receiving Party. In addition, all costs incurred by Company relating to any specific facility charges specified in Service Agreement shall become immediately due and payable to Company.</p>	
<p>(Continued on Sheet No. 30I)</p>	

ADVICE LETTER  
 NUMBER \_\_\_\_\_

ISSUE  
 DATE \_\_\_\_\_

DECISION  
 NUMBER \_\_\_\_\_

Vice President,  
 Policy Development

EFFECTIVE  
 DATE \_\_\_\_\_

P.O. Box 840  
 Denver, CO 80201-0840

Cancels  
 Sheet No. \_\_\_\_\_

NATURAL GAS RATES	RATE
FIRM GAS TRANSPORTATION SERVICE	
SCHEDULE TF	
<p><u>TERMINATION - Cont'd</u>            All such conversions from firm transportation to sales service shall be effective at the beginning of a Month.</p>	
<p>The Receiving Party will not be eligible to return to transportation service hereunder until one (1) year after its conversion to Company's firm sales service. Upon the expiration of such one year period, the Receiving Party may return to gas transportation service through submission of a Request for Transportation in accordance with the terms and conditions of Company's Gas Transportation tariff.</p>	
<p><u>CONTRACT PERIOD</u></p>	
<p>Firm Supply Service shall commence upon the date requested by Shipper and approved by Company. Unless otherwise mutually agreed, Firm Supply Service shall continue through the end of the current Contract Year, and from year to year thereafter, until terminated as of the end of any Contract Year upon a minimum of thirty (30) days written notice provided by either party to the other. Company reserves the right to commence Firm Supply Service only when sufficient supplies are available.</p>	
<p>Firm Capacity Service shall commence upon the date specified in the Service Agreement. Unless otherwise mutually agreed, Firm Capacity Service shall continue through the end of the current Contract Year, and from year to year thereafter, until terminated as of the end of any Contract Year upon a minimum of thirty (30) days written notice provided by either party to the other. Company will commence Firm Gas Transportation Service as soon as is practicable as long as sufficient capacity is available.</p>	

ADVICE LETTER  
 NUMBER \_\_\_\_\_

ISSUE  
 DATE \_\_\_\_\_

DECISION  
 NUMBER \_\_\_\_\_

Vice President,  
 Policy Development

EFFECTIVE  
 DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 31

P.O. Box 840  
 Denver, CO 80201-0840

Cancels  
 Sheet No.

NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
<u>APPLICABILITY</u>	
<p>Applicable to Shippers having acquired by separate agreement supplies of natural gas (Shipper's Gas) and satisfied the Conditions of Gas Transportation Service, as set forth in the Gas Transportation Terms and Conditions, where Company has available interruptible System capacity in excess of that presently required for service to existing firm gas sales Customers and Firm Transportation Shippers. Service is applicable to interruptible transportation of Shipper's Gas from Company's Receipt Point(s) to Shipper's Delivery Point(s) through Company's System. Service provided hereunder shall be in accordance with the Interruptible Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Interruptible Gas Transportation Service provisions and the Gas Transportation Terms and Conditions of Company's Gas Transportation Tariff.</p>	
<u>MONTHLY RATE - INTERRUPTIBLE GAS TRANSPORTATION SERVICE CHARGES</u>	
Service and Facility Charge per service meter .....	\$140.00
Usage Charge: Applicable to all of	
Shipper's gas transported by Company up to	
Contracted Maximum Daily Transportation Quantity	
Standard Rate, per Dth.....	0.3971
*Minimum Rate, per Dth.....	0.010
Authorized Oerrun Transportation Charge, per Dth.....	0.3971
Unauthorized Oerrun Transportation Penalty Charge	
Standard Rate, per Dth.....	25.00
Minimum Rate, per Dth.....	0.3971
<p>*The minimum transportation charge shall be \$.01, excluding the base gas cost, but in no instance will it be less than the variable costs of providing service.</p>	
(Continued on Sheet No. 31A)	

ADVISE LETTER  
 NUMBER \_\_\_\_\_

ISSUE  
 DATE \_\_\_\_\_

DECISION  
 NUMBER \_\_\_\_\_

VICE PRESIDENT,  
 Policy Development

EFFECTIVE  
 DATE \_\_\_\_\_

P.O. Box 840  
 Denver, CO 80201-0840

Cancels \_\_\_\_\_  
 Sheet No. \_\_\_\_\_

NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
UNAUTHORIZED OVERRUN SUPPLY PENALTY SERVICE - Cont'd	
<p>In the case of use of Unauthorized Sales Gas during periods of Supply Curtailment, Capacity Interruption or Operational Flow Order, Company shall have the right to charge Shipper the Standard Unauthorized Overrun Penalty Charge. Charges shall not be less than the minimum Unauthorized Overrun Penalty Charge or more than the Standard Unauthorized Overrun Penalty Charge. Unauthorized Overrun Penalty Charges shall not be assessed if the aggregate total of the individual overrun quantities for each exhibit under Shipper's Service Agreement which is in effect at the time the overrun occurs are five (5) Dth or less. In determining the level of the Unauthorized Overrun Penalty Charge, Company shall charge all Shippers similar charges in all overrun cases, whether or not they occur on the same day, providing that the circumstances surrounding the overrun are similar.</p>	
TERMINATION	
<p>In the event that Shipper or Receiving Party gives thirty (30) days written notice of its intention to cancel Interruptible Gas Transportation Service for any or all Delivery Points prior to the end of the Contract Period or any subsequent Contract Period, as provided for in said Service Agreement, all costs incurred by Company relating to any specific facility charges specified in Service Agreement shall become immediately due and payable to Company upon such termination. Company may agree to a notice period of less than 30 days if it determines that sufficient time to effectuate the necessary changes has been provided. <del>All such conversions</del> from interruptible transportation to firm sales service shall be subject to Company's determination that sufficient supply is available for sale to Receiving Party and shall be effective at the beginning of a Month.</p>	
<p>The Receiving Party will not be eligible to return to transportation service hereunder until one (1) year after its conversion to Company's firm sales service. Upon the expiration of such one year period, the Receiving Party may return to gas transportation service through submission of a Request for Transportation in accordance with the terms and conditions of Company's Gas Transportation tariff.</p>	
<p>(Continued on Sheet No. 31E)</p>	

ADVICE LETTER NUMBER \_\_\_\_\_

ISSUE DATE \_\_\_\_\_

DECISION NUMBER \_\_\_\_\_

VICE PRESIDENT,  
 Policy Development

EFFECTIVE DATE \_\_\_\_\_

P.O. Box 840  
 Denver, CO 80201-0840

Cancels  
 Sheet No. \_\_\_\_\_

NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
<p><u>CONTRACT PERIOD</u></p>	
<p>Unless otherwise agreed, this schedule is available only under an Interruptible Gas Transportation Service Agreement for a minimum period of one year commencing on the effective date of the Service Agreement, and continuing from year to year after the initial one-year period until canceled as provided by said Service Agreement.</p>	
<p><u>ON-PEAK GAS</u></p>	
<p>Shippers have the option to contract, on behalf of a Receiving Party, those minor amounts of firm sales gas that are not subject to Supply Curtailment or Capacity Interruption. Such gas is normally supplied for the pilots of gas consuming appliances and other such minor uses. Commitments for On-Peak Service shall be at the option of Company, dependent upon the sufficiency of pipeline and System capacity with respect to the requirements of Company's other firm gas sales Customers and firm Shippers. The maximum daily quantity of On-Peak gas to be supplied to each Receiving Party shall be specified in the Service Agreement between Shipper and Company and shall in no event exceed 25 dekatherms for any Delivery Point.</p>	
<p><u>ADVANCE NOTIFICATION</u></p>	
<p>Transportation service under this schedule is interruptible and is subject to immediate discontinuance to Shipper by Company in accordance with the Service Agreement. Company, whenever circumstances reasonably permit, will endeavor to give Shipper advance notice of Supply Curtailment or Capacity Interruption of transportation service by telephone or otherwise, and Shipper shall ensure that each Receiving Party shall immediately discontinue the use of gas when and as directed by Company. Authorized representatives of Company shall have at all times the right of ingress and egress to Receiving Party's premises. Upon determination by Company that the necessity for Supply Curtailment or Capacity Interruption has ceased, gas transportation service shall be resumed. If the Receiving Party fails to discontinue the use of gas as provided herein, Company may discontinue service to the Receiving Party by physically shutting off the gas supply.</p>	
<p>(Continued on Sheet <u>No. 31F</u>)</p>	

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NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
COMMUNICATION LINE INSTALLATION AND MAINTENANCE	
<p><u>Except as otherwise provided below, Shipper assumes responsibility for installation and maintenance costs associated with communication equipment compatible with Company's communication equipment if such equipment is required by Company for electronic reporting of gas measurement data. Shipper shall provide such communication equipment prior to initiation of transportation service by Company. Shipper shall coordinate installation of the communication equipment with Company. Communication equipment will not be required for deliveries through meters owned by a downstream gas utility for subsequent sales gas distribution within the downstream gas utility's service area. Company assumes responsibility for installation and maintenance costs associated with advanced communication equipment required for operational purposes.</u></p>	
<p>Shipper will provide and maintain a dedicated communication line to the meter via conduit that is compatible with Company's electronic device, suitable underground cable, or properly mounted outdoor grade wire of sufficient length to extend to the meter index, plus an additional five feet for wiring of the instruments prior to initiation of service by Company. Communication wire installation will be subject to the National Electric Safety Code Requirement. Shipper shall coordinate installation of the communication line with Company. Company must be able to dial directly into the instrument, and the instrument must be able to dial out to the Company when in alarm condition without any potential of interruption from internal customer communications equipment, such as Fax Machines, Shared Switching devices, voice mail or computer modems.</p>	
<p>Receiving Party will maintain the communication line and cause any interruption in service over the communication line to be repaired as soon as possible. Shipper or Receiving Party will notify Company in advance of any planned outages. In the event the communication line is out of service for a period of more than two (2) days, and Company determines that such out of service condition is the result of a communication line failure, Company shall notify Shipper in writing that the communication line is inoperative and Shipper shall take the necessary measures to ensure the communication line is reactivated and operational within a two (2) week correction period identified by Company in its notification letter. The grant of the two (2) week correction period does not waive the tariff provision under an Operational Flow Order. During the</p>	
(Continued on Page-Sheet No. 31FG)	

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NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
<p style="text-align: center;">SCHEDULE TI</p> <p><u>COMMUNICATION LINE INSTALLATION AND MAINTENANCE - Cont'd</u>          period from the date when the phone line became inoperative to the end of the two-week correction period specified in Company's notification letter to Shipper, Shipper shall be responsible for making transportation nominations on behalf of the Receiving Party to Company in accordance with Company's nomination procedures.</p> <p>If, following the two (2) week correction period, Company is required to make site trip(s), in addition to the initial trip made by Company to confirm the communication line outage and the final trip to synchronize the meter with the communication line, Company shall charge Shipper for Trip Charges and other related charges that may be applicable as provided under the Gas Service Schedule of Charges for Rendering Service in Company's tariff.</p> <p>Consumption during the period the communication line was inoperative, will be prorated on a daily basis. If the communication line is not made operative within the period designated in the notification, Company shall treat all gas delivered subsequent to the two (2) week correction period specified by the Company in its written notification and ending on the date customer's communication line is operative as sales gas, and Company shall no longer accept transportation nominations for that receiving party. Such quantities may be sold to Shipper at Company's Back Up Supply Sales Charge, in addition to Unauthorized Overrun Supply Penalty Charges which may be charged during an Operational Flow Order, Interruption or Curtailment.</p>	

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NATURAL GAS RATES GAS COST ADJUSTMENT						
Rate Schedule	Sheet No.	Billing Units	Type Of Charge	Current Gas Cost	Deferred Gas Cost	Gas Cost Adjustment
RG	14	Therm	Commodity	\$0.79090	\$(0.03840)	0.75250
RGL	15	Therm	Commodity	0.76950	(0.03840)	0.73110
CG	16	Therm	Commodity	0.79040	(0.03840)	0.75200
CGL	17	Therm	Commodity	0.76950	(0.03840)	0.73110
IG	18	DTH	On-Peak Demand	2.88000	-----	2.88000
		DTH	Commodity	7.69500	(0.38400)	7.31100
TF	30	DTH	Transportation	0.05700	-----	0.05700
		DTH	Supply	2.88000	-----	2.88000
		DTH	Commodity	(1)		
TI	31	DTH	Transportation	0.05700	-----	0.05700
		DTH	On-Peak Demand	2.88000	-----	2.88000
		DTH	Commodity	(2)		

(1) The Current Gas Cost shall be established each month as follows: at a rate equal to ~~ff~~For each Dth of Backup Supply Sales Service quantities purchased on any Day up to the Firm Supply Reservation Quantity, the rate shall be equal to 100% of Index Price One, as defined in the Gas Transportation Terms and Conditions, plus the CIG TF Transportation Rate, as defined in the Gas Transportation Terms and Conditions. For each Dth of Backup Supply Sales Service quantities purchased on any Day in excess of the Firm Supply Reservation Quantity, the rate shall be equal to 125% of Index Price One, plus the CIG TI Transportation Rate, as defined in the Gas Transportation Terms and Conditions.

(2) The Current Gas Cost shall be established each month as follows: at a rate equal to ~~ff~~For each Dth of gas purchased on any Day up to the On-Peak Gas Service quantity, the rate shall be equal to 100% of Index Price One, as defined in the Gas Transportation Terms and Conditions, plus the CIG TF Transportation Rate, as defined in the Gas Transportation Terms and Conditions. ~~ff~~For each Dth of Backup Supply Sales Service quantities purchased on any Day, the rate shall be equal to 125% of Index Price One, plus the CIG TI Transportation Rate, as defined in the Gas Transportation terms and Conditions.

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GAS TRANSPORTATION TERMS AND CONDITIONS  
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GAS TRANSPORTATION TERMS AND CONDITIONS

GENERAL STATEMENT

The following Gas Transportation Terms and Conditions, filed with The Public Utilities Commission of the State of Colorado as part of Company's Gas Transportation tariff, set forth the terms and conditions under which Gas Transportation Service is provided and govern all classes of such service in all territory served by Company. They are subject to termination, change, or modification, in whole or in part, at any time as provided by the rules of The Public Utilities Commission of the State of Colorado. Gas Transportation Service furnished by Company is also subject to The Public Utilities Commission of the State of Colorado's Rules Regulating Gas Utilities and Pipeline Operators and Company's Rules and Regulations for Natural Gas Service. In the event conflict exists between Company's Gas Transportation Terms and Conditions and the Rules and Regulations for Natural Gas Service, the Gas Transportation Terms and Conditions shall control.

These Gas Transportation Terms and Conditions are applicable to all existing and new Shippers and Receiving Party(s) receiving Gas Transportation Service.

Any waiver at any time of the Company's rights or privileges under these Gas Transportation Terms and Conditions or under any individual Service Agreement entered into pursuant to this tariff shall not be deemed a waiver as to any breach or other matter subsequently occurring.

SHIPPER AND RECEIVING PARTY(S) ACKNOWLEDGMENTS

Shipper and each Receiving Party receiving Shipper's gas through Company's System acknowledges that all service provided to Shipper and the Receiving Party(s) hereunder is for the benefit of the Receiving Party(s), and in the event that Shipper or the Receiving Party fails to make timely payment for any service provided under this schedule, or is in violation of any rule or regulation of Company or The Public Utilities Commission of the State of Colorado, all service provided to Shipper and Receiving Party shall be subject to termination in accordance with Company's Rules and Regulations for Natural Gas Service.

A Receiving Party may ~~designate~~ authorize an agent to manage gas transportation services provided by Company to Receiving Party's end use facilities, and to perform its responsibilities therefor, by providing an executed ~~designation of a~~ Agency Agreement in one of the two forms, as appropriate, provided in these Gas Transportation Terms and Conditions. The Receiving Party or the Receiving Party's agent may enter into the ~~gas transportation Service~~ Service Agreement with Company for such service, thereby becoming the Shipper for purposes of these Gas Transportation Terms and Conditions. A Shipper may simultaneously act as agent for multiple Receiving Parties and enter into a ~~gas transportation service agreement~~ (Master Agreement) with Company in its own name for the purpose of performing gas transportation responsibilities on behalf of multiple Receiving Parties. Alternatively, a Receiving Party that has executed its own Service Agreement with Company, and is therefore a Shipper, may authorize an agent to manage gas transportation services provided by Company to the Receiving Party's end use facilities, and to perform its responsibilities therefor, by providing an executed Agency Agreement in the form provided in these Gas Transportation Terms and Conditions (for use when Receiving Party has executed a Service Agreement). ~~A separate designation of agency, in the form provided in these Gas Transportation Terms and Conditions, shall be executed for purposes of Aggregate Balancing.~~

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS

Agency Agreement - Agreement, in one of the two forms included in these Gas Transportation Terms and Conditions, through which a Receiving Party authorizes a third party to manage gas transportation service provided by Company to the Receiving Party's end-use facilities. One form is applicable where the Receiving Party designates the Shipper under a Master Agreement as its agent. The other form is applicable where the Receiving Party has executed a Service Agreement and designates another person as its agent for particular functions, as indicated therein.

Aggregate Balancing - Process whereby imbalances under multiple gas transportation ~~s~~Service ~~a~~Agreements held by a Shipper, or controlled by a Shipper through an ~~a~~Agency ~~a~~Agreement, are aggregated, or netted, within the same Operational Area.

Allocation(s) - Actual quantity of Shipper's Gas, as determined by Interconnecting Party(s), to be delivered to the Company for Service Agreement(s) ~~held or controlled by Shipper and/or Interconnecting Party(s) agreement for a specific time period.~~

Business Day - Business Day shall mean Monday, Tuesday, Wednesday, Thursday, or Friday, excluding Company recognized holidays.

Capacity Interruption - The discontinuance of transportation service due to Company's inability to provide such service due to capacity constraints on the Company's System. The phrase "Capacity Interruption" shall have the same meaning as "Interruption."

Category One Receipt Point List - A list of Receipt Points available for interruptible deliveries on Company's System. This list will be included as an Exhibit to the Service Agreement.

Category Two Receipt Point List - A list of Receipt Points that from time-to-time may be available on an interruptible basis for deliveries to Company's System. This list will be included as an Exhibit to the Service Agreement. These points may require the Company to provide displacement service and must be approved in advance by Company.

Central Clock Time (CCT) - Central Standard Time (CST) except for that period when daylight savings is in effect. During this period CCT shall mean Central Daylight Time (CDT).

CIG TF Transportation Rate - The maximum transportation commodity rate (per Dth), including applicable charges for fuel, lost and unaccounted for gas, and all other applicable surcharges and fees in effect from time to time for firm transportation service under Rate Schedule TF-1, or successor rate schedule, of Colorado Interstate Gas Company's (CIG) Federal Energy Regulatory Commission gas tariff.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

CIG TI Transportation Rate - The maximum transportation commodity rate (per Dth), including applicable charges for fuel, lost and unaccounted for gas, and all other applicable surcharges and fees in effect from time to time for interruptible transportation service under Rate Schedule TI-1, or successor rate schedule, of Colorado Interstate Gas Company's (CIG) Federal Energy Regulatory Commission gas tariff.

Contract Year - The period from May 1 through the following April 30 or such other period as specified by Company in the Gas Transportation Service Agreement.

Cubic Foot of Gas - For the purpose of gas volume determination, one "cubic foot" of gas shall mean the amount of gas which occupies a volume of one (i) cubic foot at reference conditions of either: (i) the actual metering pressure and temperature, or (ii) standard conditions (14.73 psia, 60°F). For the purpose of gas administration (balancing, billing, reporting), suitable correction factors for each rate class shall be applied to the determined volumes. For the purpose of gas property determination, one cubic foot of gas shall mean one "standard" cubic foot (scf) of gas, which is the volume of water free gas occupying a space of one (1) cubic foot at standard conditions. Ccf means one hundred (100) cubic feet. Mcf means one thousand (1,000) cubic feet. Mmcf means one million (1,000,000) cubic feet).

Day - A period of 24 consecutive hours, beginning at 8:00 a.m. Mountain Standard Time, or such other consecutive 24 hour period designated by Company.

Dekatherm (Dth) - The energy equivalent to 10 therms, or 1,000,000 Btu (MMBtu). One (1) therm is the equivalent to 100,000 Btu.

Delivery Point(s) - The point(s) where Company delivers gas to the Receiving Party as specified in an Exhibit to the Service Agreement.

Firm Supply Reservation Quantity - The maximum daily quantity of sales gas, expressed in Dekatherms, available for purchase from Company on a firm basis, which is contracted by a Shipper to reserve supplies of natural gas in the event that adequate supplies of Shipper's Gas are not available for receipt by Company.

Firm Capacity - The aggregate total of the Peak Day Quantity for all Delivery Point(s) under Shipper's Firm Gas Transportation Service Agreement, expressed in Dekatherms.

Fuel Reimbursement - A quantity of Gas equal to that used by Company for fuel used, and gas lost and unaccounted for in Company's System, stated in terms of a percentage of the quantities received into Company's System, computed and adjusted annually for each calendar year as set forth in Rate Schedules TF and TI.

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DEFINITION OF TERMS - Cont'd

Imbalance - The difference between the quantity of Shipper's Gas allocated by the Interconnecting Party(s) at the Receipt Point(s) less Fuel Reimbursement and the quantity of gas delivered to the Receiving Party at the Delivery Point(s) for Shipper's account as determined by Company. In the event supplies of Shipper's Gas are not available for receipt by Company but Shipper is authorized and has nominated to receive Backup Supply Sales Gas, the quantity of such gas received from Company shall be subtracted from the quantity of gas consumed by the Receiving Party at the Delivery Point(s) before the existence of an Imbalance is determined.

Imbalance Resolution Gas - The quantity of gas necessary to correct previous months' cumulative Imbalance between Company and Shipper.

Index Price One - A gas commodity market index price equal to the highest reported "Weekly Weighted Average Price" for CIG, Rocky Mountains, as published by Platt's Gas Daily on the first Business Day of each of the first four weeks during the month week of a five-week period, where the first applicable "Weekly Weighted Average Price" for each month such five-week period includes the fourth (4th) calendar day of the Month. All or a portion of the fifth week may consist of days from the next Month. Should Platt's Gas Daily become unavailable, Company shall determine the highest weekly average index price based on information posted in a similar publication.

Index Price Two - A gas commodity market index price equal to the lowest reported "Weekly Weighted Average Price" for CIG Rocky Mountains, as published by Platt's Gas Daily on the first Business Day of each of the first four weeks during the month week of a five-week period, where the first applicable "Weekly Weighted Average Price" for each Month such five-week period includes the fourth (4th) calendar day of the Month. All or a portion of the fifth week may consist of days from the next Month. Should Platt's Gas Daily become unavailable, Company shall determine the lowest weekly average index price based on information posted in a similar publication.

Interconnecting Party(s) - The operator of the facilities immediately upstream of the point of interconnection between the facilities of the Company and the pipeline, residue plant, or wellhead Receipt Points.

Master Agreement - Gas Transportation A Service Agreement between Company and a Shipper that has been designated by each of the Receiving Parties through an Agency Agreement (in the form provided herein for use with Master Agreements) to manage, on behalf of each such Receiving Party, gas transportation services provided by Company to the Receiving Party's end-use facilities providing for delivery to one or more Receiving Parties which are not the Shipper.

Maximum Daily Transportation Quantity - (MDTQ) is the maximum daily quantity of gas expressed in Dekatherms which Company agrees to transport to Shipper as set forth on an Exhibit to the Interruptible Service Agreement.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Measurement Error - An error caused by a defect or malfunction in a gas measurement device or an unintentional human error in the retrieval, entry, processing, calculation, posting or transcribing of volumetric data, resulting in the communication by Company of an incorrect quantity of gas delivered to a Receiving Party. Measurement Error does not include errors in measurement due to a communication line failure.

Month - The period beginning at 8:00 a.m. Mountain Standard Time on any day of a calendar month and ending at 8:00 a.m. Mountain Standard Time on the same day of the succeeding calendar month, or such other consecutive monthly period designated by Company.

Nomination Entry Error - An unintentional error in Company's manual entry or the confirmation of Shipper's receipt point quantity nomination.

Nominations - The Quantity of gas supplies requested to be transported on the Company's System for a specific day. Nominations are to be adjusted to include Fuel Reimbursement and shall be made on a Dekatherm basis.

Operational Area - Regional areas of Company's system consisting of pipeline facilities that receive and deliver gas which is regularly commingled and interchanged with other gas supplies received and delivered in that operational area. Currently, the Company's Operational Areas are Front Range, Denver/Pueblo, Southern, Western, and Sterling. Receiving Parties under a Gas Transportation Service Agreement shall be grouped under a specific Operational Areas based on their location.

Operational Flow Order (OFO) - An order issued by Company for a specific Gas Day(s) and covering either a designated Operational Area, by Company or a designated Shipper or group of Shippers within an Operational Area that the Company reasonably believes are causing the condition necessitating the OFO, to alleviate conditions which threaten or could threaten the safe operation or integrity of ~~Transporter~~ Company's system or to maintain operations required to provide efficient and reliable firm service under the following circumstances: a) when delivery system pressure or other unusual conditions are reasonably expected, in Company's judgment, to jeopardize the operation of the Company's system; b) when transmission, storage, or supply resources are being used at or near maximum deliverability; c) when one or more upstream pipelines call an operational flow order and such operational flow order creates conditions on Company's system which necessitate calling an Operational Flow Order; and d) when Company is unable to fulfill its firm service obligations or to maintain overall operational integrity of the system. When issued, the Operational Flow Order shall specify the Tolerance Range of over or under-delivery permitted for the Gas-Day(s).

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DEFINITION OF TERMS - Cont'd

Peak Day Quantity (PDQ) - The maximum daily quantity of gas expressed in Dekatherms which Company agrees to deliver for Shipper at each delivery point as set forth on an Exhibit to the Firm Gas Transportation Service Agreement. The Peak Day Quantity shall be established at a level intended to represent no less than the Receiving Party's actual daily usage at each Delivery Point.

Primary Receipt Point(s) - Receipt Point(s) specified in the Firm Gas Transportation Service Agreement as Primary Receipt Point(s) where Receiving Party is entitled to firm service on Company's System. Primary Receipt Point(s) will be identified in an Exhibit to the Service Agreement.

Prior Period Adjustment - A retroactive revision in the gas usage quantity reported by Company necessitating a correction of Company's billing for gas transportation service to Shipper for a period of more than one month, as the result of a Measurement Error.

Psia - Pressure in pounds per square inch absolute.

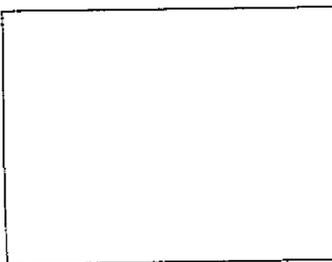
Receipt Point(s) - The point of interconnection between the facilities of the Company and the Interconnecting Party(s) wherein the Company receives gas for the account of Shipper for transportation on its System, as specified on an Exhibit to the Service Agreement.

Receiving Party(s) - The end-use customer(s) that receive gas from Company at the Delivery Point(s) as specified in an Exhibit to the Service Agreement.

Request for Gas Transportation Service - A written request for transportation service submitted by any prospective Shipper as provided in these Gas Transportation Terms and Conditions.

Secondary Receipt Point(s) - Receipt Point(s) which are not specified in the Firm Transportation Service Agreement as Primary Receipt Point(s). Subject to prior approval of Company, Shipper may request, pending approval by Company, to shift firm capacity from Primary Receipt Point(s) to Secondary Receipt Point(s) for the period of time designated by Company. Shipper forfeits the equal amount of capacity at the primary receipt point that was shifted from primary receipt point to secondary receipt point(s) for the period of time designated by Company.

Service Agreement - The gas transportation service agreement entered into between Company and Shipper providing for the transportation of Shipper's Gas from Company's Receipt Point(s) through Company's System.



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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Shipper - A Receiving Party that has executed a Service Agreement with Company or any other party that has executed a Service Agreement with Company that has been ~~designated~~ authorized by the Receiving Party through an Agency Agreement (in the form provided herein for use with Master Agreements) ~~as agent for the purpose of to managing~~ gas transportation services provided by Company to Receiving Party's end use facilities and to perform its responsibilities therefor on behalf of each such Receiving Party.

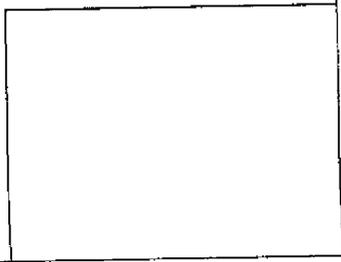
Shipper's Gas - Gas for which title is held by the Shipper or the Receiving Party under a Service Agreement.

Supply Curtailment - The discontinuance of transportation or Backup Supply Sales Service as a result of the inability of Company to provide such service due to non-receipt of Shipper's Gas or the lack of availability of Company's gas supply, respectively. The phrase "Supply Curtailment" shall have the same meaning as "Curtailment."

System - The pipelines, compressor stations, regulator stations, meters, gas processing facilities and other related facilities owned by Company and utilized in providing transportation service.

Tolerance Range - The quantity or percentage of the total transportation quantity specified in an Operational Flow Order that can be under or over delivered to an Operational Area by a Shipper during the period of an Operational Flow Order without incurring penalty(s).

Year - A period of 365 consecutive days or 366 consecutive days if such period includes February 29, unless otherwise specified.



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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE

Gas transportation service by Company shall be subject to all of the following conditions:

Credit Requirements - Shipper must maintain sufficient security with Company as required pursuant to the Security for Gas Transportation section of these General Terms and Conditions.

Pressure at Delivery Point(s) - Unless otherwise agreed upon, Company shall cause the gas to be delivered at each Delivery Point at such pressures as may prevail from time to time in Company's System.

Pressure at Receipt Point(s) - Shipper shall deliver or cause gas to be delivered at each Receipt Point at a pressure sufficient to allow the gas to enter Company's System. Shipper shall not, except by mutual written agreement, be required or permitted to deliver the gas at any Receipt Point at a pressure in excess of the maximum allowable operating pressure of Company's System as established by the Company.

Prior to commencement of service hereunder, Shipper shall have completed a Request for Gas Transportation Service and shall have executed a Service Agreement.

Requests for Transportation Service.

- (a) Shipper shall submit to Company a fully completed Request for Gas Transportation Service. The request will either be approved or denied by Company within thirty (30) days of the receipt thereof. If Company provides notice that additional facilities are required as a condition for approval, Company will specifically set forth the estimated cost of said facilities and any additional charges. The written notice of approval shall also set forth the cost, if any, of conversion from sales service. If denied, written notification will be provided to Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to make the Request for Gas Transportation Service acceptable.
- (b) All requests for Transportation Service shall be submitted in writing to Company in the form included in these Gas Transportation Terms and Conditions or a facsimile thereof;
- (c) Company shall endeavor to provide service within the time specified in the written request, but shall not be obligated to do so. Requests shall be considered received only if the information specified in the Request for Transportation Service is provided.

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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE - Cont'd

Gas Transportation Service Agreement (Service Agreement). Upon Company approval of Request for Gas Transportation, Company shall tender Shipper a Service Agreement in accordance with this gas transportation tariff.

Requests to Add Delivery Points or Receipt Points. Shipper shall submit a complete written request to add a Delivery Point to its Service Agreement, including written authorization from the Receiving Party if the Receiving Party is being added to a Master Agreement, which shall be approved or denied by Company. Upon confirmation by Company as evidenced by written notification to Shipper, the requesting Shipper's Service Agreement shall be amended to include such new Delivery Point(s), and such Delivery Point(s) shall be deleted from any other Shipper's Service Agreement.

Shipper shall submit a complete written request to add a Receipt Point to its Service Agreement, which shall be approved or denied by Company upon its sole determination that sufficient capacity exists to satisfy such request. Upon confirmation by Company as evidenced by written notification to Shipper, the requesting Shipper's Service Agreement shall be amended to include such new Receipt Point(s). Upon any such amendment to the Service Agreement, all such changes shall be available and reflected on Company's Electronic Bulletin Board.

Initiation of Service. Within thirty (30) days of Shipper's receipt of an executable Service Agreement from Company, Shipper shall execute and deliver to Company such Service Agreement. A Shipper entitled to receive transportation service under an interruptible transportation rate schedule must tender gas for transportation within thirty (30) days after receipt of any necessary regulatory approvals, installation of facilities by Company, or the execution date of the Service Agreement, whichever is later. If Company has not received an executed Service Agreement within the required time or initial quantities have not been tendered within the required time, Company shall have the right to terminate the Service Agreement.

New or Additional Facilities. Shipper agrees to pay Company for any new or additional facilities which may be required to accomplish transportation service hereunder. If such new or additional facilities are required at any time during the term of this Service Agreement, Company shall inform Shipper of the need for such facilities, the installation cost and any related monthly specific facility charges or other miscellaneous charges associated with said facilities. Such charges will be specified on an Exhibit to the Service Agreement. Shipper shall have sixty (60) days from the date of said notification in which to approve the expenditure for such facilities. Should Shipper decide not to approve the installation of said new or additional facilities, Company shall have the right to terminate the Service Agreement. If Shipper approves installation of such facilities, Shipper shall make full payment for such additional facilities, unless otherwise provided in the Service Agreement, including the income tax consequences associated with such payment. All facilities installed by Company shall continue to be owned, operated and maintained by Company.

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~~CONDITIONS OF GAS TRANSPORTATION SERVICE~~ Cont'd

~~Request for Aggregate Balancing. A Shipper desiring to manage gas transportation imbalances on behalf of all of the Receiving Parties under one or more Service Agreements in which it is not the signatory Shipper shall submit a completed written request to perform Aggregate Balancing in the form provided in these Gas Transportation Terms and Conditions. Upon receipt of all duly executed agency agreements and satisfaction by the requesting Shipper of any additional requirements of Company, Company shall approve such request for Aggregated Balancing for the applicable Service Agreements commencing the first Day of following Month, or such other date as mutually agreed upon between Company and the requesting Shipper.~~

SHIPPER'S RESPONSIBILITY

Shipper is responsible for obtaining Shipper's Gas, nominating receipts and deliveries, managing Imbalances and payment of all costs of such gas from sources other than Company, and for the transportation of such gas to Company's Receipt Point(s) from the Interconnecting Party(s). Shipper's Gas received by Company for transportation for Shipper or Receiving Party shall meet all quality specifications as specified in Gas Quality section included in this tariff. Company shall not be required to perform transportation service if Shipper fails to comply with the terms of its Service Agreement, the applicable Rate Schedule and these Gas Transportation Terms and Conditions.

NOMINATIONS

- (a) Shipper shall nominate to Company daily quantity requirements requested to be transported through the Company's System. In the case of interruptible transportation, these quantities shall not exceed Shipper's Maximum Daily Transportation Quantity. These Nominations shall be in accordance with Company's nomination procedures, which shall include identification of Receipt Point(s) deliveries to the Company from the Interconnecting Party(s) which are requested for delivery to each Operational Area under the Service Agreement. During an Operational Flow Order addressing an under delivery situation, Company will deliver those quantities nominated or the amount allocated by the Interconnecting Party(s), whichever is lower. During an Operational Flow Order addressing an over delivery situation, Company will deliver those quantities nominated or the amount allocated by the Interconnecting Party(s), whichever is higher.
- (b) Daily nominations will be accepted, scheduled and confirmed in the following order: 1) Firm Transportation Service at Primary Receipt Point(s); 2) Firm Transportation Service at Secondary Receipt Point(s); 3) Interruptible Transportation Service at Category One and Category Two Receipt Point(s); 4) Authorized Overrun Deliveries for Firm and Interruptible Transportation Service Agreements; and 5) Imbalance Resolution Gas. Nominations are subject to the approval of Company.

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NOMINATIONS - Cont'd

- (c) Shipper may request changes in Primary Receipt Point(s). Requests for such changes shall be made in writing no less than fifteen (15) Business Days prior to the beginning of month in which the change will be effective. Transporter shall grant such changes if the direction of the gas flow is unchanged, capacity is available, and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Receipt Point. In no event shall Shipper be entitled to more Transportation Service than is provided for under the Service Agreement.
- (d) Nominations for service at Secondary Receipt Point(s) shall be made in accordance with Company's Nomination Procedures. In the event that Company is unable to confirm a secondary receipt point nomination on a firm basis, Company may offer Shipper the secondary receipt point capacity on an interruptible basis, but with no rate reduction. In no event shall Shipper be entitled to more Firm Transportation Service than is provided for under the Service Agreement.
- (e) All nominated quantities will be expressed in Dekatherms per day; and shall include Fuel Reimbursement.
- (f) Shipper and Company will designate in writing their authorized personnel and alternates and their respective telephone numbers to make and accept Nominations, including any future changes of such designation.
- (g) Failure of Shipper to provide daily Nominations to Company may result in gas being sold to the Shipper, if available, at the appropriate Backup Supply Sales Charge in addition to any other applicable charges.
- (h) Company is not responsible for ensuring that the nominated quantities are actually tendered at the Receipt Point(s) or that calculations developed for or by Shipper are correct.
- (i) In the event that Company determines that an emergency or other circumstances exist, Company may modify Nomination Procedures.
- (j) Nominations will be accepted by Company in writing or by means of Company's Electronic Bulletin Board. In the event that the Electronic Bulletin Board is unavailable for use, then Nominations will be tendered in writing to Company.

Nomination Procedures. Daily Nominations for the first day of the month shall be tendered in writing in a format requested by Company and shall be received no later than 11:30 a.m. CCT, two (2) Business Days before the first day of the succeeding month. If daily nominations for the first day of the month are transmitted by means of Company's Electronic Bulletin Board, the Nomination deadline shall be no later than 11:30 a.m. CCT, one (1) Business Day before the first day of the succeeding month.

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NOMINATIONS - Cont'd

Nomination Procedures - Cont'd

Nominations for days other than the first day of month or revisions to daily quantities and/or Interconnecting Party(s) contract number(s) previously submitted shall be received in writing no later than 11:30 a.m. CCT, two (2) Business Days before the date of the effective change. Nominations or revisions transmitted by means of Electronic Bulletin Board shall be received by 11:30 a.m. CCT, one (1) Business Day before the date of the effective change.

Nomination Confirmations

Company will confirm or deny nominations with the Interconnecting Parties no later one (1) Business Day prior to gas flow after 2:00 p.m. CCT. Nominations made in accordance with the above procedures will not become effective until Company has confirmed the nominated receipts with the Interconnecting Party(s). Shipper shall be responsible for verifying the availability of supplies from the Interconnecting Party(s) prior to gas flow, and notifying the Interconnecting Party(s) to make corresponding confirmations of supply to Company.

Any discrepancy in Nominations that cannot be resolved shall result in Shipper receiving the lesser of these two quantities: Shipper's Nominations to Company or Interconnecting Party's confirmation.

Company shall have the right to require Nomination changes, to ensure that receipts and deliveries match. When a Shipper receives notification of such change in the Nomination, the Shipper shall be responsible for informing Interconnecting Party(s) of the change. If the Interconnecting Party(s) does not confirm the Nomination change, further transportation may be curtailed until such confirmation is obtained or another Nomination is confirmed.

Nomination Changes By Company

If, on any day, Company determines that there is an under-delivery or over-delivery of natural gas into Company's System from an Interconnecting Party(s), Company shall have the right to make or require Shipper to make adjustments to Shipper's Nominations to more accurately reflect actual deliveries of supply into or out of Company's System.

ALLOCATIONS

Unless otherwise agreed, Allocations at the Company's Receipt Point(s), less Fuel Reimbursement, will be based on the lower of the three: (i) Nominations to Company or (ii) confirmed Nominations or (iii) Allocations provided by Interconnecting Party(s). The difference between Allocations, less Fuel Reimbursement at the Receipt Point(s) and daily measurement determinations at the Delivery Point(s) will be considered the Imbalance. Shipper's net daily Allocation quantities, net of Fuel Reimbursement, shall be applied as follows and in the following sequence: First, the net daily Allocation quantities shall be applied against the daily usage measured by Company at the Delivery Point(s). To the extent net daily Allocation quantities are greater than or less than such daily usage, the difference shall be applied as Imbalance Resolution gas to offset any prior month Imbalance. Any remaining net daily Allocation quantities shall be applied as current month Imbalance gas. Delivery Point Allocations and Imbalances will be determined by Company on a daily basis or as otherwise specified.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DETERMINATION OF QUANTITIES TRANSPORTED

Quantity determinations shall be done in accordance with Company's Rules and Regulations for Natural Gas Service, and quantities will be apportioned in gas Day increments. Determinations may be adjusted by Supply Curtailments or other restrictions. Quantities consumed in excess of confirmed Nominations or Allocations during any restricted period will be sold to the Shipper at the appropriate Backup Supply Sales Charge up to that quantity permitted under Service Agreement or, if above those quantities, at the Unauthorized Overrun Penalty Charge. Sales quantities consumed during any such restricted period shall not be made up through Imbalance provisions. Shipper agrees to accept the accounting by Company of daily quantities of Shipper's Gas received by Company.

IMBALANCE PROVISION

Shipper shall make every effort to manage daily receipts of Shipper's Gas and deliveries to the Receiving Party(s) so that the Imbalance(s) at the end of each Month, including any Imbalance(s) under the five (5) Dth quantity limitation carried forward from the previous Month, are as close to zero as practicable. Determination of such Imbalance(s) will be made after adjusting for Fuel Reimbursement.

If at the end of any Month the imbalance is in excess of twenty-five percent (25%), except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then the imbalance will be cashed out effective on the last day of such month to zero percent (0%) when the Shipper is billed by Company for the month in which the imbalance occurred. Shipper's exceeding the twenty-five percent (25%) imbalance threshold are prohibited from decreasing the amount of the imbalance by swapping imbalances, or nominating imbalance payback gas during the succeeding month.

Shippers having imbalances which are 25% or less at the end of any Month shall endeavor to bring such imbalance to zero percent of actual usage within the subsequent billing period. If at the end of the subsequent billing period the Imbalance is greater than two percent (2%), then Shipper shall be subject to the Over and Under-Delivery provisions of this tariff ("Cashout") and the Imbalance shall be brought to two percent (2%). Any Imbalance remaining after said Cashout shall be added to the current Month's Imbalance and carried forward into the following Month.

Company may enter into separate Imbalance Agreements with Shipper that take into consideration, special unique circumstances.

Imbalance Trading.

A Shipper may trade or "swap" Imbalance Gas among Service Agreements which it holds, or otherwise controls through an Agency Agreement (in either of the two forms provided herein), and those similarly held or controlled by other Shippers to eliminate or reduce Imbalances under those Service Agreements. Any "swap" of Imbalance shall not cause the Company to receive less value than the Company would have received had the "swap" not occurred. Any Imbalance "swap" shall be subject to the following conditions:

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IMBALANCE PROVISION - Cont'd

Imbalance Trading. - Cont'd

- a. Shippers are responsible for making whatever arrangements they deem necessary to finalize and document the Imbalance "swap" among themselves.
- b. Shippers may post notice of Imbalances available for "swap" on Company's Electronic Bulletin Board.
- c. Shippers may request the Company, in writing, to post notice of Imbalances available for "swap" on Company's Electronic Bulletin Board for the Shipper.
- d. Only "swaps" which have the effect of reducing individual Agreement Imbalances shall be permitted. Shipper must notify Company in writing of the material terms of the "swap" arrangement. Shippers' written notice will be deemed to be the Shipper's direction to Company to make the Imbalance "swap" on the Shipper's account.
- f. Written notice from each of the involved Shippers must be received by Company no later than the fifth (5th) Business Day following the Month the Imbalance was to be resolved, unless otherwise agreed to by Company.
- g. The "swapping" of Imbalances will be subject to the Company's approval based upon operational considerations. Company will approve or disapprove "swap" requests within three (3) Business Days.

Company shall not be responsible for any liabilities incurred by a Shipper as a result of the Company performing a "swap" arrangement in accordance with the written notice of the involved Shippers. Any change of fact, including but not limited to retroactive adjustments, which affect the beginning Imbalance shall not rescind or otherwise modify any "swap" arrangement Shipper(s) have requested the Company to perform.

Aggregate Balancing. Imbalances attributable to Service Agreements held by Shipper and for which Shipper has been authorized through an Agency Agreement (in either of the two forms provided herein) to aggregate Imbalances on behalf of other Receiving Parties shall be automatically combined and netted among all such Service Agreements for each Operational Area.

Operational Imbalances. At no time shall Company be required to receive quantities at the Receipt Point(s) for Shipper's account in excess of the quantities Shipper will accept at the Delivery Point(s) on a concurrent basis. At no time shall Company be required to deliver quantities at the Delivery Point(s) for Shipper's account in excess of the quantities Shipper causes to be received by Company at the Receipt Point(s) on a concurrent basis, less adjustments for fuel gas and Backup Supply Sales Service gas to be provided to Shipper. If Shipper fails to modify nominations as directed by Company to reduce an operational imbalance, Company may, among other remedies, suspend or terminate service.

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IMBALANCE PROVISION - Cont'd

Operational Imbalances - Cont'd

Shipper shall cause gas to be delivered to Company by the Interconnecting Party(s) at a constant rate throughout the day equal to an hourly flow rate of 1/24th of daily Nomination. If gas is delivered to Company by the Interconnecting Party(s) at an inconsistent rate and Company's operations are negatively affected, Company shall have authority to restrict Shipper's quantities or adjust Receiving Party's Nomination to an amount equal to the delivered rate by the Interconnecting Party(s).

Imbalance Report. The Company shall formally notify Shipper of ±Imbalances incurred each Month, by way of an imbalance statement, by the fifteenth day of the succeeding month after the month that the ±Imbalance occurred. Imbalance statements shall reflect Imbalances for each Operational Area attributable to all Service Agreements held by Shipper and for which Shipper has been authorized through an Agency Agreement to aggregate Imbalances on behalf of other Receiving Parties. Imbalances will not necessarily be reflected on Imbalance statements for a Shipper that has authorized an agent to perform Aggregate Balancing pursuant to an Agency Agreement - Form 2. If a Shipper disagrees with the Company's imbalance statement, stating reasons therefore, the Shipper will notify the Company as soon as practicable, but shall in no event notify the Company later than fifteen (15) days after receipt of the Company's imbalance statement. However, such notice disputing accuracy of the statement shall not be sufficient reason for delaying correction of the imbalance or withholding payment pursuant to cashout provisions. If the statement is found not to be accurate, the Company will adjust the imbalance and the amount of over or underpayment on the next bill or statement.

OVER-DELIVERIES OF SHIPPER'S GAS SUPPLIES

In the event the quantity of gas delivered to the Shipper or Receiving Party(s), as determined by the Company at the Delivery Point(s) is less than the quantity allocated by the Interconnecting Party(s), adjusted for Fuel Reimbursement at the end of the subsequent billing period, by more than two percent (2%), including any Imbalance from the prior monthly billing period, except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then Company will correct the Imbalance to two percent (2%) of Shipper's prior month deliveries by purchasing from the Shipper the difference between a) Receiving Party(s)' deliveries and b) the quantity allocated by Interconnecting Party(s) adjusted for Fuel Reimbursement. These purchases shall be made at a rate equal to seventy-five percent (75%) of of Index Price Two. These purchases shall be applied as a credit on the Shipper's succeeding monthly statement. These purchases shall not be made by Company if the imbalance quantities aggregated for each Operational Area under the Service Agreement(s) held by Shipper, or controlled by Shipper through an Agency Agreement, are five (5) Dth or less. An imbalance created by a Prior Period Adjustment shall be cashed out immediately pursuant to the section below entitled Imbalances Due to Prior Period Adjustment.

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UNDER-DELIVERIES OF SHIPPER'S GAS SUPPLIES

In the event the quantity of gas delivered to the Shipper or Receiving Party(s), as determined by the Company at the Delivery Point(s) is greater than the quantity allocated by Interconnecting Party(s), adjusted for Fuel Reimbursement at the end of the subsequent monthly billing period, by more than two percent (2%), including any Imbalance from the prior monthly billing period, except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then Company shall correct the Imbalance to two percent (2%) of Shipper's prior month deliveries by selling to the Shipper, the difference between a) Receiving Party(s)' deliveries and b) the quantity allocated by Interconnecting Party(s) adjusted for Fuel Reimbursement. These sales shall be made at a rate equal to the sum of (1) one hundred twenty-five percent (125%) of Index Price One, and (2) the CIG TI Transportation Rate. These sales shall not be made by Company if the imbalance quantities aggregated for each Operational Area under the Service Agreement(s) held by Shipper, or controlled by Shipper through an Agency Agreement, are five (5) Dth or less. An imbalance created by a Prior Period Adjustment shall be cashed out immediately pursuant to the section below entitled Imbalance Due to Prior Period Adjustment.

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IMBALANCE DUE TO PRIOR PERIOD ADJUSTMENT

An imbalance created by a Prior Period Adjustment that reflects an over delivery of Shipper's gas shall be immediately purchased by Company at an amount equal to the difference between the quantities upon which Company's previous billings were based and the corrected quantities for each month affected by the Measurement Error, not to exceed 24 months, multiplied by a rate equal to the Colorado Interstate Gas Company Rocky Mountain spot gas price index as reported in the table titled "Prices of Spot Gas Delivered to Pipelines," in the first monthly issue of Inside F.E.R.C.'s Gas Market Report published by Platts, for the applicable Months in which the corresponding Imbalance was created.

An imbalance created by a Prior Period Adjustment that reflects an under delivery of Shipper's gas shall be immediately sold by Company at an amount equal to the difference between the quantities upon which Company's previous billings were based and the corrected quantities for each month affected by the Measurement Error, not to exceed 24 months, multiplied by a rate equal to the Colorado Interstate Gas Company Rocky Mountain spot gas price index as reported in the table titled "Prices of Spot Gas Delivered to Pipelines," in the first monthly issue of Inside F.E.R.C.'s Gas Market Report published by Platts plus the CIG TF Transportation Rate for the applicable Months in which the corresponding Imbalance was created.

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IMBALANCE DUE TO PRIOR PERIOD ADJUSTMENT - Cont'd

Prior Period Adjustments shall be calculated by Company for the entire period during which the Measurement Error occurred, but not more than 24 months. If the Prior Period Adjustment results in an amount due Shipper by Company, Company shall credit the full amount of such Prior Period Adjustment on Shipper's next monthly bill. If the Prior Period Adjustment results in an amount due Company by Shipper, Company shall include such additional amount on Shipper's next monthly bill. Company will allow Shipper an amount of time equal to the period during which the Measurement Error occurred to remit the Prior period Adjustment amount, but in no event shall this period be longer than six (6) months. The Company and Shipper may, at Shipper's option, enter into an installment plan arrangement.

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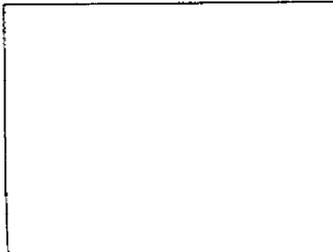
BALANCING UPON TERMINATION

Upon termination or cancellation of the Service Agreement, if transportation service is not continued under another Service Agreement, any under-deliveries shall be eliminated at the earliest practicable date, not to exceed thirty (30) days following such termination or cancellation. If at the end of the thirty (30) day period an under-delivery exists, then, as appropriate, Company shall sell to Shipper such quantities which are due Shipper and Shipper shall purchase from Company such quantities in accordance with the terms and conditions of the under-deliveries of Shipper's Gas Supplies section of this tariff. If the Imbalance is caused by an over-delivery of Shipper's Gas then Company shall eliminate any over-deliveries by purchasing any quantities which are due Shipper at the next billing cycle in accordance with the terms and conditions of over-deliveries of Shipper's Gas Supplies section of this tariff.

If Service Agreement is terminated and service continues under another Service Agreement, the Imbalance may upon Shipper's request be transferred to new Service Agreement and the Imbalance Provisions shall apply.

FAILURE OF SHIPPER'S SUPPLY

Should Shipper fail to cause Shipper's Gas to be supplied to Company for transportation, Shipper will immediately notify Company of this condition. If Shipper has not contracted for Firm Supply Reservation Service, then, upon request, Company will inform Shipper if Backup Supply Sales Service is available from Company. If Company informs Shipper that said Backup Supply Sales Service is not available, continued use of gas by Receiving Party shall be considered Unauthorized Overrun Penalty Service.



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SUPPLY CURTAILMENTS

Company will, within a reasonable time, confirm with Interconnecting Party(s) an Interconnecting Party(s)'s Supply Curtailment of a Shipper's Gas supplies. If a Shipper's Gas supplies are curtailed, Company will accept, until 8:00 a.m. CCT the morning of such gas Day, revised Nominations that conform with the receipt quantities confirmed by the Company from the curtailed Interconnecting Party(s). The Company will also allow resourcing of curtailed quantities from existing or new Receipt Point(s), provided the revised Nomination is submitted no later than 8:00 a.m. CCT the morning of such gas Day. Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company no later than 11:30 a.m. CCT the morning of such gas Day. Any revised Nomination not confirmed by the Interconnecting Party(s) on or before than 11:30 a.m. CCT shall be deemed denied. In no event shall revised Nominations bump quantities already previously scheduled and confirmed for such gas Day.

In the event of an emergency, the Company will accept, for one (1) hour, revised Nominations that conform with the receipt quantities received by the Company from the curtailed Interconnecting Party(s).

OPERATIONAL FLOW ORDER

In the event a condition is developing that may require the implementation of an Operational Flow Order, or circumstances are present that significantly increase the likelihood that such conditions will develop, the Company will undertake reasonable efforts to post an advance advisory on its Electronic Bulletin Board of the developing condition or circumstances to provide transportation customers time and opportunity to take steps to help address the condition. Additionally, in the event the Company has decided to issue an Operational Flow Order, the Company will attempt to post notice on its Electronic Bulletin Board by 4:00 p.m. the day prior to the implementation of the Operational Flow Order. Such notice shall specify the Tolerance Range of over or under deliveries for an Operational Area under the Service Agreement(s) held or controlled by Shipper which is permitted for the Gas Day under the Operational Flow Order, as well as any penalty which will be imposed for non-compliance, up to the Unauthorized Overrun Penalty Charge. At that time Company will accept, until 8:00 a.m. CCT the morning of such gas Day, revised Nominations. If such Gas Day is a Business Day, Company will accept a further good faith revision to nominations until noon (CCT). Public Service may establish any such penalties at a different level according to the severity of circumstances for which the specific Operational Flow Order was issued; provided, however, that any such penalty shall be applied to all affected Shippers.

Any consumption by the Receiving Party(s) under Service Agreement(s) held by Shipper, or controlled by Shipper through an Agency Agreement, exceeding the Tolerance Range permitted under the Operational Flow Order shall be purchased by Company or sold to Shipper, as appropriate, at a rate equal to the imbalance penalty charge for Over delivery or Under delivery of gas in effect for that month, and/or charged a penalty charge per Dth at a rate not to exceed the Unauthorized Overrun Transportation Penalty charge. All penalty charges and Tolerance Ranges to be imposed during any Operational Flow Order will be identified as conditions of the Operational Flow Order when such Order is posted.

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GAS TRANSPORTATION TERMS AND CONDITIONS

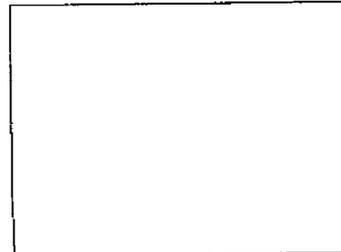
OPERATIONAL FLOW ORDER - Cont'd

Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company no later than 11:30 a.m. CCT the morning of such gas Day during an Operational Flow Order. Any revised Nomination not confirmed by the Interconnecting Party(s) on or before 11:30 a.m. CCT shall be deemed denied. In no event shall revised Nominations bump quantities already previously scheduled and confirmed for such gas Day.

~~In the event of an emergency, the Company may at any time call an Operational Flow Order: (a) at any time during the gas Day, if the Operational Flow Order is directed at a Shipper or limited number of Shippers within an Operational Area that Company reasonably believes are causing the condition necessitating the OFO, but or (b) no later than 2:00 p.m. CCT of the Gas Day in which the Operational Flow Order is effective, if it is directed at all Shippers within an Operational Area. Company will post the conditions under which it will accept revised Nominations at the time notice of such emergency Operational Flow Order is posted on its Electronic Bulletin Board as soon as possible during the gas Day once it has made the decision to call the Operational Flow Order.~~

During the period in which an Operational Flow Order is in effect, Public Service, in its capacity as gas supplier and merchant, will align its purchases and deliveries consistent with the requirements imposed on Shippers under such Operational Flow Order.

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GAS TRANSPORTATION TERMS AND CONDITIONS

BILLING AND PAYMENT - Cont'd

Verification of Statements. Shipper and Company shall have the right to examine, for a period of two (2) years, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under the provisions of this tariff.

Security for Gas Transportation Service. Except to the extent Company agrees to accept unsecured credit, security shall be required for any Shipper requesting or receiving gas transportation service as a condition of service. Company may require a Shipper requesting gas transportation service to provide security in an amount not to exceed the sum of the applicable gas transportation charges for the highest three months of estimated usage. Eligible security may include cash security (Shipper hereby grants Company a first priority security interest in any such cash), an irrevocable standby letter of credit or parental guaranty in a form and from an issuing entity acceptable to Company, or other security acceptable to Company.

Additional security may be required from an existing Shipper if Company reasonably determines that changes in the Shipper's financial condition or an increase in Shipper's gas transportation business with Company warrants. Such determination will be based on Company's review of financial statements, senior unsecured long-term debt (un-enhanced by third party support), rating(s) from credit reporting agenc(ies), recent payment history, and/or other information relating to Shipper's creditworthiness. Company may require Shipper to provide additional security up to an amount such that the total amount of Shipper's security does not exceed the sum of the applicable gas transportation charges for the highest three months' actual usage, plus three times the highest month's under-delivery Imbalance cashout charges and Operational Flow Order penalty charges incurred during the preceding twelve-month period.

Shipper grants to Company a first priority, continuing security interest in, lien on and right of set-off against all provided security hereunder. Any security required hereunder shall not be considered as advance payment or partial payment of any bill for service, but as a prerequisite for service, or continued service and shall not be transferable to another Shipper. The security may be used by Company for payment of service to be applied against unpaid bills only in the event service for the account on which the security was being held is discontinued or otherwise terminated.

Refunds of Deposits for Gas Transportation Service. Refunds to Shippers of deposits will be made when service is terminated and all outstanding bills have been paid. Interest will be paid on Shipper deposits either in cash or by a credit to the Shipper's account. Interest will be paid upon refund of the deposit or annually upon request of a Shipper. The annual interest rate shall be equal to the effective interest rate for residential customer deposits, as established by the Public Utilities Commission of the State of Colorado.

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GAS TRANSPORTATION TERMS AND CONDITIONS

SUSPENSION OR TERMINATION OF GAS TRANSPORTATION SERVICE FOR CAUSE

In each of the following circumstances constituting default by Shipper, Company may immediately discontinue gas transportation service by suspending service under Shipper's Service Agreement, by revoking Shipper's authority to act as agent on behalf of other Shippers or Receiving Parties, or by terminating Shipper's Service Agreement: (i) Shipper failed to remit full and timely payment for services invoiced by Company; (ii) Shipper has failed to provide Company sufficient quantities of Shipper's Gas to meet the daily load requirements under the Service Agreement, constituting a Default Imbalance, as defined below~~creating a significant Imbalance for the current Month (more than 5,000 Dth), and Shipper further has failed to take the necessary steps to remedy such Imbalance as required in writing by Company;~~ (iii) Shipper has failed to provide sufficient security for gas transportation service as required by Company; and (iv) Shipper otherwise has failed to conform to the material requirements of this tariff. A Default Imbalance is an underdelivery Imbalance that is greater than 2,500 Dth for the current Month and either (i) a cumulative underdelivery Imbalance for the current Month that exceeds 50% of the current Month deliveries as of any Day after the tenth Day of the Month, or (ii) if there was a prior Month underdelivery Imbalance, a cumulative underdelivery imbalance for both the prior Month and the current Month that exceeds 30% of the cumulative deliveries as of any Day. Before any such suspension of service, revocation of agency or termination of Service Agreement, Company shall provide at least two (2) Business Day's written notice to Shipper of the circumstances constituting default by Shipper and of Company's intention to suspend service, revoke agency, or terminate the Service Agreement in the event such default is not remedied within the period specified by Company therein. ~~Company may provide a copy of such notice to all Receiving Parties to which gas transportation service would be suspended or terminated, or whose designation of agent would be revoked pursuant to such notice. In the event the default is not remedied within the period specified by Company in its notice to Shipper, such~~ suspension of service, revocation of agency or termination of Service Agreement shall become effective upon the date set forth in Company's notice, but in no event less than two (2) Business Days following Shipper's receipt of Company's notice.

In the event the resulting suspension, revocation or termination involves a Service Agreement in which the defaulting Shipper was authorized as agent for one or more Receiving Parties, Company shall notify each such Receiving Party(s) of such suspension, revocation or termination on or before the effective date thereof. Said Receiving Parties shall be entitled to continue receiving gas transportation service under the suspended or terminated Service Agreement and to purchase Imbalance gas supplies provided by Company for an interim period of up to three (3) full consecutive calendar months following such suspension, revocation or termination, pending Receiving Party obtaining alternative gas supply arrangements. During such interim period, Company shall not interrupt gas transportation service to the Receiving Party or assess penalties for gas use during an Operational Flow Order or other system emergency, provided that Company has adequate resources to provide such continued service during such periods. Company shall invoice said Receiving Parties directly for such interim gas transportation service and associated Imbalance gas supplies. The Imbalance gas supplies sold to Receiving Parties during such interim period shall be at a price equal to Index Price One plus the CIG TI Transportation Rate.

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PUBLIC SERVICE COMPANY OF COLORADO

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GAS TRANSPORTATION TERMS AND CONDITIONS

SUSPENSION OR TERMINATION OF GAS TRANSPORTATION SERVICE FOR CAUSE - Cont'd

Any such Receiving Party may transfer to a new Service Agreement or transfer to an existing Service Agreement by submitting a completed Request for Service and Agency Agreement, if applicable, in accordance with Company's requirements. A Receiving Party desiring to return to Company applicable sales service under Rates Schedule RG, CG or IG may transfer to such service, if available, upon the first day of the month following Company's receipt of a written request from customer.

OLD PAGE BREAK - SHEET T18

If neither a request for transportation or sales service has been received by Company within four (4) Business Days prior to the end of the third full calendar month following the suspension, revocation or termination, service will automatically be converted to applicable sales service under Rate Schedule RG or CG effective the first day of the month following the third full calendar month of interim service.

Receiving Party Contact List

Annually upon notification from Company, Shippers holding a Master Agreement shall provide Company an updated list identifying the current contact person, telephone number and mailing address for each Receiving Party under the Shipper's Master Agreement. This list shall allow Company to provide periodic notices to Receiving Parties and facilitate communications with Receiving Parties under a Master Agreement in the event of suspension or termination for cause hereunder.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NEW PAGE BREAK - SHEET T18A

QUALITY

Gas Receipts. Unless otherwise specified by Company, gas tendered to Company will conform with the quality specifications set forth under this tariff and associated Transportation Service Agreement executed between Shipper and Company. Company has no obligation to accept gas of a lesser quality than that set forth herein below or to accept gas of a lesser quality than that which is to be delivered.

At a pressure of 14.73 psia and a temperature of 60°F, gas received by Company shall not contain more than the following:

- (i) Hydrogen Sulfide: one quarter (1/4) grain per one hundred (100) cubic feet.
- (ii) Total Sulfur: five (5) grains per one hundred (100) cubic feet.
- (iii) Carbon Dioxide: three percent (3%) by volume.
- (iv) Water Content: three (3) pounds per one million (1,000,000) cubic feet.
- (v) Flowing Gas Temperature: not to be less than thirty-two degrees Fahrenheit (32°F) or more than one hundred and ten degrees Fahrenheit (110°F).
- (vi) Hydrocarbon Dewpoint: shall not exceed fifteen degrees Fahrenheit (15°F) at any pressure between one hundred (100) psia and one thousand (1000) psia as calculated from gas composition or otherwise determined.
- (vii) Oxygen Content: two percent (2%) by volume if inert blended, one thousandth percent (0.001%) by volume if not inert blended.
- (viii) Total non-combustible gases: fourteen and three tenths percent (14.3%) by volume if inert blended, five percent (5%) by volume if not inert blended.

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Odorization. Company odorizes its natural gas only to meet requirements of the Department of Transportation, as stated in the Transportation of Natural and Other Gas by Pipeline, Minimum Safety Standards, 49 C.F.R. Section 192.625. Company assumes no responsibility for odorization of the natural gas after its delivery to Shipper or for Shipper's account, and Shipper or Shipper's Receiving Party(s) shall not rely on Company's odorization of the natural gas to meet any requirement or obligation of Shipper or Shipper's Receiving Party(s) with respect to the odorization of natural gas.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NEW PAGE BREAK - SHEET T19

Liability. Company shall not be liable to Shipper or a third party for any damages incurred as a result of Company's refusal to receive gas that does not meet quality specifications. The Shipper delivering gas directly into Company's System shall indemnify, save, and hold harmless Company for any injury, damage, loss, or liability arising out of or relating to the Shipper's delivery of non-conformance gas.

Processing. Company may extract or permit the extraction of moisture, inerts, natural gasoline, butane, propane, or other hydrocarbons (except methane) from said natural gas, or may return thereto any substance extracted from it. Company, in order to conserve and utilize other available gases, may blend such gases with said natural gas. Company may subject or permit the subjection of said natural gas to compression, cooling, cleaning, or other processes to such an extent as may be required in its transportation from the Interconnecting Party(s) to the Delivery Point(s).

Objectionable Matter. The gas delivered to Company shall be commercial in quality and free of substances harmful to pipeline facilities, including but not limited to dust, dirt, gum-forming constituents, water, and other liquid or solid matter, or water and hydrocarbons in liquid form at the temperature and pressure at which it is received by Company, which might interfere with its marketability or cause injury to or interference with proper operation of the lines, regulators, meters, and other equipment of Company.

Hazardous Substances. All gas tendered to Company and component parts thereof shall not be hazardous to people, property, or the environment, cause damage to pipeline facilities, or be a limit to marketability. Hazardous substances include toxic substances, carcinogenic substances, reproductive toxins or other compounds and materials identified under hazardous materials laws.

Gas Interchangeability. For safe and efficient pipeline operations, gas received by Company must be interchangeable from a utilization basis with supplies in its System. Gas received by Company shall comply with the requirements set forth under the applicable Utilization Curve contained under an Exhibit to the Transportation Service Agreement, which is a general representation of the natural gas quality which is acceptable. Because the gas composition must be known to determine if a supply is interchangeable, Company reserves the right in all instances to evaluate gas composition to determine System compatibility and to refuse any gas which is unacceptable.

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GAS TRANSPORTATION TERMS AND CONDITIONS

FORCE MAJEURE

Force Majeure shall mean circumstances not within the control of the parties and which by the exercise of due diligence, the affected party is unable to overcome. Force Majeure shall include but not be limited to acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests, and restraints of governments and people, civil disturbances, explosions, breakage or accident to wells, machinery or lines of pipe, freezing of wells or lines of pipe and partial or entire failure of wells. The term Force Majeure shall also include: the inability or delay of a party to acquire, at reasonable cost, materials, supplies, servitudes, right of way grants, transportation agreements with parties other than Company, permits, licenses or permissions from any governmental agency to enable such party to fulfill its obligations hereunder.

The Force Majeure provisions shall not apply to the inability of Company to accept gas at the Receipt Point(s) or deliver gas at the Delivery Points(s) nominated by Shipper for the purpose of correcting or curing an Imbalance in Shipper's Gas transported on Company's System.

In the event either party is rendered wholly or partially unable to carry out its obligations under this Service Agreement due to a Force Majeure event, such party shall give notice and provide the full particulars of such Force Majeure, in writing or by electronic data transmitted to the other party as soon as is reasonably possible after the occurrence of the causes relied on. The obligations of the parties, other than to make payments of amounts due hereunder, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. The affected party shall use good faith and due diligence to remedy the Force Majeure event in a commercially reasonable manner.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

LIABILITY

Each party shall indemnify, save and hold harmless the other party, its officers, employees and agents from any and all claims for injury to person or persons or damage to property occurring on its respective side of the interconnection point(s) between Company's and the Shipper's or Receiving Party's facilities; provided, however, that nothing herein contained shall be construed as relieving or releasing either party from liability for injury or damage, wherever occurring, resulting from its own negligence or the negligence of any of its officers, employees or agents.

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PUBLIC SERVICE COMPANY OF COLORADO

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GAS TRANSPORTATION TERMS AND CONDITIONS

LIABILITY - Cont'd

In no event shall either party be liable for damages in an amount greater than the degree or percentage of negligence or fault attributable to that party. Each of the parties hereto shall be solely responsible for injury or damage, wherever occurring, due solely to any defect in equipment installed, furnished or maintained by such party.

WARRANTY

Shipper warrants that the title to all gas delivered to Company will be free from all liens and adverse claims, and Shipper shall defend and indemnify Company against all damages, cost, and expenses, including attorney fees, arising from any claim against said gas or to royalties, taxes, license fees or charges thereon.

WAIVERS

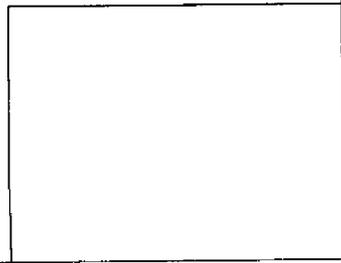
No waiver by Company or Shipper of any one or more defaults in the performance of any provision hereunder shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

SYSTEM OPERATION

Company may take such action as reasonably necessary to prevent damage to or material deterioration of its System and to maintain the operational integrity of the System.

EXTENSION POLICY

For transportation service, Company will install necessary extension facilities in accordance with the Company's Service Lateral Connection and Distribution Main Extension Policy as contained in Company's Natural Gas Service Rules and Regulations.



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**REQUEST FOR AMENDMENT/CHANGE NOTIFICATION  
TO GAS TRANSPORTATION SERVICE AGREEMENT**

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SHIPPER INFO

Date: \_\_\_\_\_ Gas Transportation Document # \_\_\_\_\_

\*Shipper: \_\_\_\_\_

Mailing & Notice Address: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ State of Incorporation: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Tax ID#: \_\_\_\_\_

Emergency Contacts: *For gas flow and other communications. Three preferred.*

During business hours call	1	Phone 1
	2	2
	3	3
After business hours call	1	1
	2	2
	3	3

*\* If Shipper is different from Receiving Party, then Shipper must include written authorization from Receiving Party to act on its behalf.*

---

What change is requested? \_\_\_\_\_

---

RECEIVING PARTY INFO

\*Receiving Party: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Receiving Party Customer Type:

Existing (circle one): Prior Contract #: _____		Requested (circle one):	
Interruptible Sales	Interruptible Transport	Interruptible Transport	Firm Transport Capacity Only
Firm Sales	Firm Transport	Other	Firm Transport Capacity & Supply

For conversion from sales to transport, Electronic Meter Installation form(s) provided by (check one)  
 Company \_\_\_\_\_  
 Shipper \_\_\_\_\_

*\* Attach list showing the above information for each Receiving Party.*

INTERRUPTIBLE SERVICE Receiving Party* & Facility Address	Annual Qty. (Dth)	MTDQ On Peak Demand Qty

FIRM SERVICE Receiving Party* & Facility Address	Annual Qty. (Dth)	Firm Capacity Peak Day Quantity

*\* If more than two, attach list showing the above information for each.*

Total \_\_\_\_\_

**FIRM SUPPLY RESERVATION PEAK DAY QUANTITY** \_\_\_\_\_

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[REQUEST FORM FOR AGGREGATE BALANCING DELETED]

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PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. T287

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Document No. \_\_\_\_\_

FIRM GAS TRANSPORTATION SERVICE AGREEMENT

THIS SERVICE AGREEMENT (Agreement), made and entered into as of \_\_\_\_\_, 20\_\_, by Public Service Company of Colorado (Company), a Colorado corporation and \_\_\_\_\_ (Shipper), a \_\_\_\_\_ corporation. Company and Shipper are collectively referred to as the "Parties."

THE PARTIES REPRESENT:

Shipper has by separate agreement acquired supplies of natural gas, hereinafter referred to as "Shipper's Gas", to be delivered to Delivery Point(s); and

Shipper will cause Shipper's Gas to be delivered to Company's Receipt Point(s) as specified in Exhibit(s)\_\_\_\_; and

Shipper has requested and Company agrees to receive and transport Shipper's Gas from the Receipt Point(s) to the Delivery Point(s), as specified in Exhibit(s), on a firm capacity basis and, if applicable, to sell gas to a Shipper on a firm supply reservation basis; and

Shipper assumes responsibility for the installation and maintenance costs for a communication line necessary for electronic metering for the facility(s) specified in Exhibit(s)\_\_\_\_\_.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. (a) Shipper acknowledges and agrees that gas transportation service provided hereunder is subject to the terms and conditions of Company's applicable gas transportation tariff as on file and in effect from time to time with the Public Utilities Commission of the State of Colorado and such terms and conditions are incorporated herein as part of this Agreement.

(b) This agreement, and all its rates, terms and conditions as set out in this agreement and as set out in the tariff provisions which are incorporated into this agreement by reference, shall at all times be subject to modification by order of the Commission upon notice and hearing and a finding of good cause therefore. In the event that any party to this agreement requests the Commission to take any action which could cause a modification in the conditions of this agreement, the party shall provide written notice to the other parties at the time of filing the request with the Commission.

(c) If the end-use customer uses a marketing broker for nomination, gas purchases, and balancing, the end-use customer shall provide the utility with an aAgency agreement.

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2. Rates and Payment: Transportation service, Firm Capacity service and Firm Supply Reservation service provided by Company under this Service Agreement shall be paid for by Shipper at the standard charges applicable under Rate Schedule TF set forth in Company's gas transportation tariff unless otherwise specified in Exhibit(s) \_\_\_\_\_. Applicable facility charges shall be paid at the rate set forth in Company's Gas Transportation Tariff unless otherwise specified in Exhibit(s) \_\_\_\_\_.

3. Back-up Supply Sales Service: In the event that adequate supplies of Shipper's gas are not available for receipt by Company, Company shall sell to Shipper sufficient quantity(s) of natural gas as nominated by Shipper up to the Firm Supply Reservation Quantity for the Firm Supply Reservation Service (if any) as specified in Exhibit(s) \_\_\_\_\_, but in no event greater at any Delivery Point than the Peak Day Quantity at such Delivery Point as specified in Exhibit(s) \_\_\_\_\_. If Shipper does not purchase Firm Supply Reservation Service or exceeds the Firm Supply Reservation Quantity, Shipper may nominate and purchase from Company Back-up Supply Sales Service on an interruptible basis, to the extent such Back-up Supply Sales Service is available, in the event that adequate supplies of Shipper's gas are not available for receipt by Company. Applicable charges shall be as set forth in Company's Gas Transportation Tariff.

4. Quality: Gas delivered by the Shipper or for the Shipper's account at the Receipt Point(s) as specified in Exhibit(s) \_\_\_\_\_ shall conform to the specifications for gas as specified in Exhibit(s) \_\_\_\_\_.

5. Term - Effective Date: Service hereunder shall begin as of \_\_\_\_\_, \_\_\_\_\_. Unless otherwise mutually agreed, Firm Capacity Service shall continue through the end of the current Contract Year, and from year to year thereafter until terminated as of the end of any Contract Year by either party upon thirty (30) days written notice.

6. Notices: Except as otherwise provided, any notice or information that either party may desire to give to the other regarding this agreement shall be in writing to the following address, or to such other address as either of the parties shall designate in writing.

COMPANY: SHIPPER:  
Payments Only:  
Public Service Company of Colorado

Invoices only:

Phone #:  
Fax #:

Attn:  
Phone #:  
Fax #:

All Others  
Public Service Company of Colorado

Phone #:  
Fax #:

Attn:  
Phone #:  
Fax #:

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PUBLIC SERVICE COMPANY OF COLORADO

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Routine communications, including monthly statements and payments, shall be considered as duly delivered or furnished three (3) days after being mailed or when transmitted electronically.

7. Assignment - Consent: This Service Agreement shall not be assigned by either party hereto, without the prior written consent of the other party, which consent shall not be unreasonably withheld.

8. Cancellation of Prior Agreement: This Service Agreement supersedes, cancels and terminates, as of the Effective Date of this Service Agreement, the following agreements and any amendments thereto:

Document No. \_\_\_\_\_,  
Dated: \_\_\_\_\_  
between \_\_\_\_\_ and Company.

9. Cancellation of this Service Agreement: Shipper may cancel this Service Agreement upon thirty (30) days' written notice, subject to any applicable termination charges pursuant to Company's Gas Transportation Tariff. If Receiving Party(s) then choose to return to full firm natural gas service from Company, Company will, at Receiving Party's request, subject to availability of sufficient volumes of firm natural gas from Company's suppliers, reinstate Receiving Party with full firm service under the appropriate tariffs as they may be filed with the Commission. Shipper shall be responsible for any costs which may be incurred by Company due to such termination.

10. Exhibit(s) and Addendums: All exhibits attached hereto are incorporated into the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Firm Gas Transportation Service Agreement as of the day and year first above written.

Document # \_\_\_\_\_

COMPANY:  
PUBLIC SERVICE COMPANY OF COLORADO

SHIPPER:  
\_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Taxpayer I.D. No. 84-0296600

Taxpayer I.D. No. \_\_\_\_\_

Witness/Attest:  
\_\_\_\_\_

Witness/Attest:  
\_\_\_\_\_

(please type name)

(please type name)

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PUBLIC SERVICE COMPANY OF COLORADO

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Document # \_\_\_\_\_  
 Effective Date Of Agreement: \_\_\_\_\_  
 Effective Date Of Exhibit: \_\_\_\_\_

EXHIBIT \_\_\_\_\_  
 TO THE FIRM TRANSPORTATION SERVICE AGREEMENT  
 BETWEEN  
 \_\_\_\_\_ (Shipper)  
 AND  
 PUBLIC SERVICE COMPANY OF COLORADO (Company)

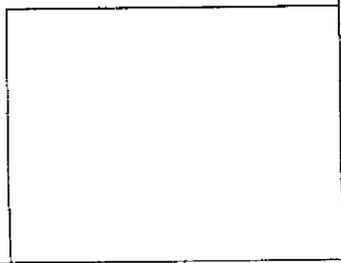
1. PRIMARY RECEIPT POINT(S)

Receipt Point	Peak Day Quantity Dth/Day	Utilization Curve
		General

2. FIRM CAPACITY SERVICE - DELIVERY POINT(S)

Receiving Party & Service Address	Load Point	Firm Capacity Peak Day Quantity (Dth)	Service and Facility Charge	Spec. Fac. Chg.	Transportation Commodity Charge	Term of Rate

Total Firm Capacity Reservation Peak Day Quantity: \_\_\_\_\_ Dth



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PUBLIC SERVICE COMPANY OF COLORADO

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3. FIRM SUPPLY RESERVATION SERVICE

Total Firm Supply Reservation Peak Day Quantity as of \_\_\_\_\_, \_\_\_\_\_: \_\_\_\_\_ Dth

This Exhibit shall be deemed amended to add or delete Receipt Points or Delivery Points through written Requests for Amendment to the Service Agreement which are approved by Company. Company shall make a list of all currently authorized Receiving Parties and Receipt Points under the Service Agreement available to Shipper by posting such list on Company's Electronic Bulletin Board.

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Document #

INTERRUPTIBLE GAS TRANSPORTATION SERVICE AGREEMENT

THIS SERVICE AGREEMENT (Agreement), made and entered into as of \_\_\_\_\_, 20\_\_\_\_, by and between Public Service Company of Colorado (Company), a Colorado corporation, and \_\_\_\_\_ (Shipper), a \_\_\_\_\_ corporation. Company and Shipper are collectively referred to as the "Parties."

THE PARTIES REPRESENT:

Shipper has by separate agreement acquired supplies of natural gas, hereinafter referred to as "Shipper's Gas", to be delivered to Delivery Point(s); and

Shipper will cause Shipper's Gas to be delivered to Company's Receipt Point(s) as specified in Exhibit(s)\_\_\_\_; and

Shipper has requested and Company agrees to receive and transport Shipper's Gas from the Receipt Point(s) to the Delivery Point(s), as specified in Exhibit(s), on an interruptible basis as long as system capacity is available for transportation of such gas.

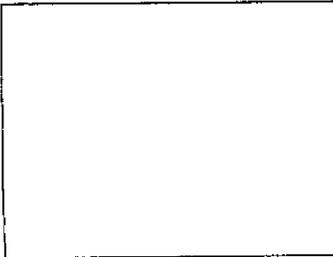
Shipper assumes responsibility for the installation and maintenance costs for a communication line necessary for electronic metering for the facility(s) specified in Exhibit(s)\_\_\_\_\_.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. (a) Shipper acknowledges and agrees that gas transportation service provided hereunder is subject to the terms and conditions of Company's applicable gas transportation tariff as on file and in effect from time to time with the Public Utilities Commission of the State of Colorado and such terms and conditions are incorporated herein as part of this Agreement.

(b) This agreement, and all its rates, terms and conditions as set out in this agreement and as set out in the tariff provisions which are incorporated into this agreement by reference, shall at all times be subject to modification by order of the Commission upon notice and hearing and a finding of good cause therefore. In the event that any party to this agreement requests the Commission to take any action which could cause a modification in the conditions of this agreement, the party shall provide written notice to the other parties at the time of filing the request with the Commission.

(c) If the end-use customer uses a marketing broker for nomination, gas purchases, and balancing, the end-use customer shall provide the utility with an Agency Agreement.



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2. Rates and Payment: Transportation service provided by Company under this Service Agreement shall be paid for by Shipper at the standard charges applicable under Rate Schedule TI set forth in Company's gas transportation tariff unless otherwise specified in Exhibit(s). Applicable facility charges shall be paid as set forth in Company's Gas Transportation Tariff unless otherwise specified in Exhibit(s).

3. Back-up Supply Sales Service: Shippers have the option to nominate and purchase from Company Back-up Supply Sales Service on an interruptible basis, to the extent such Back-up Supply Sales Service is available, in the event that adequate supplies of Shipper's gas are not available for receipt by Company. The applicable charges shall be as set forth in Company's Gas Transportation Tariff.

4. Quality: Gas delivered by the Shipper or for the Shipper's account at the Receipt Point(s) as specified in Exhibit(s) shall conform to the specifications for gas as specified in Exhibit(s).

5. Term - Effective Date: Service hereunder shall begin on \_\_\_\_\_, \_\_\_\_\_, and, unless otherwise mutually agreed, shall continue for a primary term of one year, and from year to year thereafter unless terminated by either party upon thirty (30) days written notice prior to the end of the primary term or any succeeding year thereafter.

6. Notices: Except as otherwise provided, any notice or information that either party may desire to give to the other regarding this agreement shall be in writing to the following address, or to such other address as either of the parties shall designate in writing.

COMPANY: SHIPPER:  
Payments Only:  
Public Service Company of Colorado  
  
Phone #:  
Fax #:

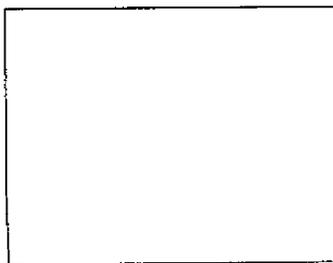
Invoices only:  
  
Attn:  
Phone #:  
Fax #:

All Others  
Public Service Company of Colorado  
  
Phone #:  
Fax #:

Attn:  
Phone #:  
Fax #:

Routine communications, including monthly statements and payments, shall be considered as duly delivered or furnished three (3) days after being mailed or when transmitted electronically.

7. Assignment - Consent: This Service Agreement shall not be assigned by either party hereto, without the prior written consent of the other party, which consent shall not be unreasonably withheld.



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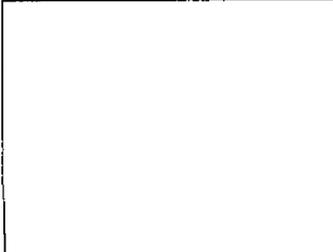
Cancels  
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8. Cancellation of Prior Agreement: This Service Agreement supersedes, cancels and terminates, as of the Effective Date of this Service Agreement, the following agreements and any amendments thereto:

Document No. \_\_\_\_\_,  
Dated: \_\_\_\_\_  
between \_\_\_\_\_ and Company.

9. Cancellation of this Service Agreement: Shipper may cancel this Service Agreement upon thirty (30) days' written notice. Shipper shall be responsible for any costs that may be incurred by Company due to such termination.

10. Exhibit(s) and Addendums: All exhibits attached hereto are incorporated into the terms of this Service Agreement.



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IN WITNESS WHEREOF, the parties have executed this Interruptible Gas Transportation Service Agreement as of the day and year first above written.

Document # \_\_\_\_\_

COMPANY:  
PUBLIC SERVICE COMPANY  
OF COLORADO

SHIPPER:

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Taxpayer I.D. No. 84-0296600

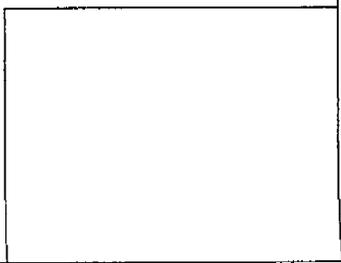
Taxpayer I.D. No. \_\_\_\_\_

Witness/Attest:

Witness/Attest:

\_\_\_\_\_  
(Please type name)

\_\_\_\_\_  
(please type name)



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PUBLIC SERVICE COMPANY OF COLORADO

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Document # \_\_\_\_\_  
 Effective Date Of Agreement: \_\_\_\_\_  
 Effective Date Of Exhibit: \_\_\_\_\_

EXHIBIT \_\_\_\_\_  
 TO THE INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT  
 BETWEEN  
 \_\_\_\_\_ (Shipper)  
 AND  
 PUBLIC SERVICE COMPANY OF COLORADO (Company)

1. CATAGORY ONE RECEIPT POINT(S)

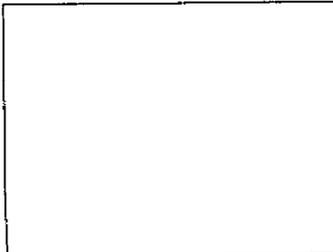
Receipt Point	Maximum Daily Transportation Quantity Dth/Day	Utilization Curve

2. DELIVERY POINT(S)

Receiving Party & Service Address	Load Point	MTDQ (Dth)	On Peak Demand Qty. (Dth)	Service and Facility Charge	Spec. Fac. Chg.	Transportation Commodity Charge	Term of Rate

Total Maximum Daily Transportation Quantity: \_\_\_\_\_ Dth/D

This Exhibit shall be deemed amended to add or delete Delivery Points through written Requests for Amendment to the Service Agreement which are approved by Company. Company shall make a list of all currently authorized Receiving Parties under the Service Agreement available to Shipper by posting such list on Company's Electronic Bulletin Board.



PUBLIC SERVICE COMPANY OF COLORADO

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AGENCY AGREEMENT  
FOR PUBLIC SERVICE COMPANY OF COLORADO  
GAS TRANSPORTATION SERVICES  
(FOR USE WITH MASTER AGREEMENTS)

The undersigned, by and on behalf of \_\_\_\_\_  
(Receiving Party), having a mailing address of \_\_\_\_\_  
\_\_\_\_\_, hereby designates \_\_\_\_\_  
(Agent Shipper), having a mailing address of \_\_\_\_\_  
\_\_\_\_\_, as its agent, with full  
authority to act on its behalf in obtaining and managing gas transportation  
service provided by Public Service Company of Colorado (Company), as specified  
below, for the transportation of gas supplies from Company's Receipt Points to  
Receiving Party at the following Delivery Point(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Receiving Party authorizes Agent Shipper to act on its behalf in contracting  
for gas transportation services provided by Company, arranging for the delivery  
of gas quantities to Company's Receipt Point(s) for Receiving Party including  
submitting all nominations therefor, managing gas transportation imbalances  
incurred on behalf of Receiving Party, receiving invoices from Company and  
paying all applicable charges for gas transportation service provided by Company  
to Receiving Party at the above Delivery Point(s). Receiving Party represents  
and warrants that it has not entered into a gas transportation service agreement  
with Company for deliveries to the above Delivery Point(s), but instead is  
hereby designating Agent Shipper to enter into such agreement with Company for  
that purpose on its behalf.

Agent Shipper and Receiving Party acknowledge that all service provided by  
Company is for the benefit of Receiving Party, and in the event that Agent  
Shipper or Receiving Party fails to make timely payment for service provided by  
Company, or otherwise is in default under the provision's of Company's Gas  
Transportation Tariff, this Agency Agreement may be revoked by Company and all  
service provided shall be subject to termination in accordance with Company's  
Gas Transportation Tariff. If such termination of service is as a result of  
Agent Shipper's failure to make payment, Receiving Party shall not be entitled  
to continued service, regardless of whether Receiving Party has made payment to  
Agent Shipper, until Company receives full and complete payment. Agent Shipper  
and Receiving Party shall be jointly and severally liable for all payments due  
and owing Company for all services provided.

As of the date in Section 9 below, Agent Shipper shall  
be authorized, in the following manner, to act on Receiving  
Party's behalf in obtaining and managing Company's gas  
transportation services.



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1.) Agent Shipper shall be authorized to negotiate and execute gas transportation service agreement(s) with Company for the delivery of gas from various Receipt Points to the Delivery Point(s) specified above on behalf of Receiving Party. Receiving Party acknowledges and agrees that such agreement may be a Master Agreement, as defined in the Gas Transportation Tariff, that may include additional delivery points to other Receiving Parties that similarly have designated Agent Shipper as their agent.

2.) Receiving Party acknowledges and agrees that, in order for Agent Shipper to carry out its responsibilities hereunder, Agent Shipper shall have access to daily transportation quantities for all Delivery Points specified above. In addition, Agent Shipper shall be authorized to obtain from Company information pertaining to Receiving Party's historical natural gas utilization at the Delivery Point(s) specified above.

3.) Agent Shipper shall nominate to Company, on Receiving Party's behalf for each of the Delivery Point(s) specified above, and otherwise schedule gas to meet Receiving Party's daily volume requirements and to resolve any and all gas transportation imbalances in accordance with the Company's Gas Transportation Terms and Conditions on file and in effect from time to time with the Commission. Agent Shipper authorizes the following personnel from its organization to make binding nominations for this purpose.

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Phone Number: \_\_\_\_\_

4.) Agent Shipper shall be authorized to approve, install and maintain phone lines or any associated equipment necessary for gas transportation service to the Receiving Party.

5.) Agent Shipper shall continue to act for Receiving Party in securing gas transportation services for so long as this Agency Agreement and the underlying gas transportation service agreement remains in effect. Gas transportation service may be terminated by either Agent Shipper or Receiving Party in accordance with the Termination provisions of the applicable Rate Schedule in Company's tariff. This Agency Agreement may be terminated by Receiving Party, effective upon the first day of any Month that Receiving Party is to commence receiving gas transportation service under a different Master Agreement or new gas transportation service agreement, by providing written notice to Agent Shipper and Company by the fourth Business Day preceding such effective date. This Agency Agreement may be terminated by Agent Shipper or Receiving Party by providing the other party and Company thirty (30) days' advance written notice to be effective upon the first day of the calendar month immediately following such thirty (30) day notice period. A shorter notice period and/or alternative effective date may be accepted by Company upon mutual agreement of Company, Agent Shipper and Receiving Party. Agent Shipper and Receiving Party acknowledge and agree that this Agency Agreement may also be revoked by Company or the underlying gas transportation service agreement between Company and Agent Shipper may be suspended or terminated by Company in accordance with the terms and conditions of Company's Gas Transportation Tariff. Any termination of gas transportation service shall be in accordance with and subject to the Company Gas Transportation Terms and Conditions on file and in effect

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with the Colorado Public Utilities Commission. Regardless of termination, Receiving Party shall continue to honor any commitments made by Agent Shipper to Company on its behalf for the period that the agency was in effect. Any imbalances attributable to Receiving Party upon revocation or termination of this Agency Agreement, or suspension or termination of the gas transportation service agreement between Company and Agent Shipper, shall be determined and resolved in accordance with Company's Gas Transportation Tariff.

6.) In the event the gas transportation service agreement between Agent Shipper and Company is suspended or terminated during the term of this Agency Agreement any Imbalance incurred by Agent Shipper which remains outstanding and is not resolved by Agent Shipper in accordance with Company's Gas Transportation Tariff shall be allocated on a pro rata basis to all Receiving Parties for which Agent Shipper was authorized through an Agency Agreement to aggregate Imbalances, based upon the total usage quantities of such Receiving Parties during the period in which such Imbalance arose. In the event any invoiced amounts due by Agent Shipper for charges, cashouts or penalties incurred as a result of Agent Shipper's responsibilities hereunder remain unpaid, such outstanding charges and penalties shall be allocated to the Receiving Parties on the same pro rata basis as provided herein for allocating Imbalance quantities.

7.) Upon execution of said transportation agreement(s) by Agent Shipper for Receiving Party, Receiving Party shall be bound by the terms and conditions thereof as if Receiving Party had signed said agreement(s) directly as to the Delivery Point(s) specified above. After executing gas transportation agreement(s) for Receiving Party, Agent Shipper shall pay all applicable charges incurred for the benefit of Receiving Party in accordance with the Rules and Regulations for Natural Gas Service and the Gas Transportation Terms and Conditions on file and in effect from time to time with the Commission, including any charges for imbalance cashouts or any natural gas sold by Company thereunder.

8.) All obligations of Agent Shipper and Receiving Party to Company herein with respect to gas transportation service provided by Company shall survive termination of this Agency Agreement.

9.) This Agency Agreement shall become effective as of

This Agency Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

SIGNED:

\_\_\_\_\_  
(Receiving Party) (Agent Shipper)

\_\_\_\_\_  
(print name) (print name)

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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Policy Development

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AGENCY AGREEMENT  
FOR PUBLIC SERVICE COMPANY OF COLORADO  
GAS TRANSPORTATION SERVICES  
(FOR USE WHEN RECEIVING PARTY HAS EXECUTED SERVICE AGREEMENT)

The undersigned, by and on behalf of \_\_\_\_\_  
(Receiving Shipper), having a mailing address of \_\_\_\_\_  
, hereby designates \_\_\_\_\_  
(Shipper's Agent), having a mailing address of \_\_\_\_\_  
, as its agent, with full authority to act on its  
behalf in performing certain of Receiving Shipper's responsibilities, as  
specified below, under the Gas Transportation Service Agreement dated \_\_\_\_\_  
by and between Public Service Company of Colorado (Company) and  
Receiving Shipper, Contract No. \_\_\_\_\_ (GTSA), providing for the  
transportation of gas supplies by Company from Company's Receipt Points to  
Receiving Shipper at the Delivery Point(s) specified in the GTSA. Receiving  
Shipper represents and warrants to Shipper's Agent and Company that, during the  
term of this Agency Agreement, Receiving Shipper is and shall remain the only  
end-use customer eligible to receive physical deliveries of gas from Company  
under the GTSA.

1. As of the effective date set forth below, Shipper's Agent shall be  
authorized, in the following manner, to act on Receiving Shipper's behalf in  
managing gas transportation services provided by Company under the GTSA:

Access to Load Data. Receiving Shipper acknowledges and agrees that,  
in order for Shipper's Agent to carry out its responsibilities hereunder,  
Shipper's Agent shall have access to daily transportation quantities for all  
Receipt Point(s) and Delivery Point(s) specified in the GTSA. In addition,  
Shipper's Agent shall be authorized to obtain from Company information  
pertaining to Receiving Shipper's historical natural gas utilization at the  
Delivery Point(s) specified in the GTSA.

Authorized by \_\_\_\_\_ Accepted by \_\_\_\_\_  
Receiving Shipper: \_\_\_\_\_ Shipper's Agent: \_\_\_\_\_

Nomination and Scheduling. Shipper's Agent shall be authorized to  
nominate to Company, on Receiving Shipper's behalf for each of the Delivery  
Point(s) specified in the GTSA, and otherwise schedule gas to meet Receiving  
Shipper's daily volume requirements and to resolve any and all gas  
transportation imbalances under the GTSA in accordance with the Company's Gas  
Transportation Terms and Conditions on file and in effect from time to time with  
the Commission. Shipper's Agent authorizes the following personnel from its  
organization to make binding nominations for this purpose.

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Upon termination of this Agency Agreement, the GTSA  
shall become subject to the scheduling and balancing  
provisions of Company's Gas Transportation Tariff, and  
Receiving Shipper shall make arrangements to resume  
nominations to ensure appropriate quantities are nominated  
and scheduled under the GTSA.

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Authorized by \_\_\_\_\_ Accepted by \_\_\_\_\_  
Receiving Shipper: \_\_\_\_\_ Shipper's Agent: \_\_\_\_\_

Aggregate Balancing. In addition to the responsibilities of nomination and scheduling set forth in the foregoing paragraph, Receiving Shipper hereby authorizes Shipper's Agent to resolve gas transportation imbalances incurred under the GTSA on Receiving Shipper's behalf by combining any and all such imbalances with imbalances incurred for similar time periods under other gas transportation service agreement(s) between Company and Shipper's Agent, or other Receiving Parties that similarly have designated Shipper's Agent as agent for purposes of managing gas transportation imbalances. Receiving Shipper acknowledges and agrees that Company's reporting of gas transportation imbalances for the GTSA will not reflect Receiving Shipper's share of the gas transportation imbalances attributable to Shipper's Agent on an aggregate basis. In the event this Agency Agreement is revoked or terminated and any Imbalance incurred pursuant to the terms hereof remain outstanding and Shipper's Agent fails to resolve such Imbalance, such outstanding Imbalance shall be allocated on a pro rata basis to all Service Agreements, including the GTSA, for which Shipper's Agent was authorized through an Agency Agreement to aggregate Imbalances, based upon the total usage quantities under of such Service Agreement during the period in which such Imbalance arose. In the event any invoiced amounts due by Shipper's Agent for charges, cashouts or penalties incurred as a result of Shipper's Agent responsibilities hereunder remain unpaid, such outstanding charges and penalties shall be allocated among such Service Agreements on the same pro rata basis as provided herein for allocating Imbalance quantities. A Receiving Shipper electing Aggregate Balancing acknowledges that, to the extent the GTSA provides for gas transportation from specific Receipt Point(s) at charges at less than the standard rates and charges applicable under Company's tariff (i.e., a path-specific discount), Company's standard gas transportation rates and charges shall apply.

Authorized by \_\_\_\_\_ Accepted by \_\_\_\_\_  
Receiving Shipper: \_\_\_\_\_ Shipper's Agent: \_\_\_\_\_

Billing and Payment. Receiving Shipper hereby authorizes Shipper's Agent to receive and pay, and Shipper's Agent hereby agrees to pay, Company's regular monthly invoices setting forth all applicable charges for gas transportation services provided pursuant to the GTSA. Shipper's Agent and Receiving Shipper acknowledge that all service provided by Company is for the benefit of Receiving Shipper, and in the event that Shipper's Agent or Receiving Shipper fails to make timely payment for service provided by Company, or otherwise is in default under the provision's of Company's Gas Transportation Tariff, this Agency Agreement may be revoked by Company and all service provided shall be subject to termination in accordance with Company's Gas Transportation Tariff. If such termination of service is as a result of Shipper's Agent's failure to make payment, Receiving Shipper shall not be entitled to continued service, regardless of whether Receiving Shipper has made payment to Shipper's Agent, until Company receives full and complete payment. Shipper's Agent and Receiving Shipper shall be jointly and severally liable for all payments due and owing Company for all services provided.

Authorized by \_\_\_\_\_ Accepted by \_\_\_\_\_  
Receiving Shipper: \_\_\_\_\_ Shipper's Agent: \_\_\_\_\_

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2. Shipper's Agent shall continue to act for Receiving Shipper in performing the above-indicated responsibilities for so long as this Agency Agreement remains in effect. This Agency Agreement may be terminated by Receiving Shipper effective upon the first day of any Month by providing written notice to Shipper's Agent and Company by the fourth Business Day preceding such effective date. This Agency Agreement may be terminated by Shipper's Agent by providing Receiving Shipper and Company thirty (30) days' advance written notice to be effective upon the first day of the calendar month immediately following such thirty (30) day notice period. A shorter notice period and/or alternative effective date may be accepted by Company upon mutual agreement of Company, Shipper's Agent and Receiving Shipper. Shipper's Agent and Receiving Shipper acknowledge and agree that this Agency Agreement may also be revoked by Company or the underlying GTSA between Company and Shipper's Agent may be suspended or terminated by Company in accordance with the terms and conditions of Company's Gas Transportation Tariff. Any termination of gas transportation service shall be in accordance with and subject to the Company Gas Transportation Terms and Conditions on file and in effect with the Colorado Public Utilities Commission. Regardless of termination, Receiving Shipper shall continue to honor any commitments made by Shipper's Agent to Company on its behalf for the period that the agency was in effect. Any imbalances attributable to Receiving Shipper upon revocation or termination of this Agency Agreement, or suspension or termination of the GTSA, shall be determined and resolved in accordance with Company's Gas Transportation Tariff.

3. All obligations of Shipper's Agent and Receiving Shipper to Company herein with respect to gas transportation service provided by Company shall survive termination of this Agency Agreement.

4. This Agency Agreement shall become effective as of

This Agency Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

SIGNED:

\_\_\_\_\_  
(Receiving Shipper) (Shipper's Agent)

\_\_\_\_\_  
(print name) (print name)

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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APPENDIX A  
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PUBLIC SERVICE COMPANY OF COLORADO

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# **APPENDIX B**

*PRO FORMA* TARIFF SHEETS  
TO BECOME EFFECTIVE DECEMBER 1, 2006

P.O. Box 840  
Denver, CO 80201-0840

NATURAL GAS RATES	RATE
FIRM GAS TRANSPORTATION SERVICE	
SCHEDULE TF	
<u>APPLICABILITY</u>	
<p>Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas), and satisfied the Conditions of Gas Transportation Service, as set forth in the Gas Transportation Terms and Conditions, where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and firm Shippers. Service is applicable to firm transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through Company's System. Service provided hereunder shall be in accordance with the Firm Gas Transportation Service Agreement (Service Agreement) between Company and Shipper and the Gas Transportation Terms and Conditions of Company's Gas Transportation Tariff. Firm Capacity and Firm Supply quantities reserved under this rate schedule shall be designated for Receiving Party(s) at specific Delivery Point(s).</p>	
<u>MONTHLY RATE - FIRM GAS TRANSPORTATION SERVICE CHARGES</u>	
Service and Facility Charge per service meter:	\$ 70.00
Firm Capacity Reservation Charge, per Dth.....	
Standard Rate, per Dth.....	\$ 4.66
Minimum Rate, per Dth.....	\$ 0.68
Usage Charge: Applicable to all of	
Shipper's gas transported by Company up to	
Contracted Peak Day Quantity	
Standard Rate, per Dth.....	0.2284
*Minimum Rate, per Dth.....	0.010
Authorized Oerrun Transportation Charge, per Dth.....	0.2284
Unauthorized Oerrun Transportation Penalty Charge	
Standard Rate, per Dth.....	\$ 25.00
Minimum Rate, per Dth.....	0.2284
<p>*The minimum transportation charge shall be \$.01, excluding the base gas cost, but in no instance will it be less than the variable costs of providing service.</p>	
(Continued on Sheet No. 30A)	

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PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 30G

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NATURAL GAS RATES	RATE
FIRM GAS TRANSPORTATION SERVICE	
SCHEDULE TF	
<u>COMMUNICATION LINE INSTALLATION AND MAINTENANCE</u>	
<p>Except as otherwise provided below, Shipper assumes responsibility for installation and maintenance costs associated with communication equipment compatible with Company's communication equipment required by Company for electronic reporting of measurement data. Shipper shall provide such communication equipment prior to initiation of transportation service by Company. Shipper shall coordinate installation of the communication equipment with Company. Communication equipment will not be required for deliveries through meters owned by a downstream gas utility for subsequent sales gas distribution within the downstream gas utility's service area. Company assumes responsibility for installation and maintenance costs associated with advanced communication equipment required for operational purposes.</p> <p>Receiving Party will maintain the communication equipment and cause any interruption in service over the communication line to be repaired as soon as possible. Shipper or Receiving Party will notify Company in advance of any planned outages. In the event the communication line is out of service for a period of more than two (2) days, and Company determines that such out of service condition is the result of a communication line failure, Company shall notify Shipper in writing that the communication line is inoperative and Shipper shall take the necessary measures to ensure the communication line is reactivated and operational within a two (2) week correction period identified by Company in its notification letter. The grant of the two (2) week correction period does not waive the tariff provision under an Operational Flow Order. During the period from the date when the phone line became inoperative to the end of the two-week correction period specified in Company's notification letter to Shipper, Shipper shall be responsible for making transportation nominations on behalf of the Receiving Party to Company in accordance with Company's nomination procedures. If, following the two (2) week correction period Company is required to make site trip(s), in addition to the initial trip made by Company to confirm the communication line outage and the final trip to synchronize the meter with the communication line, Company shall charge Shipper for Trip Charges and other related charges that may be applicable as provided under the Gas Service Schedule of Charges for Rendering Service in Company's tariff.</p>	
(Continued on Sheet No. 30H)	

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NATURAL GAS RATES	RATE
FIRM GAS TRANSPORTATION SERVICE	
SCHEDULE TF	
<u>COMMUNICATION LINE INSTALLATION AND MAINTENANCE - Cont'd</u>	
<p>Consumption during the period the communication line was inoperative will be prorated on a daily basis. If the communication line is not made operative within the period designated in the notification, Company shall treat all gas delivered subsequent to the two (2) week correction period specified by the Company in its written notification and ending on the date customer's communication line is operative as sales gas, and Company shall no longer accept transportation nominations for that receiving party. Such quantities may be sold to Shipper at Company's Back Up Supply Sales Charge, in addition to Unauthorized Overrun Supply Penalty Charges which may be charged during an Operational Flow Order, Interruption or Curtailment.</p>	
<u>TERMINATION</u>	
<p>In the event that Shipper or Receiving Party gives thirty (30) days written notice of its intention to cancel Firm Gas Transportation Service for any or all Delivery Points prior to the end of the Contract Period or any subsequent Contract Period, as provided for in said Service Agreement, Shipper shall be obligated to pay Company a termination charge equal to the Firm Capacity Reservation Charge and the Firm Supply Reservation Charge, if applicable, multiplied by the Peak Day Quantity and Firm Supply Reservation Quantity respectively, as described in the Service Agreement, for every month remaining in any Contract Period. Company may agree to a notice period of less than 30 days if it determines that sufficient time to effectuate the necessary changes has been provided. To the extent that the Receiving Party subscribes to Company's firm sales service or firm transportation service under a different Service Agreement in place of such terminated service, the termination charge will not apply. If Firm Supply Reservation Service has not been purchased for Receiving Party under Shipper's Firm Gas Transportation Service Agreement for a quantity equal to Receiving Party's Peak Day Quantity, then conversion to firm sales shall be contingent upon Company's determination that firm supply is available for sale to Receiving Party. In addition, all costs incurred by Company relating to any specific facility charges specified in Service Agreement shall become immediately due and payable to Company.</p>	
<p>(Continued on Sheet No. 30I)</p>	

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FIRM GAS TRANSPORTATION SERVICE	
<p style="text-align: center;">SCHEDULE TF</p> <p><u>TERMINATION</u> - Cont'd  All such conversions from firm transportation to sales service shall be effective at the beginning of a Month.  The Receiving Party will not be eligible to return to transportation service hereunder until one (1) year after its conversion to Company's firm sales service. Upon the expiration of such one year period, the Receiving Party may return to gas transportation service through submission of a Request for Transportation in accordance with the terms and conditions of Company's Gas Transportation tariff.</p> <p><u>CONTRACT PERIOD</u>  Firm Supply Service shall commence upon the date requested by Shipper and approved by Company. Unless otherwise mutually agreed, Firm Supply Service shall continue through the end of the current Contract Year, and from year to year thereafter, until terminated as of the end of any Contract Year upon a minimum of thirty (30) days written notice provided by either party to the other. Company reserves the right to commence Firm Supply Service only when sufficient supplies are available.  Firm Capacity Service shall commence upon the date specified in the Service Agreement. Unless otherwise mutually agreed, Firm Capacity Service shall continue through the end of the current Contract Year, and from year to year thereafter, until terminated as of the end of any Contract Year upon a minimum of thirty (30) days written notice provided by either party to the other. Company will commence Firm Gas Transportation Service as soon as is practicable as long as sufficient capacity is available.</p>	

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NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
<u>APPLICABILITY</u>	
<p>Applicable to Shippers having acquired by separate agreement supplies of natural gas (Shipper's Gas) and satisfied the Conditions of Gas Transportation Service, as set forth in the Gas Transportation Terms and Conditions, where Company has available interruptible System capacity in excess of that presently required for service to existing firm gas sales Customers and Firm Transportation Shippers. Service is applicable to interruptible transportation of Shipper's Gas from Company's Receipt Point(s) to Shipper's Delivery Point(s) through Company's System. Service provided hereunder shall be in accordance with the Interruptible Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Interruptible Gas Transportation Service provisions and the Gas Transportation Terms and Conditions of Company's Gas Transportation Tariff.</p>	
<u>MONTHLY RATE - INTERRUPTIBLE GAS TRANSPORTATION SERVICE CHARGES</u>	
Service and Facility Charge per service meter .....	\$140.00
Usage Charge: Applicable to all of	
Shipper's gas transported by Company up to	
Contracted Maximum Daily Transportation Quantity	
Standard Rate, per Dth.....	0.3971
*Minimum Rate, per Dth.....	0.010
Authorized Oerrun Transportation Charge, per Dth.....	0.3971
Unauthorized Oerrun Transportation Penalty Charge	
Standard Rate, per Dth.....	25.00
Minimum Rate, per Dth.....	0.3971
<p>*The minimum transportation charge shall be \$.01, excluding the base gas cost, but in no instance will it be less than the variable costs of providing service.</p>	
(Continued on Sheet No. 31A)	

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INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
<u>UNAUTHORIZED OVERRUN SUPPLY PENALTY SERVICE - Cont'd</u>	
<p>In the case of use of Unauthorized Sales Gas during periods of Supply Curtailment, Capacity Interruption or Operational Flow Order, Company shall have the right to charge Shipper the Standard Unauthorized Overrun Penalty Charge. Charges shall not be less than the minimum Unauthorized Overrun Penalty Charge or more than the Standard Unauthorized Overrun Penalty Charge. Unauthorized Overrun Penalty Charges shall not be assessed if the aggregate total of the individual overrun quantities for each exhibit under Shipper's Service Agreement which is in effect at the time the overrun occurs are five (5) Dth or less. In determining the level of the Unauthorized Overrun Penalty Charge, Company shall charge all Shippers similar charges in all overrun cases, whether or not they occur on the same day, providing that the circumstances surrounding the overrun are similar.</p>	
<u>TERMINATION</u>	
<p>In the event that Shipper or Receiving Party gives thirty (30) days written notice of its intention to cancel Interruptible Gas Transportation Service for any or all Delivery Points prior to the end of the Contract Period or any subsequent Contract Period, as provided for in said Service Agreement, all costs incurred by Company relating to any specific facility charges specified in Service Agreement shall become immediately due and payable to Company upon such termination. Company may agree to a notice period of less than 30 days if it determines that sufficient time to effectuate the necessary changes has been provided. Conversions from interruptible transportation to firm sales service shall be subject to Company's determination that sufficient supply is available for sale to Receiving Party and shall be effective at the beginning of a Month.</p>	
<p>The Receiving Party will not be eligible to return to transportation service hereunder until one (1) year after its conversion to Company's firm sales service. Upon the expiration of such one year period, the Receiving Party may return to gas transportation service through submission of a Request for Transportation in accordance with the terms and conditions of Company's Gas Transportation tariff.</p>	
<p>(Continued on Sheet No. 31E)</p>	

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NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
<p style="text-align: center;">SCHEDULE TI</p> <p><u>CONTRACT PERIOD</u>  Unless otherwise agreed, this schedule is available only under an Interruptible Gas Transportation Service Agreement for a minimum period of one year commencing on the effective date of the Service Agreement, and continuing from year to year after the initial one-year period until canceled as provided by said Service Agreement.</p> <p><u>ON-PEAK GAS</u>  Shippers have the option to contract, on behalf of a Receiving Party, those minor amounts of firm sales gas that are not subject to Supply Curtailment or Capacity Interruption. Such gas is normally supplied for the pilots of gas consuming appliances and other such minor uses. Commitments for On-Peak Service shall be at the option of Company, dependent upon the sufficiency of pipeline and System capacity with respect to the requirements of Company's other firm gas sales Customers and firm Shippers. The maximum daily quantity of On-Peak gas to be supplied to each Receiving Party shall be specified in the Service Agreement between Shipper and Company and shall in no event exceed 25 dekatherms for any Delivery Point.</p> <p><u>ADVANCE NOTIFICATION</u>  Transportation service under this schedule is interruptible and is subject to immediate discontinuance to Shipper by Company in accordance with the Service Agreement. Company, whenever circumstances reasonably permit, will endeavor to give Shipper advance notice of Supply Curtailment or Capacity Interruption of transportation service by telephone or otherwise, and Shipper shall ensure that each Receiving Party shall immediately discontinue the use of gas when and as directed by Company. Authorized representatives of Company shall have at all times the right of ingress and egress to Receiving Party's premises. Upon determination by Company that the necessity for Supply Curtailment or Capacity Interruption has ceased, gas transportation service shall be resumed. If the Receiving Party fails to discontinue the use of gas as provided herein, Company may discontinue service to the Receiving Party by physically shutting off the gas supply.</p> <p style="text-align: center;">(Continued on Sheet No. 31F)</p>	

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NATURAL GAS RATES	RATE
INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
<p><u>COMMUNICATION LINE INSTALLATION AND MAINTENANCE</u></p>	
<p>Except as otherwise provided below, Shipper assumes responsibility for installation and maintenance costs associated with communication equipment compatible with Company's communication equipment if such equipment is required by Company for electronic reporting of gas measurement data. Shipper shall provide such communication equipment prior to initiation of transportation service by Company. Shipper shall coordinate installation of the communication equipment with Company. Communication equipment will not be required for deliveries through meters owned by a downstream gas utility for subsequent sales gas distribution within the downstream gas utility's service area. Company assumes responsibility for installation and maintenance costs associated with advanced communication equipment required for operational purposes.</p>	
<p>Shipper will provide and maintain a dedicated communication line to the meter via conduit that is compatible with Company's electronic device, suitable underground cable, or properly mounted outdoor grade wire of sufficient length to extend to the meter index, plus an additional five feet for wiring of the instruments prior to initiation of service by Company. Communication wire installation will be subject to the National Electric Safety Code Requirement. Shipper shall coordinate installation of the communication line with Company. Company must be able to dial directly into the instrument, and the instrument must be able to dial out to the Company when in alarm condition without any potential of interruption from internal customer communications equipment, such as Fax Machines, Shared Switching devices, voice mail or computer modems.</p>	
<p>Receiving Party will maintain the communication line and cause any interruption in service over the communication line to be repaired as soon as possible. Shipper or Receiving Party will notify Company in advance of any planned outages. In the event the communication line is out of service for a period of more than two (2) days, and Company determines that such out of service condition is the result of a communication line failure, Company shall notify Shipper in writing that the communication line is inoperative and Shipper shall take the necessary measures to ensure the communication line is reactivated and operational within a two (2) week correction period identified by Company in its notification letter. The grant of the two (2) week correction period does not waive the tariff provision under an Operational Flow Order. During the</p>	
(Continued on Sheet No. 31G)	

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INTERRUPTIBLE GAS TRANSPORTATION SERVICE	
SCHEDULE TI	
<p><u>COMMUNICATION LINE INSTALLATION AND MAINTENANCE - Cont'd</u>  period from the date when the phone line became inoperative to the end of the two-week correction period specified in Company's notification letter to Shipper, Shipper shall be responsible for making transportation nominations on behalf of the Receiving Party to Company in accordance with Company's nomination procedures.</p> <p>If, following the two (2) week correction period, Company is required to make site trip(s), in addition to the initial trip made by Company to confirm the communication line outage and the final trip to synchronize the meter with the communication line, Company shall charge Shipper for Trip Charges and other related charges that may be applicable as provided under the Gas Service Schedule of Charges for Rendering Service in Company's tariff.</p> <p>Consumption during the period the communication line was inoperative, will be prorated on a daily basis. If the communication line is not made operative within the period designated in the notification, Company shall treat all gas delivered subsequent to the two (2) week correction period specified by the Company in its written notification and ending on the date customer's communication line is operative as sales gas, and Company shall no longer accept transportation nominations for that receiving party. Such quantities may be sold to Shipper at Company's Back Up Supply Sales Charge, in addition to Unauthorized Overrun Supply Penalty Charges which may be charged during an Operational Flow Order, Interruption or Curtailment.</p>	

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NATURAL GAS RATES GAS COST ADJUSTMENT						
Rate Schedule	Sheet No.	Billing Units	Type Of Charge	Current Gas Cost	Deferred Gas Cost	Gas Cost Adjustment
RG	14	Therm	Commodity	\$0.79090	\$(0.03840)	0.75250
RGL	15	Therm	Commodity	0.76950	(0.03840)	0.73110
CG	16	Therm	Commodity	0.79040	(0.03840)	0.75200
CGL	17	Therm	Commodity	0.76950	(0.03840)	0.73110
IG	18	DTH	On-Peak Demand	2.88000	-----	2.88000
		DTH	Commodity	7.69500	(0.38400)	7.31100
TF	30	DTH	Transportation	0.05700	-----	0.05700
		DTH	Supply	2.88000	-----	2.88000
		DTH	Commodity	(1)		
TI	31	DTH	Transportation	0.05700	-----	0.05700
		DTH	On-Peak Demand	2.88000	-----	2.88000
		DTH	Commodity	(2)		

(1) The Current Gas Cost shall be established each month as follows: For each Dth of Backup Supply Sales Service quantities purchased on any Day up to the Firm Supply Reservation Quantity, the rate shall be equal to 100% of Index Price One, as defined in the Gas Transportation Terms and Conditions, plus the CIG TF Transportation Rate, as defined in the Gas Transportation Terms and Conditions. For each Dth of Backup Supply Sales Service quantities purchased on any Day in excess of the Firm Supply Reservation Quantity, the rate shall be equal to 125% of Index Price One, plus the CIG TI Transportation Rate, as defined in the Gas Transportation Terms and Conditions.

(2) The Current Gas Cost shall be established each month as follows: For each Dth of gas purchased on any Day up to the On-Peak Gas Service quantity, the rate shall be equal to 100% of Index Price One, as defined in the Gas Transportation Terms and Conditions, plus the CIG TF Transportation Rate, as defined in the Gas Transportation Terms and Conditions. For each Dth of Backup Supply Sales Service quantities purchased on any Day, the rate shall be equal to 125% of Index Price One, plus the CIG TI Transportation Rate, as defined in the Gas Transportation terms and Conditions.

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GAS TRANSPORTATION TERMS AND CONDITIONS  
 INDEX

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GAS TRANSPORTATION TERMS AND CONDITIONS

GENERAL STATEMENT

The following Gas Transportation Terms and Conditions, filed with The Public Utilities Commission of the State of Colorado as part of Company's Gas Transportation tariff, set forth the terms and conditions under which Gas Transportation Service is provided and govern all classes of such service in all territory served by Company. They are subject to termination, change, or modification, in whole or in part, at any time as provided by the rules of The Public Utilities Commission of the State of Colorado. Gas Transportation Service furnished by Company is also subject to The Public Utilities Commission of the State of Colorado's Rules Regulating Gas Utilities and Pipeline Operators and Company's Rules and Regulations for Natural Gas Service. In the event conflict exists between Company's Gas Transportation Terms and Conditions and the Rules and Regulations for Natural Gas Service, the Gas Transportation Terms and Conditions shall control.

These Gas Transportation Terms and Conditions are applicable to all existing and new Shippers and Receiving Party(s) receiving Gas Transportation Service.

Any waiver at any time of the Company's rights or privileges under these Gas Transportation Terms and Conditions or under any individual Service Agreement entered into pursuant to this tariff shall not be deemed a waiver as to any breach or other matter subsequently occurring.

SHIPPER AND RECEIVING PARTY(S) ACKNOWLEDGMENTS

Shipper and each Receiving Party receiving Shipper's gas through Company's System acknowledges that all service provided to Shipper and the Receiving Party(s) hereunder is for the benefit of the Receiving Party(s), and in the event that Shipper or the Receiving Party fails to make timely payment for any service provided under this schedule, or is in violation of any rule or regulation of Company or The Public Utilities Commission of the State of Colorado, all service provided to Shipper and Receiving Party shall be subject to termination in accordance with Company's Rules and Regulations for Natural Gas Service.

A Receiving Party may authorize an agent to manage gas transportation services provided by Company to Receiving Party's end use facilities, and to perform its responsibilities therefor, by providing an executed Agency Agreement in one of the two forms, as appropriate, provided in these Gas Transportation Terms and Conditions. The Receiving Party or the Receiving Party's agent may enter into the Service Agreement with Company for such service, thereby becoming the Shipper for purposes of these Gas Transportation Terms and Conditions. A Shipper may simultaneously act as agent for multiple Receiving Parties and enter into a Master Agreement with Company in its own name for the purpose of performing gas transportation responsibilities on behalf of multiple Receiving Parties. Alternatively, a Receiving Party that has executed its own Service Agreement with Company, and is therefore a Shipper, may authorize an agent to manage gas transportation services provided by Company to the Receiving Party's end use facilities, and to perform its responsibilities therefor, by providing an executed Agency Agreement in the form provided in these Gas Transportation Terms and Conditions (for use when Receiving Party has executed a Service Agreement).

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS

Agency Agreement - Agreement, in one of the two forms included in these Gas Transportation Terms and Conditions, through which a Receiving Party authorizes a third party to manage gas transportation service provided by Company to the Receiving Party's end-use facilities. One form is applicable where the Receiving Party designates the Shipper under a Master Agreement as its agent. The other form is applicable where the Receiving Party has executed a Service Agreement and designates another person as its agent for particular functions, as indicated therein.

Aggregate Balancing - Process whereby imbalances under multiple Service Agreements held by a Shipper, or controlled by a Shipper through an Agency Agreement, are aggregated, or netted, within the same Operational Area.

Allocation(s) - Actual quantity of Shipper's Gas, as determined by Interconnecting Party(s), to be delivered to the Company for Service Agreement(s) and/or Interconnecting Party(s) agreement for a specific time period.

Business Day - Business Day shall mean Monday, Tuesday, Wednesday, Thursday, or Friday, excluding Company recognized holidays.

Capacity Interruption - The discontinuance of transportation service due to Company's inability to provide such service due to capacity constraints on the Company's System. The phrase "Capacity Interruption" shall have the same meaning as "Interruption."

Category One Receipt Point List - A list of Receipt Points available for interruptible deliveries on Company's System. This list will be included as an Exhibit to the Service Agreement.

Category Two Receipt Point List - A list of Receipt Points that from time-to-time may be available on an interruptible basis for deliveries to Company's System. This list will be included as an Exhibit to the Service Agreement. These points may require the Company to provide displacement service and must be approved in advance by Company.

Central Clock Time (CCT) - Central Standard Time (CST) except for that period when daylight savings is in effect. During this period CCT shall mean Central Daylight Time (CDT).

CIG TF Transportation Rate - The maximum transportation commodity rate (per Dth), including applicable charges for fuel, lost and unaccounted for gas, and all other applicable surcharges and fees in effect from time to time for firm transportation service under Rate Schedule TF-1, or successor rate schedule, of Colorado Interstate Gas Company's (CIG) Federal Energy Regulatory Commission gas tariff.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

CIG TI Transportation Rate - The maximum transportation commodity rate (per Dth), including applicable charges for fuel, lost and unaccounted for gas, and all other applicable surcharges and fees in effect from time to time for interruptible transportation service under Rate Schedule TI-1, or successor rate schedule, of Colorado Interstate Gas Company's (CIG) Federal Energy Regulatory Commission gas tariff.

Contract Year - The period from May 1 through the following April 30 or such other period as specified by Company in the Gas Transportation Service Agreement.

Cubic Foot of Gas - For the purpose of gas volume determination, one "cubic foot" of gas shall mean the amount of gas which occupies a volume of one (i) cubic foot at reference conditions of either: (i) the actual metering pressure and temperature, or (ii) standard conditions (14.73 psia, 60°F). For the purpose of gas administration (balancing, billing, reporting), suitable correction factors for each rate class shall be applied to the determined volumes. For the purpose of gas property determination, one cubic foot of gas shall mean one "standard" cubic foot (scf) of gas, which is the volume of water free gas occupying a space of one (1) cubic foot at standard conditions. Ccf means one hundred (100) cubic feet. Mcf means one thousand (1,000) cubic feet. Mmcf means one million (1,000,000) cubic feet).

Day - A period of 24 consecutive hours, beginning at 8:00 a.m. Mountain Standard Time, or such other consecutive 24 hour period designated by Company.

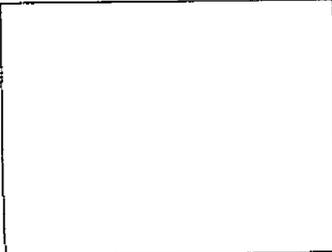
Dekatherm (Dth) - The energy equivalent to 10 therms, or 1,000,000 Btu (MMBtu). One (1) therm is the equivalent to 100,000 Btu.

Delivery Point(s) - The point(s) where Company delivers gas to the Receiving Party as specified in an Exhibit to the Service Agreement.

Firm Supply Reservation Quantity - The maximum daily quantity of sales gas, expressed in Dekatherms, available for purchase from Company on a firm basis, which is contracted by a Shipper to reserve supplies of natural gas in the event that adequate supplies of Shipper's Gas are not available for receipt by Company.

Firm Capacity - The aggregate total of the Peak Day Quantity for all Delivery Point(s) under Shipper's Firm Gas Transportation Service Agreement, expressed in Dekatherms.

Fuel Reimbursement - A quantity of Gas equal to that used by Company for fuel used, and gas lost and unaccounted for in Company's System, stated in terms of a percentage of the quantities received into Company's System, computed and adjusted annually for each calendar year as set forth in Rate Schedules TF and TI.



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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Imbalance - The difference between the quantity of Shipper's Gas allocated by the Interconnecting Party(s) at the Receipt Point(s) less Fuel Reimbursement and the quantity of gas delivered to the Receiving Party at the Delivery Point(s) for Shipper's account as determined by Company. In the event supplies of Shipper's Gas are not available for receipt by Company but Shipper is authorized and has nominated to receive Backup Supply Sales Gas, the quantity of such gas received from Company shall be subtracted from the quantity of gas consumed by the Receiving Party at the Delivery Point(s) before the existence of an Imbalance is determined.

Imbalance Resolution Gas - The quantity of gas necessary to correct previous months' cumulative Imbalance between Company and Shipper.

Index Price One - A gas commodity market index price equal to the highest reported "Weekly Weighted Average Price" for CIG, Rocky Mountains, as published by Platt's Gas Daily on the first Business Day of each week of a five-week period, where the first applicable "Weekly Weighted Average Price" for each such five-week period includes the fourth (4th) calendar day of the Month. All or a portion of the fifth week may consist of days from the next Month. Should Platt's Gas Daily become unavailable, Company shall determine the highest weekly average index price based on information posted in a similar publication.

Index Price Two - A gas commodity market index price equal to the lowest reported "Weekly Weighted Average Price" for CIG Rocky Mountains, as published by Platt's Gas Daily on the first Business Day of each week of a five-week period, where the first applicable "Weekly Weighted Average Price" for each such five-week period includes the fourth (4th) calendar day of the Month. All or a portion of the fifth week may consist of days from the next Month. Should Platt's Gas Daily become unavailable, Company shall determine the lowest weekly average index price based on information posted in a similar publication.

Interconnecting Party(s) - The operator of the facilities immediately upstream of the point of interconnection between the facilities of the Company and the pipeline, residue plant, or wellhead Receipt Points.

Master Agreement - A Service Agreement between Company and a Shipper that has been designated by each of the Receiving Parties through an Agency Agreement (in the form provided herein for use with Master Agreements) to manage, on behalf of each such Receiving Party, gas transportation services provided by Company to the Receiving Party's end-use facilities .

Maximum Daily Transportation Quantity - (MDTQ) is the maximum daily quantity of gas expressed in Dekatherms which Company agrees to transport to Shipper as set forth on an Exhibit to the Interruptible Service Agreement.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Measurement Error - An error caused by a defect or malfunction in a gas measurement device or an unintentional human error in the retrieval, entry, processing, calculation, posting or transcribing of volumetric data, resulting in the communication by Company of an incorrect quantity of gas delivered to a Receiving Party. Measurement Error does not include errors in measurement due to a communication line failure.

Month - The period beginning at 8:00 a.m. Mountain Standard Time on any day of a calendar month and ending at 8:00 a.m. Mountain Standard Time on the same day of the succeeding calendar month, or such other consecutive monthly period designated by Company.

Nomination Entry Error - An unintentional error in Company's manual entry or the confirmation of Shipper's receipt point quantity nomination.

Nominations - The Quantity of gas supplies requested to be transported on the Company's System for a specific day. Nominations are to be adjusted to include Fuel Reimbursement and shall be made on a Dekatherm basis.

Operational Area - Regional areas of Company's system consisting of pipeline facilities that receive and deliver gas which is regularly commingled and interchanged with other gas supplies received and delivered in that operational area. Currently, the Company's Operational Areas are Front Range, Denver/Pueblo, Southern, Western, and Sterling. Receiving Parties under a Gas Transportation Service Agreement shall be grouped under a specific Operational Areas based on their location.

Operational Flow Order (OFO) - An order issued by Company for a specific Day(s) and covering either a designated Operational Area, or a designated Shipper or group of Shippers within an Operational Area that the Company reasonably believes are causing the condition necessitating the OFO, to alleviate conditions which threaten or could threaten the safe operation or integrity of Company's system or to maintain operations required to provide efficient and reliable firm service under the following circumstances: a) when delivery system pressure or other unusual conditions are reasonably expected, in Company's judgment, to jeopardize the operation of the Company's system; b) when transmission, storage, or supply resources are being used at or near maximum deliverability; c) when one or more upstream pipelines call an operational flow order and such operational flow order creates conditions on Company's system which necessitate calling an Operational Flow Order; and d) when Company is unable to fulfill its firm service obligations or to maintain overall operational integrity of the system. When issued, the Operational Flow Order shall specify the Tolerance Range of over or under-delivery permitted for the Day(s).

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DEFINITION OF TERMS - Cont'd

Peak Day Quantity (PDQ) - The maximum daily quantity of gas expressed in Dekatherms which Company agrees to deliver for Shipper at each delivery point as set forth on an Exhibit to the Firm Gas Transportation Service Agreement. The Peak Day Quantity shall be established at a level intended to represent no less than the Receiving Party's actual daily usage at each Delivery Point.

Primary Receipt Point(s) - Receipt Point(s) specified in the Firm Gas Transportation Service Agreement as Primary Receipt Point(s) where Receiving Party is entitled to firm service on Company's System. Primary Receipt Point(s) will be identified in an Exhibit to the Service Agreement.

Prior Period Adjustment - A retroactive revision in the gas usage quantity reported by Company necessitating a correction of Company's billing for gas transportation service to Shipper for a period of more than one month, as the result of a Measurement Error.

Psia - Pressure in pounds per square inch absolute.

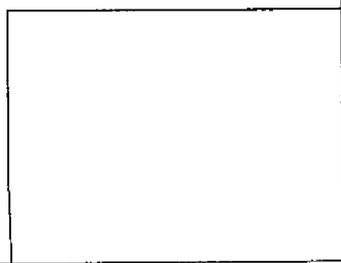
Receipt Point(s) - The point of interconnection between the facilities of the Company and the Interconnecting Party(s) wherein the Company receives gas for the account of Shipper for transportation on its System, as specified on an Exhibit to the Service Agreement.

Receiving Party(s) - The end-use customer(s) that receive gas from Company at the Delivery Point(s) as specified in an Exhibit to the Service Agreement.

Request for Gas Transportation Service - A written request for transportation service submitted by any prospective Shipper as provided in these Gas Transportation Terms and Conditions.

Secondary Receipt Point(s) - Receipt Point(s) which are not specified in the Firm Transportation Service Agreement as Primary Receipt Point(s). Subject to prior approval of Company, Shipper may request, pending approval by Company, to shift firm capacity from Primary Receipt Point(s) to Secondary Receipt Point(s) for the period of time designated by Company. Shipper forfeits the equal amount of capacity at the primary receipt point that was shifted from primary receipt point to secondary receipt point(s) for the period of time designated by Company.

Service Agreement - The gas transportation service agreement entered into between Company and Shipper providing for the transportation of Shipper's Gas from Company's Receipt Point(s) through Company's System.



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DEFINITION OF TERMS - Cont'd

Shipper - A Receiving Party that has executed a Service Agreement with Company or any other party that has executed a Service Agreement with Company that has been authorized by the Receiving Party through an Agency Agreement (in the form provided herein for use with Master Agreements) to manage gas transportation services provided by Company to Receiving Party's end use facilities and to perform its responsibilities therefor on behalf of each such Receiving Party.

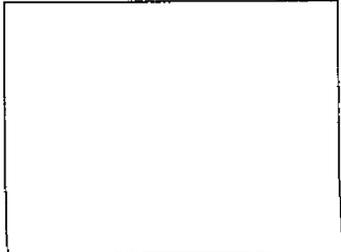
Shipper's Gas - Gas for which title is held by the Shipper or the Receiving Party under a Service Agreement.

Supply Curtailment - The discontinuance of transportation or Backup Supply Sales Service as a result of the inability of Company to provide such service due to non-receipt of Shipper's Gas or the lack of availability of Company's gas supply, respectively. The phrase "Supply Curtailment" shall have the same meaning as "Curtailment."

System - The pipelines, compressor stations, regulator stations, meters, gas processing facilities and other related facilities owned by Company and utilized in providing transportation service.

Tolerance Range - The quantity or percentage of the total transportation quantity specified in an Operational Flow Order that can be under or over delivered to an Operational Area by a Shipper during the period of an Operational Flow Order without incurring penalty(s).

Year - A period of 365 consecutive days or 366 consecutive days if such period includes February 29, unless otherwise specified.



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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE

Gas transportation service by Company shall be subject to all of the following conditions:

Credit Requirements - Shipper must maintain sufficient security with Company as required pursuant to the Security for Gas Transportation section of these General Terms and Conditions.

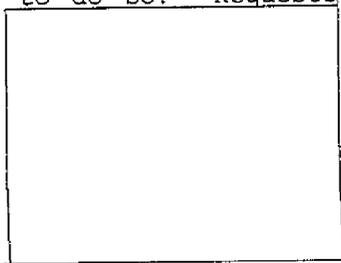
Pressure at Delivery Point(s) - Unless otherwise agreed upon, Company shall cause the gas to be delivered at each Delivery Point at such pressures as may prevail from time to time in Company's System.

Pressure at Receipt Point(s) - Shipper shall deliver or cause gas to be delivered at each Receipt Point at a pressure sufficient to allow the gas to enter Company's System. Shipper shall not, except by mutual written agreement, be required or permitted to deliver the gas at any Receipt Point at a pressure in excess of the maximum allowable operating pressure of Company's System as established by the Company.

Prior to commencement of service hereunder, Shipper shall have completed a Request for Gas Transportation Service and shall have executed a Service Agreement.

Requests for Transportation Service.

- (a) Shipper shall submit to Company a fully completed Request for Gas Transportation Service. The request will either be approved or denied by Company within thirty (30) days of the receipt thereof. If Company provides notice that additional facilities are required as a condition for approval, Company will specifically set forth the estimated cost of said facilities and any additional charges. The written notice of approval shall also set forth the cost, if any, of conversion from sales service. If denied, written notification will be provided to Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to make the Request for Gas Transportation Service acceptable.
- (b) All requests for Transportation Service shall be submitted in writing to Company in the form included in these Gas Transportation Terms and Conditions or a facsimile thereof;
- (c) Company shall endeavor to provide service within the time specified in the written request, but shall not be obligated to do so. Requests shall be considered received only if the information specified in the Request for Transportation Service is provided.



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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE - Cont'd

Gas Transportation Service Agreement (Service Agreement). Upon Company approval of Request for Gas Transportation, Company shall tender Shipper a Service Agreement in accordance with this gas transportation tariff.

Requests to Add Delivery Points or Receipt Points. Shipper shall submit a complete written request to add a Delivery Point to its Service Agreement, including written authorization from the Receiving Party if the Receiving Party is being added to a Master Agreement, which shall be approved or denied by Company. Upon confirmation by Company as evidenced by written notification to Shipper, the requesting Shipper's Service Agreement shall be amended to include such new Delivery Point(s), and such Delivery Point(s) shall be deleted from any other Shipper's Service Agreement.

Shipper shall submit a complete written request to add a Receipt Point to its Service Agreement, which shall be approved or denied by Company upon its sole determination that sufficient capacity exists to satisfy such request. Upon confirmation by Company as evidenced by written notification to Shipper, the requesting Shipper's Service Agreement shall be amended to include such new Receipt Point(s). Upon any such amendment to the Service Agreement, all such changes shall be available and reflected on Company's Electronic Bulletin Board.

Initiation of Service. Within thirty (30) days of Shipper's receipt of an executable Service Agreement from Company, Shipper shall execute and deliver to Company such Service Agreement. A Shipper entitled to receive transportation service under an interruptible transportation rate schedule must tender gas for transportation within thirty (30) days after receipt of any necessary regulatory approvals, installation of facilities by Company, or the execution date of the Service Agreement, whichever is later. If Company has not received an executed Service Agreement within the required time or initial quantities have not been tendered within the required time, Company shall have the right to terminate the Service Agreement.

New or Additional Facilities. Shipper agrees to pay Company for any new or additional facilities which may be required to accomplish transportation service hereunder. If such new or additional facilities are required at any time during the term of this Service Agreement, Company shall inform Shipper of the need for such facilities, the installation cost and any related monthly specific facility charges or other miscellaneous charges associated with said facilities. Such charges will be specified on an Exhibit to the Service Agreement. Shipper shall have sixty (60) days from the date of said notification in which to approve the expenditure for such facilities. Should Shipper decide not to approve the installation of said new or additional facilities, Company shall have the right to terminate the Service Agreement. If Shipper approves installation of such facilities, Shipper shall make full payment for such additional facilities, unless otherwise provided in the Service Agreement, including the income tax consequences associated with such payment. All facilities installed by Company shall continue to be owned, operated and maintained by Company.

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GAS TRANSPORTATION TERMS AND CONDITIONS

SHIPPER'S RESPONSIBILITY

Shipper is responsible for obtaining Shipper's Gas, nominating receipts and deliveries, managing Imbalances and payment of all costs of such gas from sources other than Company, and for the transportation of such gas to Company's Receipt Point(s) from the Interconnecting Party(s). Shipper's Gas received by Company for transportation for Shipper or Receiving Party shall meet all quality specifications as specified in Gas Quality section included in this tariff. Company shall not be required to perform transportation service if Shipper fails to comply with the terms of its Service Agreement, the applicable Rate Schedule and these Gas Transportation Terms and Conditions.

NOMINATIONS

- (a) Shipper shall nominate to Company daily quantity requirements requested to be transported through the Company's System. In the case of interruptible transportation, these quantities shall not exceed Shipper's Maximum Daily Transportation Quantity. These Nominations shall be in accordance with Company's nomination procedures, which shall include identification of Receipt Point(s) deliveries to the Company from the Interconnecting Party(s) which are requested for delivery to each Operational Area under the Service Agreement. During an Operational Flow Order addressing an under delivery situation, Company will deliver those quantities nominated or the amount allocated by the Interconnecting Party(s), whichever is lower. During an Operational Flow Order addressing an over delivery situation, Company will deliver those quantities nominated or the amount allocated by the Interconnecting Party(s), whichever is higher.
- (b) Daily nominations will be accepted, scheduled and confirmed in the following order: 1) Firm Transportation Service at Primary Receipt Point(s); 2) Firm Transportation Service at Secondary Receipt Point(s); 3) Interruptible Transportation Service at Category One and Category Two Receipt Point(s); 4) Authorized Overrun Deliveries for Firm and Interruptible Transportation Service Agreements; and 5) Imbalance Resolution Gas. Nominations are subject to the approval of Company.



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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS - Cont'd

- (c) Shipper may request changes in Primary Receipt Point(s). Requests for such changes shall be made in writing no less than fifteen (15) Business Days prior to the beginning of month in which the change will be effective. Transporter shall grant such changes if the direction of the gas flow is unchanged, capacity is available, and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Receipt Point. In no event shall Shipper be entitled to more Transportation Service than is provided for under the Service Agreement.
- (d) Nominations for service at Secondary Receipt Point(s) shall be made in accordance with Company's Nomination Procedures. In the event that Company is unable to confirm a secondary receipt point nomination on a firm basis, Company may offer Shipper the secondary receipt point capacity on an interruptible basis, but with no rate reduction. In no event shall Shipper be entitled to more Firm Transportation Service than is provided for under the Service Agreement.
- (e) All nominated quantities will be expressed in Dekatherms per day; and shall include Fuel Reimbursement.
- (f) Shipper and Company will designate in writing their authorized personnel and alternates and their respective telephone numbers to make and accept Nominations, including any future changes of such designation.
- (g) Shipper shall provide Company separate Nominations for the purpose of scheduling Imbalance Resolution Gas. Imbalance Resolution Gas shall be the last nominated quantity confirmed by Company and the first gas interrupted by Company in the event of a Capacity Interruption.
- (h) Failure of Shipper to provide daily Nominations to Company may result in gas being sold to the Shipper, if available, at the appropriate Backup Supply Sales Charge in addition to any other applicable charges.
- (i) Company is not responsible for ensuring that the nominated quantities are actually tendered at the Receipt Point(s) or that calculations developed for or by Shipper are correct.
- (j) In the event that Company determines that an emergency or other circumstances exist, Company may modify Nomination Procedures.
- (k) Nominations will be accepted by Company in writing or by means of Company's Electronic Bulletin Board. In the event that the Electronic Bulletin Board is unavailable for use, then Nominations will be tendered in writing to Company.

Nomination Procedures. Daily Nominations for the first day of the month shall be tendered in writing in a format requested by Company and shall be received no later than 11:30 a.m. CCT, two (2) Business Days before the first day of the succeeding month. If daily nominations for the first day of the month are transmitted by means of Company's Electronic Bulletin Board, the Nomination deadline shall be no later than 11:30 a.m. CCT, one (1) Business Day before the first day of the succeeding month.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS - Cont'd

Nomination Procedures - Cont'd

Nominations for days other than the first day of month or revisions to daily quantities and/or Interconnecting Party(s) contract number(s) previously submitted shall be received in writing no later than 11:30 a.m. CCT, two (2) Business Days before the date of the effective change. Nominations or revisions transmitted by means of Electronic Bulletin Board shall be received by 11:30 a.m. CCT, one (1) Business Day before the date of the effective change.

Nomination Confirmations

Company will confirm or deny nominations with the Interconnecting Parties no later one (1) Business Day prior to gas flow after 2:00 p.m. CCT. Nominations made in accordance with the above procedures will not become effective until Company has confirmed the nominated receipts with the Interconnecting Party(s). Shipper shall be responsible for verifying the availability of supplies from the Interconnecting Party(s) prior to gas flow, and notifying the Interconnecting Party(s) to make corresponding confirmations of supply to Company.

Any discrepancy in Nominations that cannot be resolved shall result in Shipper receiving the lesser of these two quantities: Shipper's Nominations to Company or Interconnecting Party's confirmation.

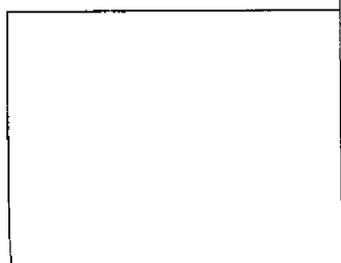
Company shall have the right to require Nomination changes, to ensure that receipts and deliveries match. When a Shipper receives notification of such change in the Nomination, the Shipper shall be responsible for informing Interconnecting Party(s) of the change. If the Interconnecting Party(s) does not confirm the Nomination change, further transportation may be curtailed until such confirmation is obtained or another Nomination is confirmed.

Nomination Changes By Company

If, on any day, Company determines that there is an under-delivery or over-delivery of natural gas into Company's System from an Interconnecting Party(s), Company shall have the right to make or require Shipper to make adjustments to Shipper's Nominations to more accurately reflect actual deliveries of supply into or out of Company's System.

ALLOCATIONS

Unless otherwise agreed, Allocations at the Company's Receipt Point(s), less Fuel Reimbursement, will be based on the lower of the three: (i) Nominations to Company or (ii) confirmed Nominations or (iii) Allocations provided by Interconnecting Party(s). Delivery Point Allocations and Imbalances will be determined by Company on a daily basis or as otherwise specified. Imbalance Resolution Gas shall be deemed last through the meter in determining the amount of a Shipper's Imbalance.



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GAS TRANSPORTATION TERMS AND CONDITIONS

DETERMINATION OF QUANTITIES TRANSPORTED

Quantity determinations shall be done in accordance with Company's Rules and Regulations for Natural Gas Service, and quantities will be apportioned in gas Day increments. Determinations may be adjusted by Supply Curtailments or other restrictions. Quantities consumed in excess of confirmed Nominations or Allocations during any restricted period will be sold to the Shipper at the appropriate Backup Supply Sales Charge up to that quantity permitted under Service Agreement or, if above those quantities, at the Unauthorized Overrun Penalty Charge. Sales quantities consumed during any such restricted period shall not be made up through Imbalance provisions. Shipper agrees to accept the accounting by Company of daily quantities of Shipper's Gas received by Company.

IMBALANCE PROVISION

Shipper shall make every effort to manage daily receipts of Shipper's Gas and deliveries to the Receiving Party(s) so that the Imbalance(s) at the end of each Month, including any Imbalance(s) under the five (5) Dth quantity limitation carried forward from the previous Month, are as close to zero as practicable. Determination of such Imbalance(s) will be made after adjusting for Fuel Reimbursement.

If at the end of any Month the imbalance is in excess of twenty-five percent (25%), except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then the imbalance will be cashed out effective on the last day of such month to zero percent (0%) when the Shipper is billed by Company for the month in which the imbalance occurred. Shippers exceeding the twenty-five percent (25%) imbalance threshold are prohibited from decreasing the amount of the imbalance by swapping imbalances or nominating imbalance payback gas during the succeeding Month.

Shippers having imbalances which are 25% or less at the end of any Month shall endeavor to bring such imbalance to zero percent of actual usage within the subsequent billing period. If at the end of the subsequent billing period the Imbalance is greater than two percent (2%), then Shipper shall be subject to the Over and Under-Delivery provisions of this tariff ("Cashout") and the Imbalance shall be brought to two percent (2%). Any Imbalance remaining after said Cashout shall be added to the current Month's Imbalance and carried forward into the following Month.

Company may enter into separate Imbalance Agreements with Shipper that take into consideration special unique circumstances.

Imbalance Trading.

A Shipper may trade or "swap" Imbalance Gas among Service Agreements which it holds, or otherwise controls through an Agency Agreement (in either of the two forms provided herein), and those similarly held or controlled by other Shippers to eliminate or reduce Imbalances under those Service Agreements. Any "swap" of Imbalance shall not cause the Company to receive less value than the Company would have received had the "swap" not occurred. Any Imbalance "swap" shall be subject to the following conditions:

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GAS TRANSPORTATION TERMS AND CONDITIONS

IMBALANCE PROVISION - Cont'd

Imbalance Trading. - Cont'd

- a. Shippers are responsible for making whatever arrangements they deem necessary to finalize and document the Imbalance "swap" among themselves.
- b. Shippers may post notice of Imbalances available for "swap" on Company's Electronic Bulletin Board.
- c. Shippers may request the Company, in writing, to post notice of Imbalances available for "swap" on Company's Electronic Bulletin Board for the Shipper.
- d. Only "swaps" which have the effect of reducing individual Agreement Imbalances shall be permitted. Shipper must notify Company in writing of the material terms of the "swap" arrangement. Shippers' written notice will be deemed to be the Shipper's direction to Company to make the Imbalance "swap" on the Shipper's account.
- f. Written notice from each of the involved Shippers must be received by Company no later than the fifth (5th) Business Day following the Month the Imbalance was to be resolved, unless otherwise agreed to by Company.
- g. The "swapping" of Imbalances will be subject to the Company's approval based upon operational considerations. Company will approve or disapprove "swap" requests within three (3) Business Days.

Company shall not be responsible for any liabilities incurred by a Shipper as a result of the Company performing a "swap" arrangement in accordance with the written notice of the involved Shippers. Any change of fact, including but not limited to retroactive adjustments, which affect the beginning Imbalance shall not rescind or otherwise modify any "swap" arrangement Shipper(s) have requested the Company to perform.

Aggregate Balancing. Imbalances attributable to Service Agreements held by Shipper and for which Shipper has been authorized through an Agency Agreement (in either of the two forms provided herein) to aggregate Imbalances on behalf of other Receiving Parties shall be automatically combined and netted among all such Service Agreements for each Operational Area.

Operational Imbalances. At no time shall Company be required to receive quantities at the Receipt Point(s) for Shipper's account in excess of the quantities Shipper will accept at the Delivery Point(s) on a concurrent basis. At no time shall Company be required to deliver quantities at the Delivery Point(s) for Shipper's account in excess of the quantities Shipper causes to be received by Company at the Receipt Point(s) on a concurrent basis, less adjustments for fuel gas and Backup Supply Sales Service gas to be provided to Shipper. If Shipper fails to modify nominations as directed by Company to reduce an operational imbalance, Company may, among other remedies, suspend or terminate service.

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IMBALANCE PROVISION - Cont'd

Operational Imbalances - Cont'd

Shipper shall cause gas to be delivered to Company by the Interconnecting Party(s) at a constant rate throughout the day equal to an hourly flow rate of 1/24th of daily Nomination. If gas is delivered to Company by the Interconnecting Party(s) at an inconsistent rate and Company's operations are negatively affected, Company shall have authority to restrict Shipper's quantities or adjust Receiving Party's Nomination to an amount equal to the delivered rate by the Interconnecting Party(s).

Imbalance Report. The Company shall formally notify Shipper of Imbalances incurred each Month by way of an imbalance statement, by the fifteenth day of the succeeding month after the month that the Imbalance occurred. Imbalance statements shall reflect Imbalances for each Operational Area attributable to all Service Agreements held by Shipper and for which Shipper has been authorized through an Agency Agreement to aggregate Imbalances on behalf of other Receiving Parties. Imbalances will not necessarily be reflected on Imbalance statements for a Shipper that has authorized an agent to perform Aggregate Balancing pursuant to an Agency Agreement - Form 2. If a Shipper disagrees with the Company's imbalance statement, stating reasons therefor, the Shipper will notify the Company as soon as practicable, but shall in no event notify the Company later than fifteen (15) days after receipt of the Company's imbalance statement. However, such notice disputing accuracy of the statement shall not be sufficient reason for delaying correction of the imbalance or withholding payment pursuant to cashout provisions. If the statement is found not to be accurate, the Company will adjust the imbalance and the amount of over or underpayment on the next bill or statement.

OVER-DELIVERIES OF SHIPPER'S GAS SUPPLIES

In the event the quantity of gas delivered to the Shipper or Receiving Party(s), as determined by the Company at the Delivery Point(s) is less than the quantity allocated by the Interconnecting Party(s), adjusted for Fuel Reimbursement at the end of the subsequent billing period, by more than two percent (2%), including any Imbalance from the prior monthly billing period, except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then Company will correct the Imbalance to two percent (2%) of Shipper's prior month deliveries by purchasing from the Shipper the difference between a) Receiving Party(s)' deliveries and b) the quantity allocated by Interconnecting Party(s) adjusted for Fuel Reimbursement. These purchases shall be made at a rate equal to seventy-five percent (75%) of of Index Price Two. These purchases shall be applied as a credit on the Shipper's succeeding monthly statement. These purchases shall not be made by Company if the imbalance quantities aggregated for each Operational Area under the Service Agreement(s) held by Shipper, or controlled by Shipper through an Agency Agreement, are five (5) Dth or less. An imbalance created by a Prior Period Adjustment shall be cashed out immediately pursuant to the section below entitled Imbalances Due to Prior Period Adjustment.

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GAS TRANSPORTATION TERMS AND CONDITIONS

UNDER-DELIVERIES OF SHIPPER'S GAS SUPPLIES

In the event the quantity of gas delivered to the Shipper or Receiving Party(s), as determined by the Company at the Delivery Point(s) is greater than the quantity allocated by Interconnecting Party(s), adjusted for Fuel Reimbursement at the end of the subsequent monthly billing period, by more than two percent (2%), including any Imbalance from the prior monthly billing period, except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then Company shall correct the Imbalance to two percent (2%) of Shipper's prior month deliveries by selling to the Shipper, the difference between a) Receiving Party(s)' deliveries and b) the quantity allocated by Interconnecting Party(s) adjusted for Fuel Reimbursement. These sales shall be made at a rate equal to the sum of (1) one hundred twenty-five percent (125%) of Index Price One, and (2) the CIG TI Transportation Rate. These sales shall not be made by Company if the imbalance quantities aggregated for each Operational Area under the Service Agreement(s) held by Shipper, or controlled by Shipper through an Agency Agreement, are five (5) Dth or less. An imbalance created by a Prior Period Adjustment shall be cashed out immediately pursuant to the section below entitled Imbalance Due to Prior Period Adjustment.

IMBALANCE DUE TO PRIOR PERIOD ADJUSTMENT

An imbalance created by a Prior Period Adjustment that reflects an over delivery of Shipper's gas shall be immediately purchased by Company at an amount equal to the difference between the quantities upon which Company's previous billings were based and the corrected quantities for each month affected by the Measurement Error, not to exceed 24 months, multiplied by a rate equal to the Colorado Interstate Gas Company Rocky Mountain spot gas price index as reported in the table titled "Prices of Spot Gas Delivered to Pipelines," in the first monthly issue of Inside F.E.R.C.'s Gas Market Report published by Platts, for the applicable Months in which the corresponding Imbalance was created.

An imbalance created by a Prior Period Adjustment that reflects an under delivery of Shipper's gas shall be immediately sold by Company at an amount equal to the difference between the quantities upon which Company's previous billings were based and the corrected quantities for each month affected by the Measurement Error, not to exceed 24 months, multiplied by a rate equal to the Colorado Interstate Gas Company Rocky Mountain spot gas price index as reported in the table titled "Prices of Spot Gas Delivered to Pipelines," in the first monthly issue of Inside F.E.R.C.'s Gas Market Report published by Platts plus the CIG TF Transportation Rate for the applicable Months in which the corresponding Imbalance was created.

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GAS TRANSPORTATION TERMS AND CONDITIONS

IMBALANCE DUE TO PRIOR PERIOD ADJUSTMENT - Cont'd

Prior Period Adjustments shall be calculated by Company for the entire period during which the Measurement Error occurred, but not more than 24 months. If the Prior Period Adjustment results in an amount due Shipper by Company, Company shall credit the full amount of such Prior Period Adjustment on Shipper's next monthly bill. If the Prior Period Adjustment results in an amount due Company by Shipper, Company shall include such additional amount on Shipper's next monthly bill. Company will allow Shipper an amount of time equal to the period during which the Measurement Error occurred to remit the Prior period Adjustment amount, but in no event shall this period be longer than six (6) months. The Company and Shipper may, at Shipper's option, enter into an installment plan arrangement.

BALANCING UPON TERMINATION

Upon termination or cancellation of the Service Agreement, if transportation service is not continued under another Service Agreement, any under-deliveries shall be eliminated at the earliest practicable date, not to exceed thirty (30) days following such termination or cancellation. If at the end of the thirty (30) day period an under-delivery exists, then, as appropriate, Company shall sell to Shipper such quantities which are due Shipper and Shipper shall purchase from Company such quantities in accordance with the terms and conditions of the under-deliveries of Shipper's Gas Supplies section of this tariff. If the Imbalance is caused by an over-delivery of Shipper's Gas then Company shall eliminate any over-deliveries by purchasing any quantities which are due Shipper at the next billing cycle in accordance with the terms and conditions of over-deliveries of Shipper's Gas Supplies section of this tariff.

If Service Agreement is terminated and service continues under another Service Agreement, the Imbalance may upon Shipper's request be transferred to new Service Agreement and the Imbalance Provisions shall apply.

FAILURE OF SHIPPER'S SUPPLY

Should Shipper fail to cause Shipper's Gas to be supplied to Company for transportation, Shipper will immediately notify Company of this condition. If Shipper has not contracted for Firm Supply Reservation Service, then, upon request, Company will inform Shipper if Backup Supply Sales Service is available from Company. If Company informs Shipper that said Backup Supply Sales Service is not available, continued use of gas by Receiving Party shall be considered Unauthorized Overrun Penalty Service.

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SUPPLY CURTAILMENTS

Company will, within a reasonable time, confirm with Interconnecting Party(s) an Interconnecting Party(s)'s Supply Curtailment of a Shipper's Gas supplies. If a Shipper's Gas supplies are curtailed, Company will accept, until 8:00 a.m. CCT the morning of such gas Day, revised Nominations that conform with the receipt quantities confirmed by the Company from the curtailed Interconnecting Party(s). The Company will also allow resourcing of curtailed quantities from existing or new Receipt Point(s), provided the revised Nomination is submitted no later than 8:00 a.m. CCT the morning of such gas Day. Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company no later than 11:30 a.m. CCT the morning of such gas Day. Any revised Nomination not confirmed by the Interconnecting Party(s) on or before than 11:30 a.m. CCT shall be deemed denied. In no event shall revised Nominations bump quantities already previously scheduled and confirmed for such gas Day.

In the event of an emergency, the Company will accept, for one (1) hour, revised Nominations that conform with the receipt quantities received by the Company from the curtailed Interconnecting Party(s).

OPERATIONAL FLOW ORDER

In the event a condition is developing that may require the implementation of an Operational Flow Order, or circumstances are present that significantly increase the likelihood that such conditions will develop, the Company will undertake reasonable efforts to post an advance advisory on its Electronic Bulletin Board of the developing condition or circumstances to provide transportation customers time and opportunity to take steps to help address the condition. Additionally, in the event the Company has decided to issue an Operational Flow Order, the Company will attempt to post notice on its Electronic Bulletin Board by 4:00 p.m. the day prior to the implementation of the Operational Flow Order. Such notice shall specify the Tolerance Range of over or under deliveries for an Operational Area under the Service Agreement(s) held or controlled by Shipper which is permitted for the Gas Day under the Operational Flow Order, as well as any penalty which will be imposed for non-compliance, up to the Unauthorized Overrun Penalty Charge. At that time Company will accept, until 8:00 a.m. CCT the morning of such gas Day, revised Nominations. If such Gas Day is a Business Day, Company will accept a further good faith revision to nominations until noon (CCT). Public Service may establish any such penalties at a different level according to the severity of circumstances for which the specific Operational Flow Order was issued; provided, however, that any such penalty shall be applied to all affected Shippers.

Any consumption by the Receiving Party(s) under Service Agreement(s) held by Shipper, or controlled by Shipper through an Agency Agreement, exceeding the Tolerance Range permitted under the Operational Flow Order shall be purchased by Company or sold to Shipper, as appropriate, at a rate equal to the imbalance penalty charge for Over delivery or Under delivery of gas in effect for that month, and/or charged a penalty charge per Dth at a rate not to exceed the Unauthorized Overrun Transportation Penalty charge. All penalty charges and Tolerance Ranges to be imposed during any Operational Flow Order will be identified as conditions of the Operational Flow Order when such Order is posted.

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PUBLIC SERVICE COMPANY OF COLORADO

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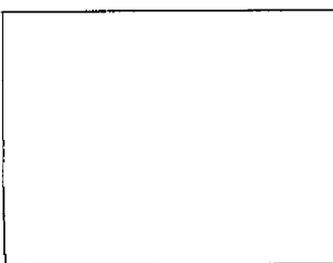
GAS TRANSPORTATION TERMS AND CONDITIONS

OPERATIONAL FLOW ORDER - Cont'd

Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company no later than 11:30 a.m. CCT the morning of such gas Day during an Operational Flow Order. Any revised Nomination not confirmed by the Interconnecting Party(s) on or before 11:30 a.m. CCT shall be deemed denied. In no event shall revised Nominations bump quantities already previously scheduled and confirmed for such gas Day.

The Company may call an Operational Flow Order: (a) at any time during the gas Day, if the Operational Flow Order is directed at a Shipper or limited number of Shippers within an Operational Area that Company reasonably believes are causing the condition necessitating the OFO, or (b) no later than 2:00 p.m. CCT of the Day in which the Operational Flow Order is effective, if it is directed at all Shippers within an Operational Area. Company will post notice of such Operational Flow Order on its Electronic Bulletin Board as soon as possible during the gas Day once it has made the decision to call the Operational Flow Order.

During the period in which an Operational Flow Order is in effect, Public Service, in its capacity as gas supplier and merchant, will align its purchases and deliveries consistent with the requirements imposed on Shippers under such Operational Flow Order.



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GAS TRANSPORTATION TERMS AND CONDITIONS

BILLING AND PAYMENT - Cont'd

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Verification of Statements. Shipper and Company shall have the right to examine, for a period of two (2) years, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under the provisions of this tariff.

Security for Gas Transportation Service. Except to the extent Company agrees to accept unsecured credit, security shall be required for any Shipper requesting or receiving gas transportation service as a condition of service. Company may require a Shipper requesting gas transportation service to provide security in an amount not to exceed the sum of the applicable gas transportation charges for the highest three months of estimated usage. Eligible security may include cash security (Shipper hereby grants Company a first priority security interest in any such cash), an irrevocable standby letter of credit or parental guaranty in a form and from an issuing entity acceptable to Company, or other security acceptable to Company.

Additional security may be required from an existing Shipper if Company reasonably determines that changes in the Shipper's financial condition or an increase in Shipper's gas transportation business with Company warrants. Such determination will be based on Company's review of financial statements, senior unsecured long-term debt (un-enhanced by third party support), rating(s) from credit reporting agenc(ies), recent payment history, and/or other information relating to Shipper's creditworthiness. Company may require Shipper to provide additional security up to an amount such that the total amount of Shipper's security does not exceed the sum of the applicable gas transportation charges for the highest three months' actual usage, plus three times the highest month's under-delivery Imbalance cashout charges and Operational Flow Order penalty charges incurred during the preceding twelve-month period.

Shipper grants to Company a first priority, continuing security interest in, lien on and right of set-off against all provided security hereunder. Any security required hereunder shall not be considered as advance payment or partial payment of any bill for service, but as a prerequisite for service, or continued service and shall not be transferable to another Shipper. The security may be used by Company for payment of service to be applied against unpaid bills only in the event service for the account on which the security was being held is discontinued or otherwise terminated.

Refunds of Deposits for Gas Transportation Service. Refunds to Shippers of deposits will be made when service is terminated and all outstanding bills have been paid. Interest will be paid on Shipper deposits either in cash or by a credit to the Shipper's account. Interest will be paid upon refund of the deposit or annually upon request of a Shipper. The annual interest rate shall be equal to the effective interest rate for residential customer deposits, as established by the Public Utilities Commission of the State of Colorado.

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GAS TRANSPORTATION TERMS AND CONDITIONS

SUSPENSION OR TERMINATION OF GAS TRANSPORTATION SERVICE FOR CAUSE

In each of the following circumstances constituting default by Shipper, Company may immediately discontinue gas transportation service by suspending service under Shipper's Service Agreement, by revoking Shipper's authority to act as agent on behalf of other Shippers or Receiving Parties, or by terminating Shipper's Service Agreement: (i) Shipper failed to remit full and timely payment for services invoiced by Company; (ii) Shipper has failed to provide Company sufficient quantities of Shipper's Gas to meet the daily load requirements under the Service Agreement, constituting a Default Imbalance, as defined below, and Shipper further has failed to take the necessary steps to remedy such Imbalance as required in writing by Company; (iii) Shipper has failed to provide sufficient security for gas transportation service as required by Company; and (iv) Shipper otherwise has failed to conform to the material requirements of this tariff. A Default Imbalance is an underdelivery Imbalance that is greater than 2,500 Dth for the current Month and either (i) a cumulative underdelivery Imbalance for the current Month that exceeds 50% of the current Month deliveries as of any Day after the tenth Day of the Month, or (ii) if there was a prior Month underdelivery Imbalance, a cumulative underdelivery imbalance for both the prior Month and the current Month that exceeds 30% of the cumulative deliveries as of any Day. Before any such suspension of service, revocation of agency or termination of Service Agreement, Company shall provide at least two (2) Business Day's written notice to Shipper of the circumstances constituting default by Shipper and of Company's intention to suspend service, revoke agency, or terminate the Service Agreement in the event such default is not remedied within the period specified by Company therein. In the event the default is not remedied within the period specified by Company in its notice to Shipper, such suspension of service, revocation of agency or termination of Service Agreement shall become effective upon the date set forth in Company's notice, but in no event less than two (2) Business Days following Shipper's receipt of Company's notice.

In the event the resulting suspension, revocation or termination involves a Service Agreement in which the defaulting Shipper was authorized as agent for one or more Receiving Parties, Company shall notify each such Receiving Party(s) of such suspension, revocation or termination on or before the effective date thereof. Said Receiving Parties shall be entitled to continue receiving gas transportation service under the suspended or terminated Service Agreement and to purchase Imbalance gas supplies provided by Company for an interim period of up to three (3) full consecutive calendar months following such suspension, revocation or termination, pending Receiving Party obtaining alternative gas supply arrangements. During such interim period, Company shall not interrupt gas transportation service to the Receiving Party or assess penalties for gas use during an Operational Flow Order or other system emergency, provided that Company has adequate resources to provide such continued service during such periods. Company shall invoice said Receiving Parties directly for such interim gas transportation service and associated Imbalance gas supplies. The Imbalance gas supplies sold to Receiving Parties during such interim period shall be at a price equal to Index Price One plus the CIG TI Transportation Rate.

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GAS TRANSPORTATION TERMS AND CONDITIONS

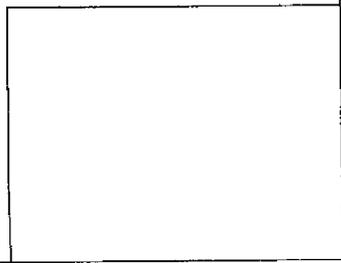
SUSPENSION OR TERMINATION OF GAS TRANSPORTATION SERVICE FOR CAUSE - Cont'd

Any such Receiving Party may transfer to a new Service Agreement or transfer to an existing Service Agreement by submitting a completed Request for Service and Agency Agreement, if applicable, in accordance with Company's requirements. A Receiving Party desiring to return to Company applicable sales service under Rates Schedule RG, CG or IG may transfer to such service, if available, upon the first day of the month following Company's receipt of a written request from customer.

If neither a request for transportation or sales service has been received by Company within four (4) Business Days prior to the end of the third full calendar month following the suspension, revocation or termination, service will automatically be converted to applicable sales service under Rate Schedule RG or CG effective the first day of the month following the third full calendar month of interim service.

Receiving Party Contact List

Annually upon notification from Company, Shippers holding a Master Agreement shall provide Company an updated list identifying the current contact person, telephone number and mailing address for each Receiving Party under the Shipper's Master Agreement. This list shall allow Company to provide periodic notices to Receiving Parties and facilitate communications with Receiving Parties under a Master Agreement in the event of suspension or termination for cause hereunder.



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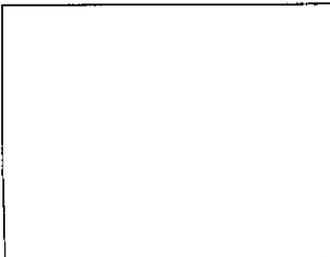
QUALITY

Gas Receipts. Unless otherwise specified by Company, gas tendered to Company will conform with the quality specifications set forth under this tariff and associated Transportation Service Agreement executed between Shipper and Company. Company has no obligation to accept gas of a lesser quality than that set forth herein below or to accept gas of a lesser quality than that which is to be delivered.

At a pressure of 14.73 psia and a temperature of 60°F, gas received by Company shall not contain more than the following:

- (i) Hydrogen Sulfide: one quarter (1/4) grain per one hundred (100) cubic feet.
- (ii) Total Sulfur: five (5) grains per one hundred (100) cubic feet.
- (iii) Carbon Dioxide: three percent (3%) by volume.
- (iv) Water Content: three (3) pounds per one million (1,000,000) cubic feet.
- (v) Flowing Gas Temperature: not to be less than thirty-two degrees Fahrenheit (32°F) or more than one hundred and ten degrees Fahrenheit (110°F).
- (vi) Hydrocarbon Dewpoint: shall not exceed fifteen degrees Fahrenheit (15°F) at any pressure between one hundred (100) psia and one thousand (1000) psia as calculated from gas composition or otherwise determined.
- (vii) Oxygen Content: two percent (2%) by volume if inert blended, one thousandth percent (0.001%) by volume if not inert blended.
- (viii) Total non-combustible gases: fourteen and three tenths percent (14.3%) by volume if inert blended, five percent (5%) by volume if not inert blended.

Odorization. Company odorizes its natural gas only to meet requirements of the Department of Transportation, as stated in the Transportation of Natural and Other Gas by Pipeline, Minimum Safety Standards, 49 C.F.R. Section 192.625. Company assumes no responsibility for odorization of the natural gas after its delivery to Shipper or for Shipper's account, and Shipper or Shipper's Receiving Party(s) shall not rely on Company's odorization of the natural gas to meet any requirement or obligation of Shipper or Shipper's Receiving Party(s) with respect to the odorization of natural gas.



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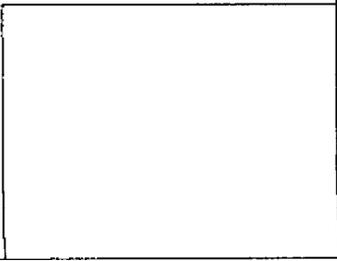
Liability. Company shall not be liable to Shipper or a third party for any damages incurred as a result of Company's refusal to receive gas that does not meet quality specifications. The Shipper delivering gas directly into Company's System shall indemnify, save, and hold harmless Company for any injury, damage, loss, or liability arising out of or relating to the Shipper's delivery of non-conformance gas.

Processing. Company may extract or permit the extraction of moisture, inerts, natural gasoline, butane, propane, or other hydrocarbons (except methane) from said natural gas, or may return thereto any substance extracted from it. Company, in order to conserve and utilize other available gases, may blend such gases with said natural gas. Company may subject or permit the subjection of said natural gas to compression, cooling, cleaning, or other processes to such an extent as may be required in its transportation from the Interconnecting Party(s) to the Delivery Point(s).

Objectionable Matter. The gas delivered to Company shall be commercial in quality and free of substances harmful to pipeline facilities, including but not limited to dust, dirt, gum-forming constituents, water, and other liquid or solid matter, or water and hydrocarbons in liquid form at the temperature and pressure at which it is received by Company, which might interfere with its marketability or cause injury to or interference with proper operation of the lines, regulators, meters, and other equipment of Company.

Hazardous Substances. All gas tendered to Company and component parts thereof shall not be hazardous to people, property, or the environment, cause damage to pipeline facilities, or be a limit to marketability. Hazardous substances include toxic substances, carcinogenic substances, reproductive toxins, or other compounds and materials identified under hazardous materials laws.

Gas Interchangeability. For safe and efficient pipeline operations, gas received by Company must be interchangeable from a utilization basis with supplies in its System. Gas received by Company shall comply with the requirements set forth under the applicable Utilization Curve contained under an Exhibit to the Transportation Service Agreement, which is a general representation of the natural gas quality which is acceptable. Because the gas composition must be known to determine if a supply is interchangeable, Company reserves the right in all instances to evaluate gas composition to determine System compatibility and to refuse any gas which is unacceptable.



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GAS TRANSPORTATION TERMS AND CONDITIONS

FORCE MAJEURE

Force Majeure shall mean circumstances not within the control of the parties and which by the exercise of due diligence, the affected party is unable to overcome. Force Majeure shall include but not be limited to acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests, and restraints of governments and people, civil disturbances, explosions, breakage or accident to wells, machinery or lines of pipe, freezing of wells or lines of pipe and partial or entire failure of wells. The term Force Majeure shall also include: the inability or delay of a party to acquire, at reasonable cost, materials, supplies, servitudes, right of way grants, transportation agreements with parties other than Company, permits, licenses or permissions from any governmental agency to enable such party to fulfill its obligations hereunder.

The Force Majeure provisions shall not apply to the inability of Company to accept gas at the Receipt Point(s) or deliver gas at the Delivery Points(s) nominated by Shipper for the purpose of correcting or curing an Imbalance in Shipper's Gas transported on Company's System.

In the event either party is rendered wholly or partially unable to carry out its obligations under this Service Agreement due to a Force Majeure event, such party shall give notice and provide the full particulars of such Force Majeure, in writing or by electronic data transmitted to the other party as soon as is reasonably possible after the occurrence of the causes relied on. The obligations of the parties, other than to make payments of amounts due hereunder, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. The affected party shall use good faith and due diligence to remedy the Force Majeure event in a commercially reasonable manner.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

LIABILITY

Each party shall indemnify, save and hold harmless the other party, its officers, employees and agents from any and all claims for injury to person or persons or damage to property occurring on its respective side of the interconnection point(s) between Company's and the Shipper's or Receiving Party's facilities; provided, however, that nothing herein contained shall be construed as relieving or releasing either party from liability for injury or damage, wherever occurring, resulting from its own negligence or the negligence of any of its officers, employees or agents.

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GAS TRANSPORTATION TERMS AND CONDITIONS

LIABILITY - Cont'd

In no event shall either party be liable for damages in an amount greater than the degree or percentage of negligence or fault attributable to that party. Each of the parties hereto shall be solely responsible for injury or damage, wherever occurring, due solely to any defect in equipment installed, furnished or maintained by such party.

WARRANTY

Shipper warrants that the title to all gas delivered to Company will be free from all liens and adverse claims, and Shipper shall defend and indemnify Company against all damages, cost, and expenses, including attorney fees, arising from any claim against said gas or to royalties, taxes, license fees or charges thereon.

WAIVERS

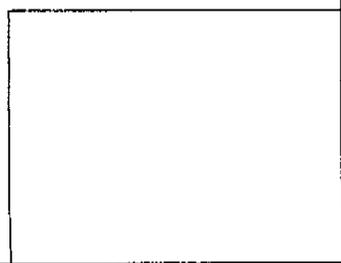
No waiver by Company or Shipper of any one or more defaults in the performance of any provision hereunder shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

SYSTEM OPERATION

Company may take such action as reasonably necessary to prevent damage to or material deterioration of its System and to maintain the operational integrity of the System.

EXTENSION POLICY

For transportation service, Company will install necessary extension facilities in accordance with the Company's Service Lateral Connection and Distribution Main Extension Policy as contained in Company's Natural Gas Service Rules and Regulations.



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 <b>Xcel Energy™</b> PUBLIC SERVICE COMPANY		Fax To: 303-571-7001	For Company Use Only: Transp Agree #: _____ New Meter Required: _____													
<b>STANDARD FORM OF REQUEST FOR GAS TRANSPORTATION SERVICE</b>																
SHIPPER INFO	Date: _____ *Shipper: _____ Mailing & Notice Address: _____ Billing Address: _____ Contact Name: _____ State of Incorporation: _____ Phone #: _____ Fax #: _____ Tax ID#: * _____															
	<b>Emergency Contacts:</b> <i>For gas flow and other communications. Three preferred.</i> During 1 _____ Phone 1 _____ Business Hours 2 _____ 2 _____ After 1 _____ 1 _____ Business Hours 2 _____ 2 _____ 3 _____ 3 _____															
	<i>* If Shipper is different from Receiving Party, then Shipper must include written authorization from Receiving Party to act on its' behalf.</i>															
	*Receiving Party: _____ Mailing Address: _____ Contact Name: _____ Phone #: _____ Fax #: _____															
	<b>Receiving Party Customer Service:</b> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">Existing (circle one):</td> <td colspan="2">Requested Service (circle one)</td> </tr> <tr> <td>Interruptible Sales</td> <td>Interruptible Transport</td> <td>Interruptible Transport</td> <td>Firm Transport</td> </tr> <tr> <td>Firm Sales</td> <td>Firm Transport</td> <td>Other</td> <td>Firm Capacity &amp; Supply</td> </tr> </table>				Existing (circle one):		Requested Service (circle one)		Interruptible Sales	Interruptible Transport	Interruptible Transport	Firm Transport	Firm Sales	Firm Transport	Other	Firm Capacity & Supply
	Existing (circle one):		Requested Service (circle one)													
	Interruptible Sales	Interruptible Transport	Interruptible Transport	Firm Transport												
	Firm Sales	Firm Transport	Other	Firm Capacity & Supply												
	If converting from sales to transport, Electronic Meter Installation form(s) provided by (check one): Company _____ Shipper _____															
	<i>* Attach list showing the above information for each Receiving Party.</i>															
<b>INTERRUPTIBLE SERVICE</b> Receiving Party* & Facility Address		Annual Quantity (Dth)	MTDQ On Peak Demand Qty													
<b>FIRM SERVICE</b> Receiving Party* & Facility Address		Annual Quantity (Dth)	Firm Capacity Peak Day Quantity													
<i>* If more than two, attach list showing the above information for each.</i> <b>FIRM SUPPLY RESERVATION PEAK DAY QUANTITY</b>		Total _____														

ADVICE LETTER NUMBER \_\_\_\_\_

ISSUE DATE \_\_\_\_\_

DECISION NUMBER \_\_\_\_\_

VICE PRESIDENT,  
 Policy Development

EFFECTIVE DATE \_\_\_\_\_



P.O. Box 840  
Denver, CO 80201-0840

Sheet No. T25  
Cancels \_\_\_\_\_  
Sheet No. \_\_\_\_\_



**REQUEST FOR AMENDMENT/CHANGE NOTIFICATION  
TO GAS TRANSPORTATION SERVICE AGREEMENT**

---

**SHIPPER INFO**

Date: \_\_\_\_\_ Gas Transportation Document # \_\_\_\_\_  
 \*Shipper: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Notice Address: \_\_\_\_\_  
 Billing Address: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_ State of Incorporation: \_\_\_\_\_  
 Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_  
 Tax ID #: \_\_\_\_\_

Emergency Contacts: *For gas flow and other communications. Three preferred.*

During business hours call	1 _____	2 _____	3 _____	Phone 1	1 _____
	2 _____	3 _____		2	2 _____
	3 _____			3	3 _____
After business hours call	1 _____	2 _____	3 _____	1	1 _____
	2 _____	3 _____		2	2 _____
	3 _____			3	3 _____

*\* If Shipper is different from Receiving Party, then Shipper must include written authorization from Receiving Party to act on its behalf.*

What change is requested? \_\_\_\_\_

---

**RECEIVING PARTY INFO**

\*Receiving Party: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_  
 Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Receiving Party Customer Type:

Existing (circle one): Prior Contract #: _____		Requested (circle one):	
Interruptible Sales	Interruptible Transport	Interruptible Transport	Firm Transport Capacity Only
Firm Sales	Firm Transport	Other	Firm Transport Capacity & Supply

For conversion from sales to transport, Electronic Meter Installation form(s) provided by (check one)  
 Company \_\_\_\_\_  
 Shipper \_\_\_\_\_

*\* Attach list showing the above information for each Receiving Party.*

INTERRUPTIBLE SERVICE Receiving Party* & Facility Address	Annual Qty. (Dth)	MTDQ On Peak Demand Qty

FIRM SERVICE Receiving Party* & Facility Address	Annual Qty. (Dth)	Firm Capacity Peak Day Quantity

*\* If more than two, attach list showing the above information for each.*

Total \_\_\_\_\_

**FIRM SUPPLY RESERVATION PEAK DAY QUANTITY** \_\_\_\_\_

ADVICE LETTER NUMBER \_\_\_\_\_

ISSUE DATE \_\_\_\_\_

DECISION NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE DATE \_\_\_\_\_



PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. T27

P.O. Box 840  
Denver, CO 80201-0840

Cancels  
Sheet No.

Document No. \_\_\_\_\_

FIRM GAS TRANSPORTATION SERVICE AGREEMENT

THIS SERVICE AGREEMENT (Agreement), made and entered into as of \_\_\_\_\_, 20\_\_, by Public Service Company of Colorado (Company), a Colorado corporation and \_\_\_\_\_ (Shipper), a \_\_\_\_\_ corporation. Company and Shipper are collectively referred to as the "Parties."

THE PARTIES REPRESENT:

Shipper has by separate agreement acquired supplies of natural gas, hereinafter referred to as "Shipper's Gas", to be delivered to Delivery Point(s); and

Shipper will cause Shipper's Gas to be delivered to Company's Receipt Point(s) as specified in Exhibit(s)\_\_\_\_; and

Shipper has requested and Company agrees to receive and transport Shipper's Gas from the Receipt Point(s) to the Delivery Point(s), as specified in Exhibit(s), on a firm capacity basis and, if applicable, to sell gas to a Shipper on a firm supply reservation basis; and

Shipper assumes responsibility for the installation and maintenance costs for a communication line necessary for electronic metering for the facility(s) specified in Exhibit(s)\_\_\_\_\_.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. (a) Shipper acknowledges and agrees that gas transportation service provided hereunder is subject to the terms and conditions of Company's applicable gas transportation tariff as on file and in effect from time to time with the Public Utilities Commission of the State of Colorado and such terms and conditions are incorporated herein as part of this Agreement.

(b) This agreement, and all its rates, terms and conditions as set out in this agreement and as set out in the tariff provisions which are incorporated into this agreement by reference, shall at all times be subject to modification by order of the Commission upon notice and hearing and a finding of good cause therefore. In the event that any party to this agreement requests the Commission to take any action which could cause a modification in the conditions of this agreement, the party shall provide written notice to the other parties at the time of filing the request with the Commission.

(c) If the end-use customer uses a marketing broker for nomination, gas purchases, and balancing, the end-use customer shall provide the utility with an Agency Agreement.

ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE  
DATE \_\_\_\_\_

P.O. Box 840  
Denver, CO 80201-0840

Cancels  
Sheet No.

2. Rates and Payment: Transportation service, Firm Capacity service and Firm Supply Reservation service provided by Company under this Service Agreement shall be paid for by Shipper at the standard charges applicable under Rate Schedule TF set forth in Company's gas transportation tariff unless otherwise specified in Exhibit(s) \_\_\_\_\_. Applicable facility charges shall be paid at the rate set forth in Company's Gas Transportation Tariff unless otherwise specified in Exhibit(s) \_\_\_\_\_.

3. Back-up Supply Sales Service: In the event that adequate supplies of Shipper's gas are not available for receipt by Company, Company shall sell to Shipper sufficient quantity(s) of natural gas as nominated by Shipper up to the Firm Supply Reservation Quantity for the Firm Supply Reservation Service (if any) as specified in Exhibit(s) \_\_\_\_\_, but in no event greater at any Delivery Point than the Peak Day Quantity at such Delivery Point as specified in Exhibit(s) \_\_\_\_\_. If Shipper does not purchase Firm Supply Reservation Service or exceeds the Firm Supply Reservation Quantity, Shipper may nominate and purchase from Company Back-up Supply Sales Service on an interruptible basis, to the extent such Back-up Supply Sales Service is available, in the event that adequate supplies of Shipper's gas are not available for receipt by Company. Applicable charges shall be as set forth in Company's Gas Transportation Tariff.

4. Quality: Gas delivered by the Shipper or for the Shipper's account at the Receipt Point(s) as specified in Exhibit(s) \_\_\_\_\_ shall conform to the specifications for gas as specified in Exhibit(s) \_\_\_\_\_.

5. Term - Effective Date: Service hereunder shall begin as of \_\_\_\_\_, \_\_\_\_\_. Unless otherwise mutually agreed, Firm Capacity Service shall continue through the end of the current Contract Year, and from year to year thereafter until terminated as of the end of any Contract Year by either party upon thirty (30) days written notice.

6. Notices: Except as otherwise provided, any notice or information that either party may desire to give to the other regarding this agreement shall be in writing to the following address, or to such other address as either of the parties shall designate in writing.

COMPANY: SHIPPER:  
Payments Only:  
Public Service Company of Colorado

Invoices only:

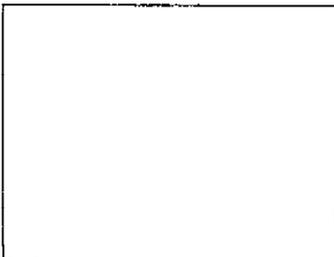
Phone #:  
Fax #:

Attn:  
Phone #:  
Fax #:

All Others  
Public Service Company of Colorado

Phone #:  
Fax #:

Attn:  
Phone #:  
Fax #:



ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE  
DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. T29

P.O. Box 840  
Denver, CO 80201-0840

Cancels  
Sheet No.

Routine communications, including monthly statements and payments, shall be considered as duly delivered or furnished three (3) days after being mailed or when transmitted electronically.

7. Assignment - Consent: This Service Agreement shall not be assigned by either party hereto, without the prior written consent of the other party, which consent shall not be unreasonably withheld.

8. Cancellation of Prior Agreement: This Service Agreement supersedes, cancels and terminates, as of the Effective Date of this Service Agreement, the following agreements and any amendments thereto:

Document No. - \_\_\_\_\_,  
Dated: \_\_\_\_\_  
between \_\_\_\_\_ and Company.

9. Cancellation of this Service Agreement: Shipper may cancel this Service Agreement upon thirty (30) days' written notice, subject to any applicable termination charges pursuant to Company's Gas Transportation Tariff. If Receiving Party(s) then choose to return to full firm natural gas service from Company, Company will, at Receiving Party's request, subject to availability of sufficient volumes of firm natural gas from Company's suppliers, reinstate Receiving Party with full firm service under the appropriate tariffs as they may be filed with the Commission. Shipper shall be responsible for any costs which may be incurred by Company due to such termination.

10. Exhibit(s) and Addendums: All exhibits attached hereto are incorporated into the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Firm Gas Transportation Service Agreement as of the day and year first above written.

Document # \_\_\_\_\_

COMPANY:  
PUBLIC SERVICE COMPANY OF COLORADO

SHIPPER:  
\_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

Taxpayer I.D. No. 84-0296600

Taxpayer I.D. No. \_\_\_\_\_

Witness/Attest:  
\_\_\_\_\_  
(please type name)

Witness/Attest:  
\_\_\_\_\_  
(please type name)

ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE  
DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. T30

P.O. Box 840  
 Denver, CO 80201-0840

Cancels  
 Sheet No.

Document # \_\_\_\_\_  
 Effective Date Of Agreement: \_\_\_\_\_  
 Effective Date Of Exhibit: \_\_\_\_\_

EXHIBIT \_\_\_\_\_  
 TO THE FIRM TRANSPORTATION SERVICE AGREEMENT  
 BETWEEN  
 \_\_\_\_\_ (Shipper)  
 AND  
 PUBLIC SERVICE COMPANY OF COLORADO (Company)

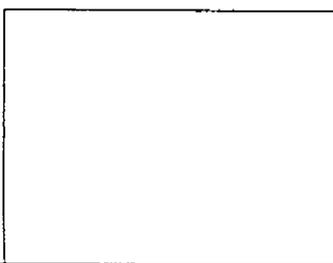
1. PRIMARY RECEIPT POINT(S)

Receipt Point	Peak Day Quantity Dth/Day	Utilization Curve
		General

2. FIRM CAPACITY SERVICE - DELIVERY POINT(S)

Receiving Party & Service Address	Load Point	Firm Capacity Peak Day Quantity (Dth)	Service and Facility Charge	Spec. Fac. Chg.	Transportation Commodity Charge	Term of Rate

Total Firm Capacity Reservation Peak Day Quantity: \_\_\_\_\_ Dth



ADVICE LETTER NUMBER \_\_\_\_\_

ISSUE DATE \_\_\_\_\_

DECISION NUMBER \_\_\_\_\_

VICE PRESIDENT,  
 Policy Development

EFFECTIVE DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

P.O. Box 840  
Denver, CO 80201-0840

Sheet No. T31

Cancels

Sheet No.

3. FIRM SUPPLY RESERVATION SERVICE

Total Firm Supply Reservation Peak Day Quantity as of \_\_\_\_\_, \_\_\_\_\_: \_\_\_\_\_ Dth

This Exhibit shall be deemed amended to add or delete Receipt Points or Delivery Points through written Requests for Amendment to the Service Agreement which are approved by Company. Company shall make a list of all currently authorized Receiving Parties and Receipt Points under the Service Agreement available to Shipper by posting such list on Company's Electronic Bulletin Board.

ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE  
DATE \_\_\_\_\_

P.O. Box 840  
Denver, CO 80201-0840

Sheet No. T32

Cancels  
Sheet No.

Document # \_\_\_\_\_

INTERRUPTIBLE GAS TRANSPORTATION SERVICE AGREEMENT

THIS SERVICE AGREEMENT (Agreement), made and entered into as of \_\_\_\_\_, 20\_\_\_\_, by and between Public Service Company of Colorado (Company), a Colorado corporation, and \_\_\_\_\_ (Shipper), a \_\_\_\_\_ corporation. Company and Shipper are collectively referred to as the "Parties."

THE PARTIES REPRESENT:

Shipper has by separate agreement acquired supplies of natural gas, hereinafter referred to as "Shipper's Gas", to be delivered to Delivery Point(s); and

Shipper will cause Shipper's Gas to be delivered to Company's Receipt Point(s) as specified in Exhibit(s) \_\_\_\_\_; and

Shipper has requested and Company agrees to receive and transport Shipper's Gas from the Receipt Point(s) to the Delivery Point(s), as specified in Exhibit(s), on an interruptible basis as long as system capacity is available for transportation of such gas.

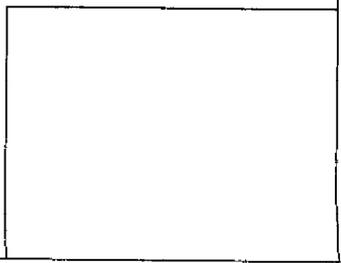
Shipper assumes responsibility for the installation and maintenance costs for a communication line necessary for electronic metering for the facility(s) specified in Exhibit(s) \_\_\_\_\_.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. (a) Shipper acknowledges and agrees that gas transportation service provided hereunder is subject to the terms and conditions of Company's applicable gas transportation tariff as on file and in effect from time to time with the Public Utilities Commission of the State of Colorado and such terms and conditions are incorporated herein as part of this Agreement.

(b) This agreement, and all its rates, terms and conditions as set out in this agreement and as set out in the tariff provisions which are incorporated into this agreement by reference, shall at all times be subject to modification by order of the Commission upon notice and hearing and a finding of good cause therefore. In the event that any party to this agreement requests the Commission to take any action which could cause a modification in the conditions of this agreement, the party shall provide written notice to the other parties at the time of filing the request with the Commission.

(c) If the end-use customer uses a marketing broker for nomination, gas purchases, and balancing, the end-use customer shall provide the utility with an Agency Agreement.



ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE  
DATE \_\_\_\_\_

P.O. Box 840  
Denver, CO 80201-0840

Sheet No. T33  
Cancels  
Sheet No.

2. Rates and Payment: Transportation service provided by Company under this Service Agreement shall be paid for by Shipper at the standard charges applicable under Rate Schedule TI set forth in Company's gas transportation tariff unless otherwise specified in Exhibit(s). Applicable facility charges shall be paid as set forth in Company's Gas Transportation Tariff unless otherwise specified in Exhibit(s)\_\_\_.

3. Back-up Supply Sales Service: Shippers have the option to nominate and purchase from Company Back-up Supply Sales Service on an interruptible basis, to the extent such Back-up Supply Sales Service is available, in the event that adequate supplies of Shipper's gas are not available for receipt by Company. The applicable charges shall be as set forth in Company's Gas Transportation Tariff.

4. Quality: Gas delivered by the Shipper or for the Shipper's account at the Receipt Point(s) as specified in Exhibit(s) shall conform to the specifications for gas as specified in Exhibit(s)\_\_\_.

5. Term - Effective Date: Service hereunder shall begin on \_\_\_\_\_, \_\_\_\_\_, and, unless otherwise mutually agreed, shall continue for a primary term of one year, and from year to year thereafter unless terminated by either party upon thirty (30) days written notice prior to the end of the primary term or any succeeding year thereafter.

6. Notices: Except as otherwise provided, any notice or information that either party may desire to give to the other regarding this agreement shall be in writing to the following address, or to such other address as either of the parties shall designate in writing.

COMPANY: SHIPPER:  
Payments Only:  
Public Service Company of Colorado  
  
Phone #:  
Fax #:

Invoices only:  
  
Attn:  
Phone #:  
Fax #:

All Others  
Public Service Company of Colorado  
  
Phone #:  
Fax #:

Attn:  
Phone #:  
Fax #:

Routine communications, including monthly statements and payments, shall be considered as duly delivered or furnished three (3) days after being mailed or when transmitted electronically.

7. Assignment - Consent: This Service Agreement shall not be assigned by either party hereto, without the prior written consent of the other party, which consent shall not be unreasonably withheld.

ADVICE LETTER  
NUMBER \_\_\_\_\_  
  
DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

ISSUE  
DATE \_\_\_\_\_  
  
EFFECTIVE  
DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

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Denver, CO 80201-0840

Sheet No. T34

Cancels

Sheet No.

8. Cancellation of Prior Agreement: This Service Agreement supersedes, cancels and terminates, as of the Effective Date of this Service Agreement, the following agreements and any amendments thereto:

Document No. \_\_\_\_\_,

Dated: \_\_\_\_\_

between \_\_\_\_\_ and Company.

9. Cancellation of this Service Agreement: Shipper may cancel this Service Agreement upon thirty (30) days' written notice. Shipper shall be responsible for any costs that may be incurred by Company due to such termination.

10. Exhibit(s) and Addendums: All exhibits attached hereto are incorporated into the terms of this Service Agreement.

ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE  
DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

P.O. Box 840  
Denver, CO 80201-0840

Sheet No. T35  
Cancels  
Sheet No.

IN WITNESS WHEREOF, the parties have executed this Interruptible Gas Transportation Service Agreement as of the day and year first above written.

Document # \_\_\_\_\_

COMPANY:  
PUBLIC SERVICE COMPANY  
OF COLORADO

SHIPPER:

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Taxpayer I.D. No. 84-0296600

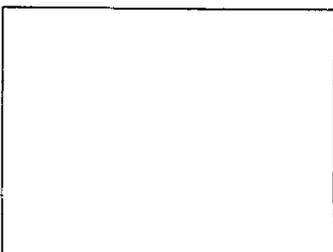
Taxpayer I.D. No. \_\_\_\_\_

Witness/Attest:

Witness/Attest:

\_\_\_\_\_  
(Please type name)

\_\_\_\_\_  
(please type name)



ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

EFFECTIVE  
DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

P.O. Box 840  
 Denver, CO 80201-0840

Sheet No. T36  
 Cancels  
 Sheet No.

Document # \_\_\_\_\_  
 Effective Date Of Agreement:  
 Effective Date Of Exhibit:

EXHIBIT \_\_\_\_\_  
 TO THE INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT  
 BETWEEN  
 \_\_\_\_\_ (Shipper)  
 AND  
 PUBLIC SERVICE COMPANY OF COLORADO (Company)

1. CATAGORY ONE RECEIPT POINT(S)

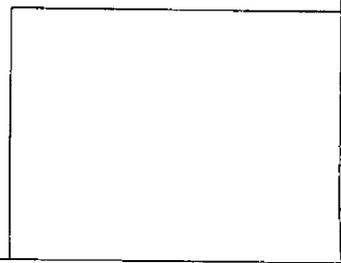
Receipt Point	Maximum Daily Transportation Quantity Dth/Day	Utilization Curve

2. DELIVERY POINT(S)

Receiving Party & Service Address	Load Point	MTDQ (Dth)	On Peak Demand Qty. (Dth)	Service and Facility Charge	Spec. Fac. Chg.	Transportation Commodity Charge	Term of Rate

Total Maximum Daily Transportation Quantity: \_\_\_\_\_ Dth/D

This Exhibit shall be deemed amended to add or delete Delivery Points through written Requests for Amendment to the Service Agreement which are approved by Company. Company shall make a list of all currently authorized Receiving Parties under the Service Agreement available to Shipper by posting such list on Company's Electronic Bulletin Board.



ADVICE LETTER NUMBER \_\_\_\_\_  
 DECISION NUMBER \_\_\_\_\_

VICE PRESIDENT,  
 Policy Development

ISSUE DATE \_\_\_\_\_  
 EFFECTIVE DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

P.O. Box 840  
Denver, CO 80201-0840

Sheet No. T37

Cancels  
Sheet No.

AGENCY AGREEMENT  
FOR PUBLIC SERVICE COMPANY OF COLORADO  
GAS TRANSPORTATION SERVICES  
(FOR USE WITH MASTER AGREEMENTS)

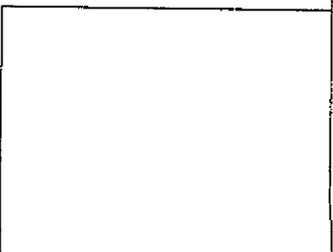
The undersigned, by and on behalf of \_\_\_\_\_  
(Receiving Party), having a mailing address of \_\_\_\_\_  
\_\_\_\_\_, hereby designates \_\_\_\_\_  
\_\_\_\_\_, (Agent Shipper), having a mailing address of \_\_\_\_\_  
\_\_\_\_\_, as its agent, with full  
authority to act on its behalf in obtaining and managing gas transportation  
service provided by Public Service Company of Colorado (Company), as specified  
below, for the transportation of gas supplies from Company's Receipt Points to  
Receiving Party at the following Delivery Point(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Receiving Party authorizes Agent Shipper to act on its behalf in contracting  
for gas transportation services provided by Company, arranging for the delivery  
of gas quantities to Company's Receipt Point(s) for Receiving Party including  
submitting all nominations therefor, managing gas transportation imbalances  
incurred on behalf of Receiving Party, receiving invoices from Company and  
paying all applicable charges for gas transportation service provided by Company  
to Receiving Party at the above Delivery Point(s). Receiving Party represents  
and warrants that it has not entered into a gas transportation service agreement  
with Company for deliveries to the above Delivery Point(s), but instead is  
hereby designating Agent Shipper to enter into such agreement with Company for  
that purpose on its behalf.

Agent Shipper and Receiving Party acknowledge that all service provided by  
Company is for the benefit of Receiving Party, and in the event that Agent  
Shipper or Receiving Party fails to make timely payment for service provided by  
Company, or otherwise is in default under the provision's of Company's Gas  
Transportation Tariff, this Agency Agreement may be revoked by Company and all  
service provided shall be subject to termination in accordance with Company's  
Gas Transportation Tariff. If such termination of service is as a result of  
Agent Shipper's failure to make payment, Receiving Party shall not be entitled  
to continued service, regardless of whether Receiving Party has made payment to  
Agent Shipper, until Company receives full and complete payment. Agent Shipper  
and Receiving Party shall be jointly and severally liable for all payments due  
and owing Company for all services provided.

As of the date in Section 9 below, Agent Shipper shall  
be authorized, in the following manner, to act on Receiving  
Party's behalf in obtaining and managing Company's gas  
transportation services.



ADVICE LETTER  
NUMBER \_\_\_\_\_  
  
DECISION  
NUMBER \_\_\_\_\_

VICE PRESIDENT,  
Policy Development

ISSUE  
DATE \_\_\_\_\_  
  
EFFECTIVE  
DATE \_\_\_\_\_

P.O. Box 840  
Denver, CO 80201-0840

1.) Agent Shipper shall be authorized to negotiate and execute gas transportation service agreement(s) with Company for the delivery of gas from various Receipt Points to the Delivery Point(s) specified above on behalf of Receiving Party. Receiving Party acknowledges and agrees that such agreement may be a Master Agreement, as defined in the Gas Transportation Tariff, that may include additional delivery points to other Receiving Parties that similarly have designated Agent Shipper as their agent.

2.) Receiving Party acknowledges and agrees that, in order for Agent Shipper to carry out its responsibilities hereunder, Agent Shipper shall have access to daily transportation quantities for all Delivery Points specified above. In addition, Agent Shipper shall be authorized to obtain from Company information pertaining to Receiving Party's historical natural gas utilization at the Delivery Point(s) specified above.

3.) Agent Shipper shall nominate to Company, on Receiving Party's behalf for each of the Delivery Point(s) specified above, and otherwise schedule gas to meet Receiving Party's daily volume requirements and to resolve any and all gas transportation imbalances in accordance with the Company's Gas Transportation Terms and Conditions on file and in effect from time to time with the Commission. Agent Shipper authorizes the following personnel from its organization to make binding nominations for this purpose.

Name: Title: Phone Number:

4.) Agent Shipper shall be authorized to approve, install and maintain phone lines or any associated equipment necessary for gas transportation service to the Receiving Party.

5.) Agent Shipper shall continue to act for Receiving Party in securing gas transportation services for so long as this Agency Agreement and the underlying gas transportation service agreement remains in effect. Gas transportation service may be terminated by either Agent Shipper or Receiving Party in accordance with the Termination provisions of the applicable Rate Schedule in Company's tariff. This Agency Agreement may be terminated by Receiving Party, effective upon the first day of any Month that Receiving Party is to commence receiving gas transportation service under a different Master Agreement or new gas transportation service agreement, by providing written notice to Agent Shipper and Company by the fourth Business Day preceding such effective date. This Agency Agreement may be terminated by Agent Shipper or Receiving Party by providing the other party and Company thirty (30) days' advance written notice to be effective upon the first day of the calendar month immediately following such thirty (30) day notice period. A shorter notice period and/or alternative effective date may be accepted by Company upon mutual agreement of Company, Agent Shipper and Receiving Party. Agent Shipper and Receiving Party acknowledge and agree that this Agency Agreement may also be revoked by Company or the underlying gas transportation service agreement between Company and Agent Shipper may be suspended or terminated by Company in accordance with the terms and conditions of Company's Gas Transportation Tariff. Any termination of gas transportation service shall be in accordance with and subject to the Company Gas Transportation Terms and Conditions on file and in effect

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with the Colorado Public Utilities Commission. Regardless of termination, Receiving Party shall continue to honor any commitments made by Agent Shipper to Company on its behalf for the period that the agency was in effect. Any imbalances attributable to Receiving Party upon revocation or termination of this Agency Agreement, or suspension or termination of the gas transportation service agreement between Company and Agent Shipper, shall be determined and resolved in accordance with Company's Gas Transportation Tariff.

6.) In the event the gas transportation service agreement between Agent Shipper and Company is suspended or terminated during the term of this Agency Agreement any Imbalance incurred by Agent Shipper which remains outstanding and is not resolved by Agent Shipper in accordance with Company's Gas Transportation Tariff shall be allocated on a pro rata basis to all Receiving Parties for which Agent Shipper was authorized through an Agency Agreement to aggregate Imbalances, based upon the total usage quantities of such Receiving Parties during the period in which such Imbalance arose. In the event any invoiced amounts due by Agent Shipper for charges, cashouts or penalties incurred as a result of Agent Shipper's responsibilities hereunder remain unpaid, such outstanding charges and penalties shall be allocated to the Receiving Parties on the same pro rata basis as provided herein for allocating Imbalance quantities.

7.) Upon execution of said transportation agreement(s) by Agent Shipper for Receiving Party, Receiving Party shall be bound by the terms and conditions thereof as if Receiving Party had signed said agreement(s) directly as to the Delivery Point(s) specified above. After executing gas transportation agreement(s) for Receiving Party, Agent Shipper shall pay all applicable charges incurred for the benefit of Receiving Party in accordance with the Rules and Regulations for Natural Gas Service and the Gas Transportation Terms and Conditions on file and in effect from time to time with the Commission, including any charges for imbalance cashouts or any natural gas sold by Company thereunder.

8.) All obligations of Agent Shipper and Receiving Party to Company herein with respect to gas transportation service provided by Company shall survive termination of this Agency Agreement.

9.) This Agency Agreement shall become effective as of \_\_\_\_\_.

This Agency Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

SIGNED:

\_\_\_\_\_  
(Receiving Party)

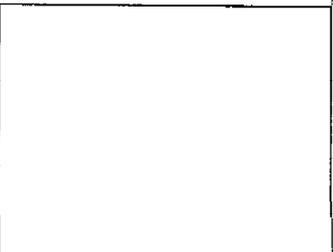
\_\_\_\_\_  
(Agent Shipper)

\_\_\_\_\_  
(print name)

\_\_\_\_\_  
(print name)

Title: \_\_\_\_\_

Title: \_\_\_\_\_



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AGENCY AGREEMENT  
FOR PUBLIC SERVICE COMPANY OF COLORADO  
GAS TRANSPORTATION SERVICES  
(FOR USE WHEN RECEIVING PARTY HAS EXECUTED SERVICE AGREEMENT)

The undersigned, by and on behalf of \_\_\_\_\_  
(Receiving Shipper), having a mailing address of \_\_\_\_\_  
\_\_\_\_\_, hereby designates \_\_\_\_\_  
(Shipper's Agent), having a mailing address of \_\_\_\_\_  
\_\_\_\_\_, as its agent, with full authority to act on its  
behalf in performing certain of Receiving Shipper's responsibilities, as  
specified below, under the Gas Transportation Service Agreement dated  
\_\_\_\_\_, by and between Public Service Company of Colorado (Company) and  
Receiving Shipper, Contract No. \_\_\_\_\_ (GTSA), providing for the  
transportation of gas supplies by Company from Company's Receipt Points to  
Receiving Shipper at the Delivery Point(s) specified in the GTSA. Receiving  
Shipper represents and warrants to Shipper's Agent and Company that, during the  
term of this Agency Agreement, Receiving Shipper is and shall remain the only  
end-use customer eligible to receive physical deliveries of gas from Company  
under the GTSA.

1. As of the effective date set forth below, Shipper's Agent shall be  
authorized, in the following manner, to act on Receiving Shipper's behalf in  
managing gas transportation services provided by Company under the GTSA:

Access to Load Data. Receiving Shipper acknowledges and agrees that,  
in order for Shipper's Agent to carry out its responsibilities hereunder,  
Shipper's Agent shall have access to daily transportation quantities for all  
Receipt Point(s) and Delivery Point(s) specified in the GTSA. In addition,  
Shipper's Agent shall be authorized to obtain from Company information  
pertaining to Receiving Shipper's historical natural gas utilization at the  
Delivery Point(s) specified in the GTSA.

Authorized by \_\_\_\_\_ Accepted by \_\_\_\_\_  
Receiving Shipper: \_\_\_\_\_ Shipper's Agent: \_\_\_\_\_

Nomination and Scheduling. Shipper's Agent shall be authorized to  
nominate to Company, on Receiving Shipper's behalf for each of the Delivery  
Point(s) specified in the GTSA, and otherwise schedule gas to meet Receiving  
Shipper's daily volume requirements and to resolve any and all gas  
transportation imbalances under the GTSA in accordance with the Company's Gas  
Transportation Terms and Conditions on file and in effect from time to time with  
the Commission. Shipper's Agent authorizes the following personnel from its  
organization to make binding nominations for this purpose.

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Upon termination of this Agency Agreement, the GTSA  
shall become subject to the scheduling and balancing  
provisions of Company's Gas Transportation Tariff, and  
Receiving Shipper shall make arrangements to resume  
nominations to ensure appropriate quantities are nominated  
and scheduled under the GTSA.

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Authorized by  
Receiving Shipper: \_\_\_\_\_

Accepted by  
Shipper's Agent: \_\_\_\_\_

Aggregate Balancing. In addition to the responsibilities of nomination and scheduling set forth in the foregoing paragraph, Receiving Shipper hereby authorizes Shipper's Agent to resolve gas transportation imbalances incurred under the GTSA on Receiving Shipper's behalf by combining any and all such imbalances with imbalances incurred for similar time periods under other gas transportation service agreement(s) between Company and Shipper's Agent, or other Receiving Parties that similarly have designated Shipper's Agent as agent for purposes of managing gas transportation imbalances. Receiving Shipper acknowledges and agrees that Company's reporting of gas transportation imbalances for the GTSA will not reflect Receiving Shipper's share of the gas transportation imbalances attributable to Shipper's Agent on an aggregate basis. In the event this Agency Agreement is revoked or terminated and any Imbalance incurred pursuant to the terms hereof remain outstanding and Shipper's Agent fails to resolve such Imbalance, such outstanding Imbalance shall be allocated on a pro rata basis to all Service Agreements, including the GTSA, for which Shipper's Agent was authorized through an Agency Agreement to aggregate Imbalances, based upon the total usage quantities under of such Service Agreement during the period in which such Imbalance arose. In the event any invoiced amounts due by Shipper's Agent for charges, cashouts or penalties incurred as a result of Shipper's Agent responsibilities hereunder remain unpaid, such outstanding charges and penalties shall be allocated among such Service Agreements on the same pro rata basis as provided herein for allocating Imbalance quantities. A Receiving Shipper electing Aggregate Balancing acknowledges that, to the extent the GTSA provides for gas transportation from specific Receipt Point(s) at charges at less than the standard rates and charges applicable under Company's tariff (i.e., a path-specific discount), Company's standard gas transportation rates and charges shall apply.

Authorized by  
Receiving Shipper: \_\_\_\_\_

Accepted by  
Shipper's Agent: \_\_\_\_\_

Billing and Payment. Receiving Shipper hereby authorizes Shipper's Agent to receive and pay, and Shipper's Agent hereby agrees to pay, Company's regular monthly invoices setting forth all applicable charges for gas transportation services provided pursuant to the GTSA. Shipper's Agent and Receiving Shipper acknowledge that all service provided by Company is for the benefit of Receiving Shipper, and in the event that Shipper's Agent or Receiving Shipper fails to make timely payment for service provided by Company, or otherwise is in default under the provision's of Company's Gas Transportation Tariff, this Agency Agreement may be revoked by Company and all service provided shall be subject to termination in accordance with Company's Gas Transportation Tariff. If such termination of service is as a result of Shipper's Agent's failure to make payment, Receiving Shipper shall not be entitled to continued service, regardless of whether Receiving Shipper has made payment to Shipper's Agent, until Company receives full and complete payment. Shipper's Agent and Receiving Shipper shall be jointly and severally liable for all payments due and owing Company for all services provided.

Authorized by  
Receiving Shipper: \_\_\_\_\_

Accepted by  
Shipper's Agent: \_\_\_\_\_

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2. Shipper's Agent shall continue to act for Receiving Shipper in performing the above-indicated responsibilities for so long as this Agency Agreement remains in effect. This Agency Agreement may be terminated by Receiving Shipper effective upon the first day of any Month by providing written notice to Shipper's Agent and Company by the fourth Business Day preceding such effective date. This Agency Agreement may be terminated by Shipper's Agent by providing Receiving Shipper and Company thirty (30) days' advance written notice to be effective upon the first day of the calendar month immediately following such thirty (30) day notice period. A shorter notice period and/or alternative effective date may be accepted by Company upon mutual agreement of Company, Shipper's Agent and Receiving Shipper. Shipper's Agent and Receiving Shipper acknowledge and agree that this Agency Agreement may also be revoked by Company or the underlying GTSA between Company and Shipper's Agent may be suspended or terminated by Company in accordance with the terms and conditions of Company's Gas Transportation Tariff. Any termination of gas transportation service shall be in accordance with and subject to the Company Gas Transportation Terms and Conditions on file and in effect with the Colorado Public Utilities Commission. Regardless of termination, Receiving Shipper shall continue to honor any commitments made by Shipper's Agent to Company on its behalf for the period that the agency was in effect. Any imbalances attributable to Receiving Shipper upon revocation or termination of this Agency Agreement, or suspension or termination of the GTSA, shall be determined and resolved in accordance with Company's Gas Transportation Tariff.

3. All obligations of Shipper's Agent and Receiving Shipper to Company herein with respect to gas transportation service provided by Company shall survive termination of this Agency Agreement.

4. This Agency Agreement shall become effective as of \_\_\_\_\_

This Agency Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SIGNED:

\_\_\_\_\_  
(Receiving Shipper)

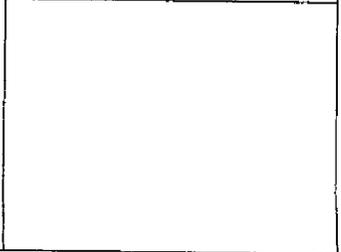
\_\_\_\_\_  
(Shipper's Agent)

\_\_\_\_\_  
(print name)

\_\_\_\_\_  
(print name)

Title: \_\_\_\_\_

Title: \_\_\_\_\_



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# APPENDIX C

***PRO FORMA* TARIFF SHEETS IMPLEMENTING CHANGES TO  
ALLOCATION OF IMBALANCE RESOLUTION GAS  
TO BECOME EFFECTIVE JANUARY 1, 2007**

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS - Cont'd

- (c) Shipper may request changes in Primary Receipt Point(s). Requests for such changes shall be made in writing no less than fifteen (15) Business Days prior to the beginning of month in which the change will be effective. Transporter shall grant such changes if the direction of the gas flow is unchanged, capacity is available, and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Receipt Point. In no event shall Shipper be entitled to more Transportation Service than is provided for under the Service Agreement.
- (d) Nominations for service at Secondary Receipt Point(s) shall be made in accordance with Company's Nomination Procedures. In the event that Company is unable to confirm a secondary receipt point nomination on a firm basis, Company may offer Shipper the secondary receipt point capacity on an interruptible basis, but with no rate reduction. In no event shall Shipper be entitled to more Firm Transportation Service than is provided for under the Service Agreement.
- (e) All nominated quantities will be expressed in Dekatherms per day; and shall include Fuel Reimbursement.
- (f) Shipper and Company will designate in writing their authorized personnel and alternates and their respective telephone numbers to make and accept Nominations, including any future changes of such designation.
- (g) Failure of Shipper to provide daily Nominations to Company may result in gas being sold to the Shipper, if available, at the appropriate Backup Supply Sales Charge in addition to any other applicable charges.
- (h) Company is not responsible for ensuring that the nominated quantities are actually tendered at the Receipt Point(s) or that calculations developed for or by Shipper are correct.
- (i) In the event that Company determines that an emergency or other circumstances exist, Company may modify Nomination Procedures.
- (j) Nominations will be accepted by Company in writing or by means of Company's Electronic Bulletin Board. In the event that the Electronic Bulletin Board is unavailable for use, then Nominations will be tendered in writing to Company.

Nomination Procedures. Daily Nominations for the first day of the month shall be tendered in writing in a format requested by Company and shall be received no later than 11:30 a.m. CCT, two (2) Business Days before the first day of the succeeding month. If daily nominations for the first day of the month are transmitted by means of Company's Electronic Bulletin Board, the Nomination deadline shall be no later than 11:30 a.m. CCT, one (1) Business Day before the first day of the succeeding month.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS - Cont'd

Nomination Procedures - Cont'd

Nominations for days other than the first day of month or revisions to daily quantities and/or Interconnecting Party(s) contract number(s) previously submitted shall be received in writing no later than 11:30 a.m. CCT, two (2) Business Days before the date of the effective change. Nominations or revisions transmitted by means of Electronic Bulletin Board shall be received by 11:30 a.m. CCT, one (1) Business Day before the date of the effective change.

Nomination Confirmations

Company will confirm or deny nominations with the Interconnecting Parties no later one (1) Business Day prior to gas flow after 2:00 p.m. CCT. Nominations made in accordance with the above procedures will not become effective until Company has confirmed the nominated receipts with the Interconnecting Party(s). Shipper shall be responsible for verifying the availability of supplies from the Interconnecting Party(s) prior to gas flow, and notifying the Interconnecting Party(s) to make corresponding confirmations of supply to Company.

Any discrepancy in Nominations that cannot be resolved shall result in Shipper receiving the lesser of these two quantities: Shipper's Nominations to Company or Interconnecting Party's confirmation.

Company shall have the right to require Nomination changes, to ensure that receipts and deliveries match. When a Shipper receives notification of such change in the Nomination, the Shipper shall be responsible for informing Interconnecting Party(s) of the change. If the Interconnecting Party(s) does not confirm the Nomination change, further transportation may be curtailed until such confirmation is obtained or another Nomination is confirmed.

Nomination Changes By Company

If, on any day, Company determines that there is an under-delivery or over-delivery of natural gas into Company's System from an Interconnecting Party(s), Company shall have the right to make or require Shipper to make adjustments to Shipper's Nominations to more accurately reflect actual deliveries of supply into or out of Company's System.

ALLOCATIONS

Unless otherwise agreed, Allocations at the Company's Receipt Point(s), less Fuel Reimbursement, will be based on the lower of the three: (i) Nominations to Company or (ii) confirmed Nominations or (iii) Allocations provided by Interconnecting Party(s). The difference between Allocations, less Fuel Reimbursement at the Receipt Point(s) and daily measurement determinations at the Delivery Point(s) will be considered the Imbalance. Shipper's net daily Allocation quantities, net of Fuel Reimbursement, shall be applied as follows and in the following sequence: First, the net daily Allocation quantities shall be applied against the daily usage measured by Company at the Delivery Point(s). To the extent net daily Allocation quantities are greater than or less than such daily usage, the difference shall be applied as Imbalance Resolution gas to offset any prior month Imbalance. Any remaining net daily Allocation quantities shall be applied as current month Imbalance gas. Delivery Point Allocations and Imbalances will be determined by Company on a daily basis or as otherwise specified.

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# APPENDIX D

***PRO FORMA*** TARIFF SHEET REDUCING CURRENT MONTH  
IMBALANCE THRESHOLD FROM 25% TO 20%  
TO BECOME EFFECTIVE JANUARY 1, 2007

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GAS TRANSPORTATION TERMS AND CONDITIONS

DETERMINATION OF QUANTITIES TRANSPORTED

Quantity determinations shall be done in accordance with Company's Rules and Regulations for Natural Gas Service, and quantities will be apportioned in gas Day increments. Determinations may be adjusted by Supply Curtailments or other restrictions. Quantities consumed in excess of confirmed Nominations or Allocations during any restricted period will be sold to the Shipper at the appropriate Backup Supply Sales Charge up to that quantity permitted under Service Agreement or, if above those quantities, at the Unauthorized Overrun Penalty Charge. Sales quantities consumed during any such restricted period shall not be made up through Imbalance provisions. Shipper agrees to accept the accounting by Company of daily quantities of Shipper's Gas received by Company.

IMBALANCE PROVISION

Shipper shall make every effort to manage daily receipts of Shipper's Gas and deliveries to the Receiving Party(s) so that the Imbalance(s) at the end of each Month, including any Imbalance(s) under the five (5) Dth quantity limitation carried forward from the previous Month, are as close to zero as practicable. Determination of such Imbalance(s) will be made after adjusting for Fuel Reimbursement.

If at the end of any Month the imbalance is in excess of twenty percent (20%), except to the extent such excess was caused by a Measurement Error or Nomination Entry Error, then the imbalance will be cashed out effective on the last day of such month to zero percent (0%) when the Shipper is billed by Company for the month in which the imbalance occurred. Shippers exceeding the twenty percent (20%) imbalance threshold are prohibited from decreasing the amount of the imbalance by swapping imbalances or nominating imbalance payback gas during the succeeding Month.

Shippers having imbalances which are 20% or less at the end of any Month shall endeavor to bring such imbalance to zero percent of actual usage within the subsequent billing period. If at the end of the subsequent billing period the Imbalance is greater than two percent (2%), then Shipper shall be subject to the Over and Under-Delivery provisions of this tariff ("Cashout") and the Imbalance shall be brought to two percent (2%). Any Imbalance remaining after said Cashout shall be added to the current Month's Imbalance and carried forward into the following Month.

Company may enter into separate Imbalance Agreements with Shipper that take into consideration special unique circumstances.

Imbalance Trading.

A Shipper may trade or "swap" Imbalance Gas among Service Agreements which it holds, or otherwise controls through an Agency Agreement (in either of the two forms provided herein), and those similarly held or controlled by other Shippers to eliminate or reduce Imbalances under those Service Agreements. Any "swap" of Imbalance shall not cause the Company to receive less value than the Company would have received had the "swap" not occurred. Any Imbalance "swap" shall be subject to the following conditions:

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