

MASTER HUB SERVICES AGREEMENT

This Master Hub Services Agreement dated «Hub_Effective_Date» by and between the Southern California Gas Company ("SoCalGas"), and «Company» ("Service User") sets forth the terms and conditions under which Service User may request interruptible services utilizing the "California Energy Hub®".

Section 1 - Services

Service User may request services utilizing the Hub as set forth in SoCalGas' applicable Rate Schedules (as in effect from time to time), subject to the following limitations:

None.

Section 2 - Hub Transactions

SoCalGas will act as Hub Administrator to implement the business transactions contemplated herein including nominations and billing. SoCalGas may change the party acting as Hub Administrator by providing Service User a minimum of seven (7) days prior written notice.

In the event that at any time Service User's request for services is accepted after receiving a Confirmation from the Hub in the form attached on Exhibit A and made part of this Agreement, Service User shall identify immediately any error and shall immediately notify SoCalGas. If no such notice is provided within 24 hours, the Confirmation will be deemed correct. Both parties hereby agree that the Confirmation sent to the other electronically is intended to form a binding and enforceable contract. Such arrangement shall be referred to as a "Hub Transaction" or "Transaction".

Section 3 - Term

(a) Term - The term of this Agreement shall run for a period of one (1) year from «Hub_Effective_Date» through «Hub_Term_Ends», and shall continue month to month thereafter until terminated by any party on thirty days prior written notice.

(b) Early Termination - Notwithstanding any other provision hereof, this Agreement may be terminated in the event Service User fails to either (i) provide satisfactory evidence that it is creditworthy, or (ii) if Service User is in arrears as to any payments due for Hub Transactions.

Section 4 - Notice Locations

(a) Telecopy Numbers

For purposes of this Agreement, the following facsimile numbers shall be used for Transaction Confirmations and other operating communications:

Service User No. «Notice_Fax»

California Energy Hub® No. (213) 244-8284
or (213) 244-8285

Such designated numbers may be changed on seven (7) days advance written notice by the affected party to the other parties.

(b) Billing - Invoices shall be sent to Service User at the following address, which may be changed on seven (7) days advance written notice from Service User:

«Company»
«Billing_Address1»
«Billing_Address2»
«Billing_CityStateZip»
Attn: «Billing_Attention»

Payments shall be made to the following location, which may be changed on seven (7) days advance written notice to Service User:

Union Bank
445 South Figueroa
Los Angeles, California
Payee Name: Southern California Gas Company

(c) Notices - All notices shall be by facsimile confirmed by first class mail to the following locations:

SoCalGas Mailing Address: Southern California Gas Company
P.O. Box 513249, Terminal Annex
Mail Location 24E1
Los Angeles, CA. 90051-1249
Attn.: Energy Contract Manager

Telephone Numbers: (213) 244-3803 or (213) 244-3852
Gas Scheduling

 (213) 244-3855
Gas Supply Manager

 (213) 244-3918
California Energy Hub Manager

Telefax Numbers: (213) 244-8284
 (213) 244-8285

Service User Mailing Address: «Company»
«Notice_Address1»
«Notice_Address2»
«Notice_City_State_Zip»
Attn: «Notice_Attention»

Telephone Number: «Notice_Phone»

Telefax Number:

Such locations may be changed by seven (7) days prior written notice by the affected party to the other parties.

Section 5 - Miscellaneous

(a) General Terms and Conditions - This Agreement shall be subject to the General Terms and Conditions attached as Exhibit B, which are incorporated by reference and made part of this Agreement.

(b) Governmental Authority - This Agreement (and any Confirmation executed in connection herewith) shall be subject to the applicable decisions, orders, rules and regulations of any governmental authority (including a court) having jurisdiction.

(c) Imbalance Cash-Out - Notwithstanding Section 7 of Exhibit B, Hub Administrator may elect to cash-out any positive or negative imbalance which exists as of the last day of any Hub Transaction which is less than one thousand (1,000) MMBtu at a price equal to the Inside F.E.R.C. Index Price for the appropriate delivery point as published for the first day of the then current month.

(d) Hub Parties - SoCalGas is acting as "Hub Administrator" and as "Hub Operator" (as each are defined under the General Terms and Conditions attached as Exhibit B), subject to the terms and conditions separately agreed to between such parties.

Section 6 - Entire Agreement

This Agreement, including Exhibits A and B, sets forth the entire understanding of the parties and supersedes and replaces any prior communications, discussions or understandings, whether written or oral. Except for the service commitments by individual Confirmations consistent with Section 2 and Exhibit A, which may supplement this Agreement from time to time, this Agreement shall only be amended by an instrument in writing executed by all parties hereto. In no event shall this Agreement be amended or modified by course of performance, course of dealing or usage of trade.

IN WITNESS WHEREOF, the authorized representatives of the parties executed this Agreement in the space provided below.

SOUTHERN CALIFORNIA GAS COMPANY

By: _____
Paul Goldstein
California Energy Hub® Manager

«COMPANY»

Name: _____

By: _____

Title: _____

MASTER HUB SERVICES AGREEMENT
EXHIBIT A
CONFIRMATION FORM

VIA FACSIMILE

I. CONFIRMATION FROM HUB TO SERVICE USER

To: _____
Attn.: _____
Fax No: _____

Transaction No. _____
Master Hub Services Agreement dated _____

This is to confirm that _____ ("Service User") has requested and will receive the following services from the California Energy Hub®:

Services: _____

Effective Date: _____

Termination Date: _____

Quantity, MMBtu; _____

	<u>Start Date</u>	<u>End Date</u>	<u>Max Daily Rate, MMBtu</u>	<u>Delivery Location</u>
<u>Delivery Into Hub</u>	_____	_____	_____	_____
<u>Delivery Out of Hub</u>	_____	_____	_____	_____

Special Provisions: _____

Rates and Charges: \$_____/MMBtu
Fuel Use: _____%

This Confirmation of Services is subject to the terms of the Master Hub Services Agreement as amended, which has been received by Service User and which is incorporated herein by reference and is an integral part of this Agreement. Performance pursuant to this Confirmation Form by Service User confirms acceptance to both the terms of the Master Hub Services Agreement and the specific terms of the Confirmation Form.

This Confirmation is deemed a legal writing by both parties and is effective as of date set forth below without further signed documentation by the parties. Any exception or change to this Confirmation must be made by fax or other electronic means to the other party and in any event must be received within 24 hours of receipt of Confirmation unless otherwise specified in the Master Hub Services Agreement and prior to any final nomination on any transporting pipeline by either party.

CALIFORNIA ENERGY HUB®

By: _____

Title: _____

Date: _____

EXHIBIT B
GENERAL TERMS AND CONDITIONS

Section 1. Definitions

The following definitions shall apply to any Master Hub Services Agreements and any Hub Transaction related thereto:

- 1.1 "British thermal unit ("BTU")" - One (1) Btu shall mean one (1) British thermal unit, which is defined as the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees Fahrenheit (59°F) to sixty degrees Fahrenheit (60°F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia).
- 1.2 "Business Day" - Shall mean a "Day" during which Federal Reserve banks in New York City are open for business.
- 1.3 "California Energy Hub[®]" - Shall mean the "Hub".
- 1.4 "CPUC" - Shall mean the Public Utilities Commission of the State of California, and any successor thereto.
- 1.5 "Creditworthy" or "Creditworthiness" - Shall mean a "Service User" that has established that it is financially capable to enter into a "Master Hub Services Agreement" .
- 1.6 "Day" - Shall mean a period of twenty-four (24) consecutive hours commencing at twelve (12:00)a.m., Pacific Standard or Daylight Time (as the case may be), or such other commencement time as the parties may agree upon.
- 1.7 "Dekatherm" - Shall mean one (1) "MMBtu".
- 1.8 "Delivery Point" - Shall mean any point on the Hub where "Hub Operator" shall deliver "Gas" to any Service User or for Service User's account. A "Hub Transaction" may require more than one (1) Delivery Point.
- 1.9 "Displacement Delivery" - Shall mean the delivery or redelivery to a Service User on an interruptible basis of Gas received by the Hub Operator pursuant to a "Wheeling Transaction" or a "Parking Transaction", when such redelivery occurs at a Delivery Point where either party has access to an interstate pipeline, but not at a Delivery Point located on or interconnected with the pipeline facilities of "Hub Operator" as the ultimate Delivery Point. A Displacement Delivery is made in the direction contrary to the physical flow of Gas in a pipeline facility.
- 1.10 "Displacement Delivery Point" - Shall mean any point or points located outside the Hub where Hub Operator and Service User may agree upon an optional delivery of Service User's Gas using displacement methods, such as a rescheduling of pipeline Gas deliveries to the Hub.
- 1.11 "Effective Date" - Shall mean the date of each particular "Master Hub Services Agreement" applicable to a Service User.
- 1.12 "FERC" - Shall mean the Federal Energy Regulatory Commission, and any successor thereto.

- 1.13 "Force Majeure" - Shall mean the occurrence of unanticipated events or conditions which are beyond the reasonable control of the party claiming Force Majeure and which could not have been prevented by the exercise of due diligence. Force Majeure claims shall be subject to the terms and conditions of Section 10.5 below.
- 1.14 "Gas" - Shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases in a gaseous state, consisting essentially of methane, meeting the Gas quality standards set forth in Hub Operator's arrangements with interstate and intrastate pipelines for deliveries of Gas at the interconnection points of such pipelines with the Hub as used in a Hub Transaction, as in effect from time to time.
- 1.15 "Heating Value" - Shall mean the quantity of heat, measured in BTU, produced by combustion in air of one (1) cubic foot of anhydrous Gas at temperature of sixty degrees Fahrenheit (60°F) and a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia), the air being at the same temperature and pressure as the Gas, after the products of combustion are cooled to the initial temperature of the Gas and air, and after condensation of the water formed by combustion.
- 1.16 "Hub" - Shall mean the various Delivery Points in California or at the California border at which some portion of a Hub Transaction may be effectuated by utilizing the Hub Operator's facilities or some interconnection therewith. The Hub may also be referred to as the "California Energy Hub".
- 1.17 "Hub Administrator" - Shall mean the Southern California Gas Company ("SoCalGas") (or any successors).
- 1.18 "Hub Operator" - Shall mean Southern California Gas Company ("SoCalGas") (or any successor).
- 1.19 "Hub Taxes" - Shall mean those (a) taxes or levies, other than (i) ad valorem (unless levied on gas subject to a Hub Transaction), (ii) income or (iii) excess profit taxes, (b) license, (c) fee or (d) charge, not included in the cost of service used to derive the maximum rates hereunder, which is levied, assessed or imposed by a governmental authority on the Gas utilized in a Hub Transaction, whether on the Gas itself or on the act, right or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering Gas and which is measured by the volume, quantity, Heating Value, market value, or sales price of such Gas.
- 1.20 "Hub Transaction" - Shall mean a Displacement Delivery, Parking Transaction, "Title Transfer", Wheeling Transaction or other interruptible service for a Service User utilizing the Hub, as each such interruptible service may be authorized under "SoCalGas Rules" from time to time.
- 1.21 "Loaning Transaction" - Shall mean a "Parking Transaction" where the Hub Operator advances or loans Gas which is returned by Service User delivering to Hub Operator an equivalent or greater Gas quantity at the time(s) and location(s) specified in the Hub Transaction.

- 1.22 "Mcf" - Shall mean the quantity of Gas occupying a volume of one thousand (1,000) cubic feet at a temperature of sixty degrees Fahrenheit (60°F) and at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia).
- 1.23 "MMBtu" - Shall mean one million (1,000,000) BTUs on a dry basis, or one (1) Dekatherm.
- 1.24 "Master Hub Services Agreement" - Shall mean the agreement executed by Service User in order to permit Service User to thereafter request particular Hub Transactions. No Master Hub Services Agreement shall be executed prior to Service User's Creditworthiness being established to the satisfaction of the Hub Administrator or Hub Operator, and it shall be subject to termination if such Creditworthiness is not maintained after execution.
- 1.25 "Maximum Daily Quantity" or "MaxDQ" - Shall mean the maximum quantity of Gas that the Hub Operator will accept from Service User and/or for Service User's account on any Day for a Hub Transaction.
- 1.26 "Month" - Shall mean a period commencing on the first Day of each calendar Month and ending at the end of the last Day of such calendar Month.
- 1.27 "Parking Transaction" - Shall mean when the Hub Operator receives Gas for Service User's account for short-term interruptible storage.
- 1.28 "Receipt Point" - Shall mean any point on or off the Hub where Hub Operator shall receive Gas from Service User or for a Service User's account in connection with a Hub Transaction. A Hub Transaction may require more than one (1) Receipt Point.
- 1.29 "Schedule" or "Scheduled" - Shall mean where a Hub Transaction has been nominated and confirmed by all parties necessary to effectuate such transaction.
- 1.30 "Service User" - Shall mean any Creditworthy person, group or entity, requesting or otherwise using Hub services as part of a Hub Transaction during the period (a) the Service User remains Creditworthy, and (b) the Hub is operated subject to these General Terms and Conditions (or any successor thereto).
- 1.31 "SoCalGas Rules" - Shall mean the Hub Operator's general terms and conditions, applicable tariff rate schedules and tariff rules and operating practices and procedures applicable to the Hub and/or Hub Transactions, which have been approved, implemented and are in effect from time to time. Certain practices and procedures related to the Hub Transactions may be established by Hub Administrator and Hub Operator pursuant to contractual arrangements between such parties.
- 1.32 "Title Transfer" - Shall mean the delivery of Gas to Service User, with title and risk of loss to such Gas passing to the Service User after delivery. Any Hub Taxes assessed on a Title Transfer shall be for the account of Service User. No Title Transfer shall be requested until such service is offered generally, after written notice, by the Hub Administrator and Hub Operator.

- 1.33 "Wheeling Transaction" - Shall mean the interruptible receipt of Gas at a point of interconnection on Hub Operator's pipeline system and the interruptible redelivery of such Gas to the initial or other Service User either at a point of interconnection on or with Hub Operator's pipeline system, or at a point off such system. All Hub Transactions which require more than one (1) Day to complete are Parking or Loaning Transactions, even though Wheeling may be involved.
- 1.34 "Year" - Shall mean a consecutive twelve (12) -Month period commencing on the first Day of the first Month of the term of the Agreement and continuing to and including the last Day of the Month which is twelve (12) consecutive Months thereafter. (Thus, a Year commencing on December 1 would conclude at the end of the Day on the next following November 30.)

Section 2 - Hub Services

- 2.1 Available Hub Transaction Services - Service User may request, subject to acceptance by Hub Operator (in its sole opinion), from time to time the following services utilizing the Hub:
- (a) Parking Transactions;
 - (b) Loaning Transactions;
 - (c) Wheeling Transactions;
 - (d) Title Transfers; and
 - (e) Other Services (if specified in the future).

There is no obligation to provide Hub services at any time or accept any particular proposed Hub Transaction. (Note - Hub Operator does not intend to accept any proposed Title Transfers or requests for Other Services until further notice.) All requests must be received in sufficient time to permit compliance with the advance notice requirements of any third party providing transportation to or from the Hub.

- 2.2 Nature of Services - Any services provided for a Hub Transaction shall be on an interruptible basis. Hub Transactions are always subject to Hub Operator's ability to control and protect the integrity of Hub Operator's facilities. Hub Operator retains the right to subordinate or interrupt Hub Transactions to the extent necessary to meet Hub Operator's obligations under SoCalGas Rules, other contracts and operating conditions, and under law. In the event that after commencement of a Hub Transaction Hub Operator determines in its sole opinion that the Hub Transaction cannot be completed consistent with Service User's request, Hub Operator may cancel, suspend, interrupt or otherwise modify any Gas deliveries or require that Gas be removed immediately from storage; provided, however, that in the event that Hub Operator is unable to withdraw such Gas from storage, such Gas shall remain in storage until withdrawal can be effectuated, and all storage charges incurred because of such interruption by Hub Operator shall be waived from the Day of interruption to the Day that Hub Operator determines withdrawal may again be permitted.
- 2.3 Master Hub Services Agreement - No person or entity may request services related to any Hub Transaction until it has executed a Master Hub Services Agreement in the form approved for Hub Transactions. A Master Hub Services Agreement shall only remain in effect so long as the Hub Administrator in its sole opinion is satisfied that the particular Service User remains

Creditworthy. The Hub Administrator will provide the necessary forms to be filed by potential Service Users in order to be qualified to execute a Master Hub Services Agreement, including without limitation evidence that such Service User is Creditworthy.

2.4 Hub Administrator - The Hub Administrator shall be primarily responsible for:

- (a) Determining in its sole opinion that potential Service Users are Creditworthy, and that Service Users who have executed Master Hub Services Agreements remain Creditworthy (third party services may be used in making these determinations);
- (b) Soliciting, receiving and evaluating requests for proposed Hub Transactions and explaining Hub services to potential Service Users;
- (c) Coordinating with the Hub Operator to implement any Hub Transaction which is acceptable to Hub Operator; and
- (d) Maintaining records of Hub Transactions.

Hub Administrator shall respond to requests for service as soon as feasible. All accepted Hub Transactions shall be finalized by the sending of the Confirmations and Reconfirmations consistent with the provisions of the Master Hub Services Agreement. In discharging the above obligations, the Hub Administrator shall be subject to and perform in accordance with the terms and conditions of the separate contractual arrangements with Hub Operator.

Notwithstanding the foregoing, in the event that Service User wishes to request Hub services or a particular Hub Transaction directly with Hub Operator, it may do so.

2.5 Hub Operator - The Hub Operator shall be primarily responsible for:

- (a) Communicating to Hub Administrator on a daily basis as to the availability of particular Hub services;
- (b) Determining in its sole opinion the operational feasibility of any proposed Hub Transaction;
- (c) Operating the Hub on a day-to-day basis, including making determinations in its sole opinion as to when Hub Transactions must be canceled, suspended, interrupted or otherwise modified;
- (d) Handling any requests by potential or approved Service Users for Hub services and/or Hub Transactions; and
- (e) Maintaining operating records for the Hub.

2.6 Requests for Service - Service User is expected to comply strictly with the terms and conditions of any Hub Transaction. All requests for service shall be in the form specified by Hub Administrator, but must include at least the following:

- (a) Date of the Service User's Master Hub Services Agreement;

- (b) The Day or Days for which service is requested;
- (c) The MaxDQ proposed;
- (d) The Delivery Point and Receipt Point utilized (more than one location may be requested);
- (e) The services requested;
- (f) The proposed rates and charges (within the applicable minimum - maximum range approved by FERC and/or the CPUC);
- (g) That Service User has full authority to enter into the Hub Transaction; and
- (h) Such other information as may be required by Hub Administrator.

Requests will be accepted on a "first-come, first-served" basis, with conflicting requests received at the same time being resolved in favor of the request providing the higher economic benefit to the Hub. If conflicting requests have equal economic benefit to the Hub, resolution shall be by lottery.

Section 3 - Facilities

No party shall be obligated to finance, construct, add to or otherwise modify any facilities in connection with any Hub services or Hub Transaction.

Section 4 - Hub Continuance

Notwithstanding any other provision hereof, no representation or warranty is made by Hub Administrator and/or Hub Operator as to how long the Hub or any services offered thereby will remain in existence or what Days service will be available.

Section 5 - Rates/Adjustments to Rates

- 5.1 Rates - The rates for Hub Transactions shall be negotiated on a non-discriminatory basis for each service as set forth in the applicable Statement of Rates issued from time to time by Hub Operator. Such negotiated rates shall take account of the maximum and minimum rates approved by FERC and/or the CPUC from time to time for Hub services and specified in Hub Operator's Statement of Rates or otherwise (as set forth in the SoCalGas Rules). Hub Operator will not provide lower rates to Hub Administrator or any affiliates of Hub Administrator than rates offered for the same service to other similarly situated parties.
- 5.2 Unauthorized Use Charges - In the event of any unauthorized receipt or delivery of Gas by or on behalf of Service User not related to an approved Hub Transaction, the Service User causing such unauthorized use of service shall be charged a charge of \$10.00 per MMBtu for unauthorized service, such charge being in addition to all other maximum charges for such service as set forth in these General Terms and Conditions; provided, however, nothing herein shall prevent waiver of such charge by both Hub Administrator and Hub Operator, or any

portion thereof, on a non-discriminatory basis. An unauthorized transaction is herein defined as a transaction not otherwise covered by an existing tariff.

- 5.3 Fuel - No charge for fuel shall be assessed unless the Hub Transaction will cause Hub Operator to use incremental fuel and a charge therefor is specified in the Hub Transaction (as indicated in the Confirmation referred to in the Master Hub Services Agreement).
- 5.4 Adjustments - Hub Operator reserves the right to seek authorization from the FERC to increase, decrease, or restructure the maximum rates (including market based rates) charged hereunder, including any associated charge(s) for fuel, to assure the right to charge and collect "fair and equitable" rates under the FERC's applicable rules and regulations for services provided by the Hub. Nothing contained in these General Terms and Conditions shall be construed to deny any Service User any rights which it may have under the FERC rules and regulations, including the right to participate fully in rate proceedings or to contest changes in (a) rates charged and /or (b) these General Terms and Conditions.

Section 6 - Operations

- 6.1 Quality - All Gas shall meet the Gas quality standards applicable to Gas deliveries at the Receipt Points and/or Delivery Points utilized for a particular Hub Transaction. The average Heating Values for Gas from time to time at each applicable Delivery Point or Receipt Point shall be utilized to determine the MMBtus delivered or received for a particular Hub Transaction.
- 6.2 Pressure - All Gas shall meet the applicable pressure requirements established for Gas deliveries at the Receipt Points and/or Delivery Points utilized for a particular Hub Transaction.
- 6.3 Measurement - Measurement of Gas shall be made by the party responsible for measurement at the Receipt Points and/or Delivery Points utilized for a particular Hub Transaction.
- 6.4 Service User Responsibilities - The Service User or its authorized agent will be responsible for nominating and otherwise satisfying the operating requirements of pipelines delivering or receiving any Gas to or from the Hub for Service User or for Service User's account, as part of a Hub Transaction. Although Hub Administrator and/or Hub Operator, may, upon request of Service User assist the Service User as appropriate in connection with such nominations and other operating actions, all responsibility (and legal liability) shall be retained by Service User in connection with implementing such nominations and other actions consistent with Section 9.1.
- 6.5 Daily Basis - All Hub Transactions, and imbalances related thereto, shall be determined on a daily basis for operating and accounting purposes. Allocations (which are adjustments to Scheduled Gas quantities) will be completed one (1) Business Day after the Day of flow, or as soon thereafter as feasible.
- 6.6 Particular Transactions - The following rules shall apply:

- (a) Wheeling Transactions - For a Wheeling Transaction, the Scheduled Gas quantity for such Hub Transaction for the Day in question shall be the greater of (i) the Gas quantity Scheduled by the interconnecting pipeline for delivery into the Hub for such Day, or (ii) the Gas quantity Scheduled for delivery on such Day by the Service User, up to the quantities specified in the Confirmation/ Reconfirmation, or as otherwise mutually agreed. The difference between the Gas quantity Scheduled and actually delivered will be considered an imbalance between the Hub and either the shipping or the receiving Service User, whichever entity has Scheduled the lesser Gas quantity. All comparisons shall be made on the basis of Heating Value.
- (b) Parking Transactions - For a Parking Transaction, the Scheduled amount of the Hub Transaction shall be the amount of Gas Scheduled for delivery into the Hub, less fuel charges (if applicable). There will be no imbalances associated with Parking Transactions on delivery; however, delivery of quantities of Gas different than those Scheduled will create an imbalance on the return of the Gas.
- (c) Loaning Transactions - For a Loaning Transaction, the Scheduled quantity for a Hub Transaction shall be the quantity delivered to Service User or for Service User's account. There will be no imbalances associated with Loaning Transactions on delivery by Hub Operator; however, the return delivery of quantities of Gas by or for Service User of loaned Gas in quantities different than those delivered by Hub Operator will create an imbalance.
- (d) Scheduling Failure - Any failure by Service User to Schedule transportation for timely removal of Gas previously delivered to the Hub shall result in an additional charge for Parking Service at the maximum rate provided for in the SoCalGas Rules, plus the Unauthorized Use Charge provided for in Section 5.2 above.

Section 7 - Operating Imbalances

- 7.1 Service User Imbalance - In some circumstances the Service User shall be liable for creating a Gas imbalance by causing over or underdeliveries of Gas in comparison with the Scheduled quantities. The Hub Administrator and the applicable Service User shall agree on an imbalance resolution period promptly following the date such imbalance is incurred. In no event shall such period exceed thirty (30) Days, unless mutually agreed. No further Hub Transactions will be permitted for such Service User (a) until such imbalance resolution period has been established, or (b) until the imbalance is corrected, if not corrected on a timely basis. If an imbalance occurs where Gas is owed to the Hub, the Hub Administrator is responsible for working with the Service User to reschedule gas to eliminate such imbalance. Hub Administrator has the option (but not the obligation) to agree to "cash out" an imbalance (including reimbursement of any third party charges related to such imbalances).
- 7.2 Hub Imbalance - In the case of an imbalance where the Hub owes Gas to a Service User, the Hub Operator will try to reschedule that Gas to its original Delivery Point as soon as feasible. If this attempt fails, the Service User must select an alternate Delivery Point and date for delivery. If, by the end of thirty (30) Days the imbalance has not been resolved, title to the Gas

will transfer automatically to the Hub account with no further obligation (in Gas or money) being due to the Service User.

Section 8 - Billing/Payment

- 8.1 Invoices - No later than the tenth (10th) Day preceding the payment date of each Month, an invoice shall be mailed to each Service User participating in one (1) or more Hub Transactions during the immediately preceding Month. Each Hub Transaction shall be identified separately on the billing. Such invoice shall identify the actual daily Gas quantities associated with each such Hub Transaction. In the event that actual Gas quantities are not available to facilitate the rendering of such statement by the date the invoice is to be mailed in any Month, estimated quantities shall be utilized. Estimated quantities shall be subject to correction in a revised invoice to such Service User as soon as available (sent not later than the following Month even if no Hub Transactions occurred for purposes of invoicing).
- 8.2 Payment -
- (a) Payment Date - On or before the thirtieth (30th) Day of any Month in which an invoice is rendered (except if such due date falls on a weekend or holiday, payment may be made on the next following business day), Service User shall pay to depository or location specified in the Master Hub Services Agreement by electronic fund transfer via Automated Clearinghouse (ACH) the amount due for services hereunder; provided, however, for any delay by Hub Administrator in issuing a monthly billing statement beyond the set invoicing date of any Month, then Service User shall have a corresponding number of Days beyond the thirtieth (30th) Day of the Month to make such payment. If Service User fails to pay the amount of any bill, or any portion thereof, invoiced hereunder by the prescribed due date, then interest on any unpaid portion of the bill shall accrue. Such interest shall be assessed at the lesser of the maximum lawful interest rate or the interest rate prescribed under the FERC's regulations (but in no event to exceed the maximum lawful rate in California).
 - (b) Disputed Bills - If Service User in good faith shall dispute the amount of any bill, Service User shall nevertheless pay the full amount of such bill. Once a final determination is reached, if a refund is required to Service User, such refund shall additionally include interest from the date of such overpayment to the date of refund computed at the lesser of the maximum lawful interest rate or the interest rate prescribed under the FERC's regulations.
 - (c) Early Termination - The Hub Administrator shall have the right to terminate service to any Service User (and the related Master Hub Services Agreement) hereunder for any non-payment of any invoices rendered.
- 8.3 Disputes and Adjustments for Billing Errors - All statements, billings and payments, other than those related to Hub Taxes, shall be final unless questioned within two (2) Years from the date of such billing, statement or payment. Any error so discovered as a result of a timely claim shall be corrected within sixty (60) Days of the determination thereof.

- 8.4 Tax Reimbursement - Service User shall reimburse Hub Operator for all Hub Taxes that may be levied upon and/or be paid by Hub Operator, with respect to the services performed hereunder. Service User shall be responsible for establishing any exemption from Hub Taxes and shall provide satisfactory evidence of such exemption to Hub Administrator.
- 8.5 Charges or Fees for Report Filings - Service User shall be charged for any and all filing fees or related charges incurred for the filing of any report or reports with any governmental agency or other body, including the FERC, with respect to the nature and timing of any Hub Service and/or Hub Transaction specifically provided to Service User. Such charges shall be set forth as a separate item in any invoice.

Section 9 - Right to Deliver and Risk of Loss

- 9.1 Indemnity - Service User shall warrant title to or the right to deliver all Gas delivered to Hub Operator in connection with a Hub Transaction. Service User shall indemnify and hold harmless Hub Administrator and Hub Operator, and their respective officers, employees, parents, subsidiaries and affiliates, from and against any and all claims, actions, suits, damages, liabilities, expenses, and costs (including reasonable attorney's fees for in-house or retained counsel) arising from or related to title to or right to deliver such Gas, or Service User's transportation of Gas to the Hub or any information provided.
- 9.2 Risk of Loss - Risk of Loss for Gas shall pass to Hub Operator upon delivery of such Gas and pass from Hub Operator to the receiving party on redelivery by Hub Operator of any equivalent quantity of Gas on a Heating Value basis. Hub Operator shall be responsible for all loss, claims, damages or injury attributable to such Gas while it is in Hub Operator's control. Hub Operator shall have no responsibility for Gas not delivered to the Hub.

Section 10 - Miscellaneous

- 10.1 Interpretation - This Agreement shall be interpreted, carried out and enforced pursuant to the laws of the state of California, except as stated herein.
- 10.2 Notices - All notices between the parties shall be in writing and sent by telefax and confirmed by first class prepaid mail to the locations specified in the Master Hub Services Agreement. Such designations may be changed by either party on at least seven (7) days' prior notice to the other party. All notices faxed and confirmed shall be deemed to be authorized by the party on whose behalf they are sent.
- 10.3 Assignment - Due to the terminable nature of Master Hub Services Agreements and the interruptible nature of Hub Transactions, no transfers or assignments may be made of Master Hub Services Agreements or Hub Transactions, except to a Creditworthy successor in interest succeeding to all or substantially all the assets of a Service User.
- 10.4 Waiver - No waiver by a party hereto of any provision of the Master Hub Services Agreement, including without limitation these General Terms and Conditions, shall be effective unless it is contained in a written instrument signed by authorized officers or representatives of the party

hereto. Such written waiver shall effect only the matter specifically identified in the instrument granting the waiver, and shall not extend to any other matter, provision or default.

- 10.5 Force Majeure - Notwithstanding any other provision hereof, in the event that a party is rendered unable by an event or condition of Force Majeure to carry out, wholly or in part, its obligations hereunder, on such party's giving notice and full particulars of such event or condition of Force Majeure to the other party as soon as possible after the occurrence of the event or condition relied on, the obligations of the party affected by such event or condition of Force Majeure, other than the obligation to make payments, shall be suspended during the continuance of any such inability. Such event or condition of Force Majeure shall, so far as reasonably possible, be remedied by the party claiming Force Majeure with all reasonable dispatch. However, the obligation to remedy Force Majeure events or conditions with all reasonable dispatch shall not require the settlement by either party of any strikes, lockouts or similar labor disputes by acceding to such demands when such action is inadvisable in the opinion of the party having the difficulty. Settlement of any strikes, lockouts or similar labor disputes shall be entirely at the discretion of the party having the difficulty.
- 10.6 Damages - No party shall be assessed any special, punitive, consequential, incidental, or indirect damages, whether in contract or tort, for any actions or inactions arising from or related to potential or actual Hub Transactions.
- 10.7 Confidentiality - All Hub Transactions and proposed Hub Transactions shall be treated as confidential, to be disclosed within the respective organizations of Hub Operator, Hub Administrator, and Service User only to the extent necessary to effectuate the Hub service or to governmental authorities acting within the scope of their authority. Hub Administrator will not disclose such information to any of its affiliates. Notwithstanding any other provision hereof, confidential treatment shall not be required for any information which is known or available to the general public through no action or inaction of the party disclaiming confidential treatment.
- 10.8 Remedies - The remedies provided herein are cumulative and not exclusive of any remedies provided by law.
- 10.9 Government Regulations -
- (a) All of the provisions of these General Terms and Conditions are subject to all present and future applicable federal or state laws, decisions, orders, rules and regulations of governmental authorities having jurisdiction.
 - (b) Federal Regulation -
 - (i) Exemption - The parties hereto recognize that Hub Administrator and Hub Operator will enter into Hub Transactions hereunder based on their good faith understanding that all acts, obligations, and services performed or to be performed by them hereunder, and the charges therefore, are exempt from the regulation of the FERC or any successor federal governmental authority, except as provided by Part 284, including without limitation 18 CFR Section 284.224, of the FERC's regulations (or any successor thereto). Such parties reserve the right to terminate immediately the

offering or furnishing of any service hereunder if any governmental act occurs which would require Hub Operator to offer or furnish firm service hereunder or which would require them to provide any additional or different services.

- (ii) Hinshaw Exemption - Hub Operator retains the right to terminate immediately the offering or furnishing of any Hub service hereunder if its continued performance hereunder could reasonably be determined to jeopardize continuance of its Hinshaw Exemption under 15 U.S.C. §717(C) (or any successor thereto).