

# FORM OF SERVICE AGREEMENT

**APPLICABLE TO FIRM TRANSPORTATION SERVICE  
OFFERED BY TRANSPORTADORA DE GAS NATURAL DE BAJA CALIFORNIA,  
S. DE R.L. DE C.V.  
UNDER RATE SCHEDULE FTS-1**

THIS AGREEMENT is made and entered into this \_\_\_ day of \_\_\_\_\_, by and between Transportadora de Gas Natural de Baja California, S. de R. L. de C. V., a Mexican corporation, (hereinafter referred to as "Transporter"), and \_\_\_\_\_, a corporation existing under the laws of Mexico. (Hereinafter referred to as "Shipper").

**WHEREAS**, Transporter owns and operates a natural gas pipeline transmission system which extends from a point of interconnection with the pipeline facilities of Gasoducto Bajanorte at El Florido Industrial Park in Tijuana, Baja California, Mexico. Gas can be delivered north to the interconnection with the facilities of San Diego Gas & Electric at the international border of Otay Mesa or to the southwest to Rosarito, Baja California; and

**WHEREAS**, Shipper desires Transporter to transport certain quantities of natural gas on an firm basis from \_\_\_\_\_ to \_\_\_\_\_; and

**WHEREAS**, Transporter is willing to transport certain quantities of natural gas for Shipper, on a firm basis,

**NOW, THEREFORE**, the parties agree as follows:

## **I Governmental Authority**

1.1 This Firm Transportation Agreement ("Agreement") is made pursuant to the Gas Regulatory Framework, as defined in section 1 of the General Conditions for the Provision of Natural Gas Transportation Service ("General Conditions")

1.2 This Agreement is subject to all valid legislation with respect to the subject matters hereof and to all valid present and future decisions, orders, rules, regulations and ordinances of all duly constituted governmental authorities having jurisdiction, including applicable court decisions.

1.3 Shipper shall reimburse Transporter for any and all filing fees incurred by Transporter specific to Shipper in seeking governmental authorization for the initiation of any new service or extension or termination of service under this Agreement and Rate Schedule FTS-1. Shipper shall reimburse Transporter for such fees at Transporter's designated office within ten (10) days of receipt of notice from Transporter that such fees are due and payable. Additionally, Shipper shall reimburse Transporter for any and all penalty fees, charges or fines assessed on or to Transporter caused by Shipper not obtaining all proper import/export licenses, surety bonds or any other documents and approvals related to the import/export.

## **II Quantity of Gas and Priority of Service**

2.1 Subject to the provisions of this Agreement and Transporter's General Conditions of Transportation applicable to Rate Schedule FTS-1, daily receipts of gas by Transporter from Shipper at the point(s) of receipt shall be equal to daily deliveries of gas by Transporter to Shipper at the point(s) of delivery; provided, however, Shipper shall deliver to Transporter an additional quantity of natural gas at the point(s) of receipt as compressor station fuel, line loss and unaccounted for gas as specified in Transporter's General Conditions approved by CRE. Any limitations of the quantities to be received from each point of receipt and/or delivered to each point of delivery shall be as specified on the Exhibit A attached hereto.

2.2 The maximum quantities of gas to be delivered by Transporter for Shipper's account at the point(s) of delivery are set forth in Exhibit A.

2.3 In providing service to its existing or new customers, Transporter will use the priorities of service specified in Transporter's General Conditions of Transportation on file with the CRE.

2.4 Prior to initiation of service, Shipper shall provide Transporter with any information required, as well as all information identified in Transporter's General Conditions.

## **III Term of Agreement**

3.1 This Agreement shall become effective on \_\_\_\_\_ and shall continue in force and effect until \_\_\_\_\_; and shall continue thereafter on a month to month basis unless terminated by either party on thirty (30) days prior written notice.

## **IV Points of Receipt and Delivery**

4.1 The point(s) of receipt of gas deliveries to Transporter is as designated in Exhibit A, attached hereto.

4.2 The point(s) of delivery of gas to Shipper is as designated in Exhibit A, attached hereto.

4.3 Shipper shall deliver or cause to be delivered to Transporter the gas to be transported hereunder at pressures sufficient to deliver such gas into Transporter's system at the point(s) of receipt. Transporter shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Transporter's system at the point(s) of delivery.

**V**  
**Operating Procedure**

5.1 In connection herewith, Shipper shall be subject to, and at all times conform with, the operating procedures set forth in Transporter's General Conditions of Transportation.

5.2 Transporter shall have the right to interrupt or curtail the transport of gas for the account of Shipper pursuant to Transporter's General Conditions.

**VI**  
**Rate(s), Rate Schedules,  
And General Conditions of Service**

6.1 Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Rate Schedule FTS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of the CRE. In the event Transporter and Shipper agree on a Negotiated Rate, that rate, and any provisions governing such Negotiated Rate, shall be set forth in Exhibit B attached hereto.

6.2 Shipper shall compensate Transporter each month for compressor station fuel, line loss and other unaccounted for gas associated with this transportation service provided herein in accordance with Transporter's General Conditions.

6.3 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FTS-1, and of the applicable General Conditions approved by CRE.

6.4 Transporter shall have the unilateral right from time to time to propose and file with CRE such changes in the rates and charges applicable to transportation services pursuant to this Agreement, the rate schedule(s) under which this service is hereunder provided, or any provisions of Transporter's General Conditions of Transportation applicable to such services. Shipper shall have the right to protest any such changes proposed by Transporter and to exercise any other rights that Shipper may have with respect thereto. Notwithstanding the foregoing, Transporter and Shipper agree not to initiate any proceeding before the CRE with respect to an increase or decrease in any negotiated rate set forth in Exhibit B hereto.

6.5 The Regulated Rate at the time of the signature of this Agreement is: \_\_\_\_\_

**Applicable Jurisdiction**

7.1 This Agreement is subject to the laws and jurisdiction of the courts of Mexico.

**VIII**  
**Final Dispositions**

8.1 Shipper warrants that upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.

8.2 Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.

8.3 Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by registered mail with all postage or charges prepaid, to either Transporter or Shipper at the location designated below. Routine communications, including monthly statements and payment, shall be considered as duly delivered when received by prepaid certified mail, with return receipt requested, messenger service, facsimile or Email (return notification received) with confirming hard copy. Unless changed, the addresses of the parties for legal notices are as follows:

Transportadora de Gas Natural de Baja California, S. de R.L. de C.V.

Paseo de los Héroes No10501 int. 301  
Zona Urbana Río Tijuana  
Tijuana, Baja California, CP 22010  
Tel: (664) 635-1600  
Fax: (664) 635-1601

"Shipper"  
Attention: \_\_\_\_\_

Unless changed, the addresses for the parties for routine communications, including monthly statements and payments are as follows:

Transportadora de Gas Natural de Baja California, S. de R.L. de C.V.

Paseo de los Héroes No10501 int 301  
Zona Urbana Río Tijuana  
Tijuana, Baja California, CP 22010  
Tel: (664) 635-1600  
Fax: (664) 635-1601

"Shipper"  
Attention: \_\_\_\_\_

8.4 All waivers shall be in writing, and such waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

8.5 This Agreement may only be amended by an instrument in writing executed by both parties hereto.

8.6 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

8.7 This Agreement shall terminate upon the expiration of any transportation authority which is not superseded, for whatever reason, by permanent transportation authority.

8.8 Exhibit (s) A attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

*IN WITNESS WHEREOF* the authorized representatives of the parties hereto have caused this Agreement to be executed on \_\_\_\_\_.

**THE TRANSPORTER**

By:

Name:

Title:

**SHIPPER**

By:

Name:

Title:

**EXHIBIT A**

**TO THE FIRM TRANSPORTATION AGREEMENT**

**Dated** \_\_\_\_\_

**Between TRANSPORTADORA DE GAS NATURAL DE BAJA CALIFORNIA,  
S. DE R.L. DE C.V. and \_\_\_\_\_,**

Receipt Point	Delivery Point	Maximum Daily Quantity (Delivered) Dth/d
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		Dth/day
Point of interconnection with the pipeline facilities at Gasoducto Bajanorte S. de R.L. de C.V. at el Florido Industrial Park in Tijuana, Baja California, Mexico.		