

FIRM GAS TRANSPORTATION AGREEMENT

This FIRM GAS TRANSPORTATION AGREEMENT (this "Agreement") is made and entered into as of [REDACTED] [REDACTED] (the "Effective Date"), by and between KINDER MORGAN GAS NATURAL DE MEXICO, S. de R.L. de C.V., a company organized under the laws of Mexico ("Transporter"), and [REDACTED] organized under the laws of [REDACTED] ("Shipper"). Transporter and Shipper are sometimes referred to singularly as "Party" and collectively as "Parties."

WITNESSETH:

WHEREAS, Transporter operates the Mier-Monterrey Pipeline in the states of Tamaulipas and Nuevo León, México for the transportation of Gas, according to the transportation permit number G/003/TRA/1996 granted by the Energy Regulatory Commission of Mexico;

WHEREAS, Shipper desires Transporter to receive and transport certain quantities of Gas on Transporter's pipeline system on a firm basis from and to the points specified on Exhibit "C";

WHEREAS, Transporter is willing to transport such quantities of Gas for Shipper in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, Shipper has executed and delivered the Intrastate Firm Gas Transportation Agreement (the "Texas FTA") with Kinder Morgan Texas Pipeline LLC ("KMTP"), under which KMTP will provide transportation within the United States of America of the Gas to be transported under this Agreement, and the Texas FTA is fully enforceable against Shipper in accordance with its terms.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties covenant and agree as follows:

**ARTICLE I**  
**Definitions and Construction**

Unless otherwise defined in this Agreement, capitalized terms used in this Agreement have the meanings given them in this Article I. Capitalized terms not defined in this Agreement have the meanings indicated in the GTCs. Unless the context otherwise requires, the gender of all words used in this Agreement includes the masculine, feminine, and neuter, the singular will include the plural, and the plural will include the singular. Unless expressly stated otherwise, all references to schedules and exhibits are to schedules and exhibits attached to this Agreement, each of which is incorporated into this Agreement for all purposes. Article, section or subdivision titles or headings in this Agreement are for convenience only and do not limit or amplify the provisions of this Agreement. All references in this Agreement to articles, sections or subdivisions will refer to the corresponding article, section or subdivision of this Agreement unless specific reference is made to articles, sections or subdivisions of another document or



instrument. Unless the context of this Agreement clearly requires otherwise, the words “include,” “includes” and “including” will be deemed to be followed by the words “without limitation,” and the words “hereof,” “herein,” “hereunder” and similar terms will refer to this Agreement as a whole and not any particular article, section or subdivision in which the words appear.

- 1.1 The term “**Adequate Assurance of Performance**” has the meaning ascribed in Section 16.2.
- 1.2 The term “**Btu**” means British Thermal Unit(s).
- 1.3 The term “**CRE**” means the Energy Regulatory Commission of Mexico.
- 1.4 The terms “**Cubic Foot**” and “**Cubic Feet**” means the amount of Gas necessary to fill a cubic foot of space at Standard Temperature and Standard Pressure.
- 1.5 The term “**Electronic Flow Measurement**” or “**EFM**” means a Gas flow computer and related transducers and analyzers located at a metering point which computes and records the volume and energy content of the Gas flowing through the meter.
- 1.6 The term “**Equivalent Quantity**” means that quantity of Gas which is thermally equivalent to the quantity of Gas delivered by Shipper to Transporter on any one Gas Day (less Transporter’s Use).
- 1.7 The term “**Firm Transportation Service**” means transportation services provided by Transporter for Shipper at the Receipt and Delivery Point(s) that is not subject to reductions or interruption at any time by Transporter, except as provided under this Agreement.
- 1.8 The term “**Force Majeure**” has the meaning ascribed in Section 14.1.
- 1.9 The term “**GAAP**” has the meaning ascribed in Section 16.1.
- 1.10 The term “**Gas**” means natural gas as produced in its natural state whether or not transported, stored, treated or processed before Transporter or Shipper receives it under this Agreement, natural gas that has been previously liquefied and restored to its gaseous state before such receipt, and gas synthesized or manufactured from oil, naphtha, coal or any other material, that meets the quality standards contained in this Agreement.
- 1.11 The term “**Gas Daily Index**” has the meaning ascribed in Section 7.3.
- 1.12 The term “**Gas Daily Transaction Date**” has the meaning ascribed in Section 7.3.
- 1.13 The term “**General Terms and Conditions**” or “**GTCs**” means Transporter’s General Terms and Conditions to Render Natural Gas Transportation Service, approved by CRE.

- 1.14 The term “**Heating Value**” means gross heating value and is the number of Btu of energy transferred as heat per Cubic Foot of Gas from the complete, ideal combustion of the Gas with oxygen (from air), at Standard Temperature and Standard Pressure, in which all water formed by the reaction condenses to liquid. The Btu value will be determined utilizing the complete actual composition of the Gas delivered, but if the Gas as delivered contains seven (7) pounds or less of water vapor per one million (1,000,000) Cubic Feet, the Gas will be assumed to have zero (0) pounds of water per one million (1,000,000) Cubic Feet (dry Gas).
- 1.15 The term “**Indemnitees**” has the meaning ascribed in Section 13.2.
- 1.16 The term “**Interconnect Agreement**” has the meaning ascribed in the recitals.
- 1.17 The term “**Maximum Daily Quantity**” or “**MDQ**” has the meaning ascribed in Section 2.2.
- 1.18 The term “**MMBtu**” means one million (1,000,000) Btu.
- 1.19 The term “**Month**” means a period beginning on the first (1st) Day of a calendar month and extending until the first (1st) Day of the following calendar month.
- 1.20 The term “**Non-conforming Gas**” has the meaning ascribed in Section 11.2.
- 1.21 The Term “**Price Directive**” means the directive issued by CRE for the determination of rates and transfer of prices for regulated natural gas activities (*DIRECTIVA sobre la determinación de tarifas y el traslado de precios para las actividades reguladas en materia de gas natural DIR-GAS-001-2007*).
- 1.22 The term “**PSIA**” means pounds per square inch absolute.
- 1.23 The term “**Services Commencement Date**” has the meaning ascribed in Section 5.1.
- 1.24 The term “**Standard Pressure**” [REDACTED]
- 1.25 The term “**Standard Temperature**” means 288.15 degrees Kelvin.
- 1.26 The term “**Taxes**” means any tax, license, fee or charge now or hereafter levied, assessed or made by a Governmental Authority on the act, right or privilege of receiving, storing, handling or delivering Gas which is measured by the volume, value, or sales price of the Gas, specifically including applicable VAT or the gross receipts for providing Firm Transportation Service.
- 1.27 The term “**Texas FTA**” has the meaning ascribed in the recitals.
- 1.28 The term “**Transportation Quantities**” has the meaning ascribed in Section 2.2.
- 1.29 The term “**VAT**” means value added tax.

- 1.30 The term “**Variable Rate**” has the meaning ascribed in Section 15.2.
- 1.31 The term “**Unauthorized Overrun**” means the event when Shipper takes Gas in excess of the MDQ on any Gas Day and such receipts have not been authorized by Transporter, or if Shipper takes Gas with no nomination.
- 1.32 The term “**Unauthorized Overrun Rate**” has the meaning set forth in Section 3.4.
- 1.33 The term “**Unauthorized Overrun Quantities**” means the volumes of Gas that Shipper takes in excess of the MDQ on any Gas Day where such receipts have not been authorized by Transporter, or volumes of Gas that Shipper takes with no nomination.

## **ARTICLE II**

### **Performance of Transportation Service**

2.1 Except as provided below in this Section 2.1, the Firm Transportation Service performed under this Agreement will be subject to the General Terms and Conditions attached as Exhibit “A.” Transporter reserves the right to modify or revise the GTCs from time to time, as applicable to all shippers on Transporter’s Mier-Monterrey Pipeline; *provided that* any such modification or revision is approved by CRE. Transporter will provide the modification or revisions to the GTCs to Shipper in writing. The provisions of this Agreement are special conditions agreed as consideration for the entire agreement between the Parties. If CRE or any other Governmental Authority requires any modification or revision of this Agreement that results in an economic detriment to Transporter, the Parties acknowledge that the transportation fee(s) payable by Shipper under this Agreement may increase. The Parties acknowledge that the price, terms and conditions of this Agreement have been negotiated in good faith and represent the equilibrium of the meeting of the minds. Thus, the Parties agree that, notwithstanding anything in the GTCs to the contrary, in case of a discrepancy between this Agreement and the GTCs, the terms of this Agreement will prevail. If CRE or any other Governmental Authority determines by means of a mandatory resolution that the GTCs prevail partially or totally over this Agreement, the Parties acknowledge that the transportation fee(s) payable by Shipper under this Agreement may increase.

2.2 Subject to the terms and conditions of this Agreement, Transporter will provide Firm Transportation Service, subject to affirmation by the delivering operator at the Receipt Point(s), and by the receiving operator at the Delivery Point(s), such quantities of Gas as may be nominated and delivered by Shipper from time to time and for periods of time as nominated by Shipper in accordance with this Agreement (“Transportation Quantities”), subject to the provisions as set forth in Section 2.3 below, up to a maximum quantity of fifty thousand (50,000) MMBtu/Gas Day (the “Maximum Daily Quantity” or “MDQ”). Transportation Quantities plus Transporter’s Use cannot exceed the MDQ.

2.3 Notwithstanding the foregoing to the contrary, if either Party interrupts, suspends or curtails the receipt, transportation or delivery of Gas hereunder pursuant to the laws, rules, regulations or orders of any Governmental Authority, or due to conditions of Force Majeure or upon the request of any court, agency, governmental official or CRE, then the interrupting Party will incur no liability of any kind or character to the other Party as a result of or with respect to

such interruption, suspension or curtailment.

2.4 The Maximum Daily Quantity is as set forth in this Agreement. If Gas is received at any Receipt Point or redelivered at any Delivery Point in a commingled stream, Transporter will have the sole right to allocate that portion of the commingled stream for Shipper's account attributable to the Firm Transportation Service provided under this Agreement.

2.5 If Shipper has quantities of Gas available on any Gas Day for delivery to Transporter in excess of the MDQ ("Excess Gas"), Shipper may tender such Excess Gas for delivery to Transporter, and Transporter may, in its sole discretion in each such instance, accept or refuse delivery of all or any part of such Excess Gas. Any Excess Gas so accepted by Transporter will be subject to all of the terms and provisions hereof.

### **ARTICLE III** **Fees and Reimbursement**

3.1 Shipper agrees to pay Transporter the transportation fee(s) as specified in Exhibit "B" for the Firm Transportation Services to be rendered under this Agreement.



3.2 An additional Use Charge equal to the then-current regulated usage fee (Cargo por Uso), as published in the Daily Official Gazette (Diario Oficial de la Federacion), will be charged for quantities actually transported by Transporter for Shipper's account at the Delivery Point for the applicable Month.

3.3 In addition to the charges set forth in Sections 3.1 and 3.2 above, Shipper will pay to Transporter any conditioning fee charged by Transporter pursuant to the provisions of Section 11.2; *provided that* Transporter will not be obliged to provide a conditioning service under this Agreement.

3.4 In addition to the charges set forth in Sections 3.1, 3.2, and 3.3 above, if Shipper incurs an Unauthorized Overrun, Shipper will pay to Transporter the Unauthorized Overrun Rate, as specified in Exhibit "B," on Unauthorized Overrun Quantities. Transporter may waive, in whole or in part in each instance, the charges for Unauthorized Overrun Quantities.

3.5 In addition to the charges set forth in Sections 3.1 through 3.4 above, Shipper will be responsible for the "Compliance Costs" allocable to Shipper's Gas. "Compliance Costs" means any reasonable and documented cost or expense incurred by Transporter that (a) results from any (1) tax, assessment, or emission credit, allowance, or offset expense, (2) requirement to add, delete or modify facilities or operations to comply with a law, rule, regulation or order (or interpretation thereof), (3) requirement to prevent, reduce, control, or monitor emissions, exposures, or discharges into the environment in a way that is different and more costly than the

way Transporter is required to undertake such activities on the Effective Date, or (4) other cost or expense based upon or related to gas quality or emissions in excess of the costs and expenses associated with Transporter's compliance with obligations regarding gas quality or emissions as of the Effective Date, that, in turn, (b) results from a change in any applicable law, rule, regulation or order of any Governmental Authority, including the Mexican Gas Quality Standard NOM-001-SECRE-2010 (*Norma Oficial Mexicana NOM-001-SECRE-2010, Especificaciones del gas natural*), as it may be amended or substituted, imposed on Transporter by a Governmental Authority in connection with or related to the Gas transported hereunder that (1) occurs after the Effective Date, and (2) is not attributable to Transporter's failure to comply with applicable laws.

3.6 The rates and other fees, charges and reimbursements provided for in this Agreement are exclusive of VAT. All payments under this Agreement shall bear applicable VAT.

**ARTICLE IV**  
**Receipt and Delivery Points**

4.1 The Receipt Point(s) for all Gas delivered by Shipper to Transporter for Firm Transportation Service under this Agreement will be at the point(s) designated in Exhibit "C".

4.2 The Delivery Point(s) for all Gas delivered by Transporter to Shipper under this Agreement will be at the point(s) designated in Exhibit "C". Shipper and Transporter will, [REDACTED] execute an interconnect agreement in form and substance acceptable to Transporter and Shipper that (i) describes the actual Delivery Point(s), which shall comprise a tap, meter and related measurement facilities and be located at a mutually agreeable site on the Mier-Monterrey Pipeline, and (ii) provides that such facilities will be designed, constructed and installed to Transporter's specifications at Shipper's sole expense, and that such facilities will be owned and operated by Transporter (the "Interconnect Agreement"). [REDACTED]

**ARTICLE V**  
**Term**

5.1 This Agreement will be effective as of the Effective Date with its delivery term commencing on [REDACTED] (the "Services Commencement Date") and ending on [REDACTED] (the "Term"); [REDACTED]

5.2 [REDACTED]

[REDACTED]

5.3 If Shipper breaches its obligations under either (i) the Texas FTA or (ii) the Interconnect Agreement and the breach continues for thirty (30) Days, Transporter will, in addition to its other remedies, have the right to suspend services under this Agreement without prior notice, and/or to terminate this Agreement immediately upon written notice to Shipper without prejudice to any and all claims for damages or other rights or remedies available under this Agreement or pursuant to law, and without liability of any kind or character to Shipper.

5.4 Termination of this Agreement will not discharge any of the Parties' obligations incurred before the effective date of termination, including payment for services rendered.

**ARTICLE VI**  
**Allocation Statements**

During the periods Transporter receives Gas for Shipper and other third-parties at any third party-allocated Receipt Point under the terms of this Agreement at which no operational balancing agreement is in effect, Shipper will furnish or cause to be furnished to Transporter prior to Gas flow during the relevant Month, a pre-determined allocation method setting forth (on a daily basis) the allocation of the total quantity of Gas to be received by Transporter at each Receipt Point during such Month. Shipper will be bound by, and Transporter will be entitled to rely conclusively on, such pre-determined allocation method. For third party-measured Receipt Points, Shipper will furnish or cause to be furnished a full tabulation of actual measured volumes of Gas received by the fifth (5th) Day of the Month following the Month of receipt.

**ARTICLE VII**  
**Balancing**

7.1 Transporter and Shipper will use reasonable efforts to balance on a daily basis the quantity of Gas delivered by Shipper at the Receipt Point(s) with quantities redelivered to Shipper at the Delivery Point(s). Nevertheless, it is recognized by the Parties that, because of dispatching and other operational variations of Transporter or Shipper, it may be physically impossible or operationally impractical for Transporter to deliver to Shipper precisely the Equivalent Quantity on any given Day.

[REDACTED]

[REDACTED]

[REDACTED]

7.2 Shipper and Transporter agree that any necessary changes in rates of flow at the Delivery Point(s) will be solely a function of Shipper's daily demand and operating conditions.

7.3 For the purpose of this Article VII only, the term "Gas Daily Index" will be defined as the price per MMBtu, calculated on a dry basis, equal to the "Midpoint" as reported in the "Daily Price Survey" of Platts' GAS DAILY® (as published by The McGraw-Hill Companies) for "East-Houston-Katy, Houston Ship Channel". The term "Gas Daily Transaction Date" means that transaction date identified in Platts' GAS DAILY® (as published by The McGraw-Hill Companies) under the heading *Daily Price Survey* in relation to a corresponding flow date(s). Should GAS DAILY® and/or any of the subject indices cease to be published, the Parties will attempt, in good faith, to reach agreement as to an alternative index, indices or other methodology. Should the Parties be unable to reach such agreement within thirty (30) Days after such cessation of publication, Transporter may substitute for same an index or indices, or other methodology, reasonably calculated to achieve a similar economic result as that contemplated by the Parties under this Article VII. In the event Transporter discontinues its subscription to Platts' "Gas Daily" pricing publication referenced above, the Parties agree to substitute comparable gas pricing indices for purposes of this Agreement.

**ARTICLE VIII**  
**Nominations and Dispatching**

[REDACTED]



All nominations for Firm Transportation Service will be submitted by Shipper at least Monthly, but as frequently as daily if desired, through Transporter's DART system, through written nomination forms, or through such other electronic or written means as Transporter will specify, in accordance with Transporter's standard nomination procedures, as amended from time to time. Shipper will be bound by and Transporter may rely conclusively on Shipper's nominated quantities as confirmed by Transporter. Any variance from the nominated quantities must be submitted in writing or through such electronic means as Shipper and Transporter agree. Transporter will not be obligated to accept and/or confirm nominations for any Gas Day for receipt or delivery of Gas at any point for which nominations in the aggregate are less than the minimum or greater than any maximum quantities set forth in this Agreement. Transporter reserves the right to amend its nomination procedures from time to time.

## **ARTICLE IX** **Hourly Limits**

[REDACTED]

However, if Shipper's load pattern temporarily requires receipts at any Receipt Point or deliveries at any Delivery Point in excess of such restriction, Transporter will, on request of Shipper, use reasonable efforts to accommodate such load pattern, and will consult with Shipper in an effort to generally accommodate load variation to the extent feasible and compatible (in Transporter's sole judgment) with the needs of shippers as a group. If Shipper fails to restrict its hourly takes as specified herein after request by Transporter, Transporter may install and operate a load limiting device at any Receipt or Delivery Point where such failure has occurred, and Shipper will fully cooperate in such installation. Shipper will reimburse Transporter for the cost of the load limiting device, including the cost of installation, within thirty (30) Days of its receipt of the bill.

## **ARTICLE X** **Method of Measurement and Measurement Equipment**

10.1 Assumed Atmospheric Pressure - The average atmospheric pressure will be assumed to be fourteen and seven-tenths pounds per square inch absolute (14.7 PSIA). Where site conditions vary from this, at Transporter's option, the actual atmospheric pressure will be determined within one tenth (0.1) pound and used based on actual elevation or location of the Receipt or Delivery Point(s).

10.2 Unit of Volume - The unit of volume for measurement of Gas for all purposes will be one (1) Cubic Foot of Gas at Standard Temperature and Standard Pressure. All measurement equipment, constants, observations, records and procedures involved in the determination and/or verification of the quantity and other quality of Gas delivered under this Agreement will be in accordance with the Mexican Federal Law for Metrology and Standardization (*Ley Federal de Metrología y Normalización*), the Natural Gas Transportation

Standard (*Norma Oficial Mexicana NOM-007-SECRE-2010, Transporte de gas natural*) and, on a supplementary basis, in accordance with the standards listed below. In the case of a discrepancy between Mexican Federal Law for Metrology and Standardization (*Ley Federal de Metrología y Normalización*), the Natural Gas Transportation Standard (*Norma Oficial Mexicana NOM-007-SECRE-2010, Transporte de gas natural*) and standards listed below, the Mexican Federal Law for Metrology and Standardization (*Ley Federal de Metrología y Normalización*), the Natural Gas Transportation Standard (*Norma Oficial Mexicana NOM-007-SECRE-2010, Transporte de gas natural*) will prevail. Neither Transporter nor Shipper will be required to replace or make any alterations to its previously installed measurement equipment as a result of amendments, revisions or modifications of the standards cited in this Section 10.2 unless Transporter and Shipper agree to such replacement or alteration.

- (a) A.G.A. Report No. 3, Part 2, “Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Specifications and Installation Requirements”, Fourth Edition, revised in April 2000 (Orifice Meter Tubes and Plates)
- (b) A.G.A. Report No. 3, Part 3, “Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Natural Gas Applications”, Third Edition, revised in August 1992, (Orifice Meter Volume Calculations)
- (c) A.G.A. Report No. 7, “Measurement of Natural Gas by Turbine Meters”, Second Revision, revised in February 2006. (Turbine Meter Tubes and Volume Calculations for all linear type meters [Turbine, Ultrasonic, Rotary, Diaphragm])
- (d) A.G.A. Report No. 8, “Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gases”, Second Edition, revised in August 1994 (compressibility in all volume calculations, included by reference in AGA Report Nos. 3, 7, 9)
- (e) A.G.A. Report No. 9, “Measurement of Gas by Multipath Ultrasonic Meters”, Second Edition, revised in April 2007 (Ultrasonic Meters and Tubes)
- (f) A.G.A. Report No. 11, “Measurement of Natural Gas by Coriolis Meter”, First Edition, 2003 (Coriolis Meters)
- (g) GPA Standard 2145-03 Revision 2, “Table of Physical Constants for Hydrocarbons and Other Compounds of Interest to the Natural Gas Industry”, revised in 2009 (constants for calculation of Heating Value and specific gravity, all meters)
- (h) GPA Standard 2166-05, “Obtaining Natural Gas Samples for Analysis by Gas Chromatography”, revised in 2005
- (i) GPA Standard 2172-96, “Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis”, revised in 2009 (Calculation of Heating Value and Relative Density [Specific Gravity] for all meters)

- (j) GPA Standard 2261-00, "Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography", revised in 2005
- (k) API 14.1, "Collecting and Handling of Natural Gas Samples for Custody Transfer", Sixth Edition, revised in February 2006
- (l) API 21.1, "Flow Measurement Using Electronic Metering Systems Section 1: Electronic Gas Measurement", September 1993 (all EFM systems)

10.3 Basis - The measurement of Gas will be corrected for deviation from Boyle's Law at the pressures and temperatures under which Gas is measured under this Agreement by use of the AGA Report No. 8 as referenced in the AGA Reports Nos. 3 and 9.

10.4 Determination of Gas Quality (Gas composition, Heating Value and specific gravity) - The Gas quality (including Gas composition, Heating Value and specific gravity) flowing through the meter(s) will be determined at the metering point(s) or at a mutually agreeable point where the flowing Gas is from the same source and there is no significant difference in the Gas quality.

- (a) At the option of the measuring Party, the Gas quality may be determined by an online chromatograph, a portable chromatograph, a continuous Gas sampler or by taking spot Gas samples. If samples are taken, the samples will be analyzed on a chromatograph operated by the measuring Party or an independent laboratory.
- (b) Values for hydrocarbon components, carbon dioxide, nitrogen, Heating Value and specific gravity will all be determined from the same Gas analysis (or the average of values from Gas analysis over the same time period) and used for volume and energy computation starting at the same time. Other components (including water vapor, hydrogen sulfide, total sulfur, mercaptans, oxygen, and hydrogen) may be determined from separate samples or tests and at times deemed appropriate.
- (c) If the water vapor content of the Gas is less than seven (7) pounds of water vapor per million (1,000,000) Cubic Feet of Gas, the Gas will be assumed to be dry for calculation of Heating Value.
- (d) The most recent Gas quality values available will be considered to be the Gas quality of the Gas flowing at the metering point and will be used for volume and energy computation from the time the results are available until new Gas quality values are available.
- (e) If Electronic Flow Measurement is used, then:
  - (i) If an online chromatograph at the metering point is used, new Gas quality values will be used when they are available.
  - (ii) If the online chromatograph is located at a point other than the metering point and a data communication system is installed, the EFM will be updated with the most recent Gas quality values as often as practical but at least once per Day.

- (iii) If a data communication system is not installed and the EFM system is updated manually, the average Gas quality values from the online chromatograph will be computed at least once per Month and entered into the EFM. The average Gas quality values will be computed for the time period since the previous averages were computed but not for a period of more than one Month.
  - (iv) If a portable chromatograph, a continuous sample, or a spot sample is used, the new Gas quality values will be entered into the EFM when the results are available.
- (f) Heating Value will be determined to the nearest one tenth (0.1) Btu. Specific gravity will be determined to the nearest one ten thousandth (0.0001). Each component of the Gas composition will be determined to the nearest one ten thousandth (0.0001) mole percent. If an EFM system is used, higher precision may be used for calculations.

10.5 Determination of Flowing Temperature - The temperature of the Gas flowing through the meter or meters will be determined by the continuous use of a recording thermometer or temperature transmitters installed so that they will properly record the temperature of the Gas flowing through the meter or meters.

10.6 Determination of Specific Gravity - The specific gravity of the Gas flowing through the meter or meters may be determined by the use of a chromatograph or by analysis of Gas collected in spot and continuous samplers. Specific gravity will be updated whenever the Heating Value of the Gas is updated. All specific gravity determinations made with a chromatograph will use physical Gas constants for Gas compounds as outlined in the GPA Std 2145-00 Rev 1 Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas with any subsequent amendments or revisions to such report to which the Parties agree. Specific gravity will be determined to the nearest ten thousandth (0.0001).

10.7 Equipment - All facilities necessary to measure the Gas at the Receipt Point(s) and Delivery Point(s) will have been installed in accordance with the Interconnect Agreement and will be in operation as of the Services Commencement Date. Any necessary metering facilities which are installed subsequent to the Services Commencement Date will be installed, paid for, owned, operated and maintained as mutually agreeable between Shipper and Transporter.

The operator of the measuring facilities at the respective Receipt Point(s) and Delivery Point(s) will operate and maintain, at its expense, the measuring equipment at the Receipt Point(s) and Delivery Point(s) under this Agreement.

If measurement and appurtenant facilities exist at the Receipt and Delivery Point(s), and such facilities are deemed adequate and operable in Transporter's sole determination, then such facilities will be used; however, if any modification or expansion of any such existing facility is deemed necessary in Transporter's sole determination, Transporter will notify Shipper. If Shipper notifies Transporter that Shipper desires to utilize that point in the future, then such modification or expansion will be performed at Shipper's sole expense and Shipper agrees to

reimburse Transporter for all costs incurred in such modification or expansion, including labor, material and overhead. Title to such equipment will be and remain in Transporter.

Any new measurement and appurtenant facilities required at the Receipt and Delivery Point(s) will be installed, owned, operated and maintained by Transporter at Transporter's option. Title to such facilities will be and remain in Transporter. Shipper will reimburse Transporter for all costs incurred as a result of the installation of any such facilities, including labor, materials and overhead.

As specified by Transporter, all measuring stations it owns or operates at the Receipt Point(s) or Delivery Point(s) will be equipped with orifice, turbine, ultrasonic or other types of meter(s) of standard make and design commonly accepted in the natural gas industry in order to accurately measure the Gas delivered to Transporter or Shipper under this Agreement. At Transporter's election, an EFM, transducers and other associated sensing devices may be installed to accurately measure the Gas at the metering points it owns or operates in accordance with A.G.A. Report Nos. 3, 5, 6, 7, 8, 9, and 11, as appropriate. If an EFM and associated devices are installed, Gas quality values will be entered either manually or as real time data if such data is available. All Gas quality values used in super compressibility correction determinations will be entered as real time data if such data is available or, if the Gas quality source is a composite or spot sample, the values will be entered manually each time they are determined at intervals mutually agreed upon by the Parties, but at least once every six (6) Months. Transporter will install any additional facilities Shipper requests for the delivery of Gas to Transporter or Shipper under this Agreement and Shipper will reimburse Transporter for the cost of the facilities and their installation, including labor, materials and overhead. Title to such facilities will be and remain in Transporter.

[REDACTED]

10.8 Calibration and Tests of Meters - If used, chromatographs will be calibrated by the measuring Party against a standard Gas sample at least once per Month. All other measuring equipment will be calibrated and adjusted as necessary by the measuring Party based on the following:

- (a) Monthly if average volume is greater than or equal to 5,000 MMBtu/Gas Day;
- (b) quarterly if average volume is between 2,000 MMBtu/Gas Day and 5,000 MMBtu/Gas Day;
- (c) semiannually if average volume is between 1,000 MMBtu/Gas Day and 2,000 MMBtu/Gas Day;
- (d) annually if average volume is less than 1,000 MMBtu/Gas Day; or

- (e) as frequently as deemed necessary by the measuring Party but not more than once each Month.

The other Party may, at its option, be present for such calibration and adjustment. The measuring Party will give the other Party notice of the time of all tests sufficiently in advance of conducting same so that both Parties may conveniently have their representatives present. Following any test, any measuring equipment found to be inaccurate to any degree will be adjusted immediately to measure accurately. Each Party will have the right, at any time, to challenge the accuracy of any measuring equipment used and may request additional tests. If, upon testing, the challenged equipment is found to be in error, then it will be repaired and calibrated. The cost of any such special testing, repair and calibration will be borne by the Party requiring the special test if the percentage of inaccuracy is found to be one percent (1%) or less; otherwise, the cost will be borne by the Party operating the challenged measuring equipment.

10.9 Access to Meters, Measurement Equipment and Records - The non-measuring Party will have access at all reasonable times to the measuring equipment and all other instruments used by the measuring Party in determining the measurement and quality of the Gas delivered to Transporter or Shipper, but the reading, calibrating, and adjusting thereof will be done only by employees, agents or representatives of the measuring Party. The measurement data and records will be kept on file by the measuring Party for a period of one (1) Year for Transporter's and Shipper's mutual use. Upon request, the measuring Party will submit to the other Party measurement data and records from such equipment, subject to return by that Party within thirty (30) Days after receipt.

10.10 Correction of Metering Errors - If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by more than (i) one percent (1%), or (ii) ten thousand (10,000) MMBtu for the time period, registration thereof and any payments based upon such registration will be corrected at the rate of such inaccuracy for any period of inaccuracy which is definitely known or agreed upon, but if such period is not definitely known or agreed upon, then such registration and payment will be corrected for a period extending back one-half (1/2) of the time elapsed since the date of the prior calibration (but with such corrected period not to exceed ninety [90] Days).

10.11 Failure of Meters - If, for any reason, the measuring equipment is out of service or out of repair so that the quantity of Gas delivered through such measuring equipment cannot be ascertained or computed from the readings thereof, the quantity of Gas delivered during the period such equipment is out of service or out of repair will be estimated upon the basis of the best available data, using the first of the following methods which is feasible:

- (a) By using the registration of any duplicate measuring equipment installed by the measuring Party, if installed and registering correctly;
- (b) By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation;
- (c) By using the registration of any check measuring equipment of the other Party, if installed and registering accurately; or

- (d) By estimating the quantity of deliveries by using the volumes delivered to Transporter or Shipper, as applicable, under similar conditions during preceding periods when the measuring equipment was registering accurately.

10.12 Check Measuring Equipment - Each Party may install, maintain and operate at its own expense such check measuring equipment as desired; *provided, however*, that such equipment will be installed so as not to interfere with the operation of any other measuring equipment. Each Party will have access to the check meter(s) installed by the other Party at all reasonable times, but the reading, calibration and adjusting thereof will be done only by the employees or agents of the operating Party.

10.13 New Measurement Techniques - If, at any time during the term of this Agreement, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in Gas measurement, such new method or technique may be substituted for the method set forth in this Article X. when the Parties agree that employing such new method or technique is advisable.

## ARTICLE XI Quality

11.1 Specifications at Receipt and Delivery Point(s) – Effective [REDACTED], the Gas received by either Party under the terms of this Agreement will conform to the specifications stated under the Mexican Gas Quality Standard NOM-001-SECRE-2010 (*Norma Oficial Mexicana NOM-001-SECRE-2010, Especificaciones del gas natural*), as the same may be amended or substituted.

11.2 Failure to Meet Quality Specifications - If either Party determines the Gas delivered to it fails to meet the quality specifications prescribed above (“Non-conforming Gas”), such Party will have the right without notice to immediately terminate the receipt of any Non-conforming Gas, but will as soon as practical, but in any event, within two (2) Days following the Day the Non-conforming Gas was rejected, notify in writing the other Party of such rejection, the basis of the rejection, and a description of the damages that may be caused to such Party. Notwithstanding the foregoing, Transporter may, in its sole discretion, continue to accept Non-conforming Gas and charge to Shipper a conditioning fee relevant to such Non-conforming Gas. The amount of such conditioning fee will be determined by Transporter utilizing a commercially reasonable methodology. Transporter will notify Shipper within thirty (30) Days of its assessment of such a conditioning fee hereunder.

11.3 Damages; Waiver - Transporter will be liable for any actual and direct damages sustained by Shipper caused by Non-conforming Gas; except to the extent Shipper has knowingly accepted Non-conforming Gas; *provided that* it will be understood that Shipper has knowingly not accepted Non-conforming Gas if Shipper rejects the Non-conforming Gas, and provides written notice to Transporter in accordance with Section 11.2. If the Gas delivered by Transporter is not rejected by Shipper according to Section 11.2; then, Shipper will (a) waive any claim against Transporter, and (b) waive the application of any penalty for delivering Non-conforming Gas, including any deduction from or adjustment to the price of natural Gas

regulated by CRE under Resolution number RES/351/2010, or any other provision or regulation approved by any Governmental Authority.

**ARTICLE XII**  
**Taxes and Fee Reimbursement**

Shipper will be responsible for Taxes and certain other fees as follows:

- (a) Tax Reimbursement - Shipper will reimburse Transporter for all Taxes which are levied upon and/or paid by Transporter with respect to the Firm Transportation Service performed under the terms of this Agreement or in respect to Shipper's Gas while the Gas is in the possession of Transporter.
- (b) Reimbursement of Fees - Shipper will reimburse Transporter for any and all filing fees in connection with providing Firm Transportation Service to Shipper under this Agreement that Transporter is required to pay by any Governmental Authority having or asserting jurisdiction.

**ARTICLE XIII**  
**Title, Possession & Responsibility**

13.1 Title. Shipper represents and warrants to Transporter that Shipper has full and unqualified authority to deliver Gas to Transporter, and that Gas is free from any and all liens, charges, claims and encumbrances. Shipper will indemnify, defend, and save Transporter harmless from and against any and all regulatory proceedings, suits, actions, claims, demands, damages, costs, losses, penalties and expenses (including reasonable attorneys' fees) arising from or out of any adverse claims to or against the Gas. Title to Shipper's Gas in Transporter's pipeline system will remain with Shipper or its designee at all times, except that title to those volumes of Gas tendered to Transporter as Transporter's Use, will pass to Transporter at the Receipt Point(s).

13.2 Possession and Responsibility. Shipper or its designee will be deemed in possession of and responsible for the Gas before Transporter receives it at the Receipt Point(s) and after Transporter redelivers the Gas to Shipper or its designee at the Delivery Point(s). Transporter will have no responsibility with respect to the Gas before receipt from Shipper at the Receipt Point(s) or after delivery to Shipper at the Delivery Point(s). Transporter will be deemed in possession of and responsible for the Gas after receipt of the Gas at the Receipt Point(s) until the Gas is redelivered to Shipper at the Delivery Point(s). EACH PARTY AGREES TO RELEASE, DEFEND, PROTECT, INDEMNIFY, AND HOLD HARMLESS THE OTHER, ITS AFFILIATES, AND THEIR RESPECTIVE MEMBERS, SHAREHOLDERS, PARENTS, DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY, "INDEMNITEES"), FROM EVERY KIND OR CHARACTER OF DAMAGES, LOSSES, LIABILITIES, EXPENSES, DEMANDS, CLAIMS, OR SUITS FOR DEATH OR INJURY TO PERSONS OR PROPERTY, INCLUDING ANY AND ALL COSTS AND FEES (ATTORNEYS, COURT, EXPERTS OR OTHERWISE) ARISING OUT OF ANY INVESTIGATION, LITIGATION OR SETTLEMENT OF ANY CLAIMS (COLLECTIVELY, "LOSSES"), ARISING FROM OR OCCURRING WHILE THE INDEMNIFYING PARTY IS



DEEMED TO BE IN THE EXCLUSIVE CONTROL AND POSSESSION OF THE GAS, UNDER ANY LEGAL THEORY WHATSOEVER AND REGARDLESS OF WHETHER SUCH LOSSES MAY HAVE BEEN CAUSED IN PART BY ANY NEGLIGENT ACT OR OMISSION, EITHER ACTIVE OR PASSIVE, OF ANY INDEMNITEES OR ANY THIRD PARTY, WHETHER SUCH ACT OR OMISSION CONSTITUTES SOLE, PARTIAL, OR CONCURRENT NEGLIGENCE OR IS THE SOLE PROXIMATE OR PRODUCING CAUSE OF THE LOSSES. NEITHER TRANSPORTER NOR SHIPPER WILL BE LIABLE FOR THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OTHER PARTY.

**ARTICLE XIV**  
**Force Majeure**

14.1 If Force Majeure renders either Party unable (either in whole or in part) to carry out its obligations under this Agreement, other than its obligations to make payments due, then the obligations of the Party claiming Force Majeure will be suspended during the duration of any inability resulting from Force Majeure. A Party's obligations will be suspended as long as the Party is impacted by the Force Majeure (which may last longer than the cause of the Force Majeure) but for no longer period.

The Party invoking Force Majeure will notify the other Party of the occurrence of such Force Majeure as soon as possible orally and as soon as practicable in writing (but at least within ten (10) Days from the occurrence of such Force Majeure); in the understanding that failure to notify within said period will result in the inability of such Party to invoke the corresponding Force Majeure.

"Force Majeure" will mean and include any act, that (a) renders Transporter or Shipper unable to provide or utilize the Firm Transportation Services, (b) is beyond the affected Party's reasonable control, (c) is not due to the affected Party's fault or negligence, and (d) is unforeseeable or even when foreseeable, could not have been avoided by the exercise of reasonable due diligence, including the expenditure of reasonable sums of money as determined by prudent pipeline operator standards in light of the scope of service being provided.

14.2 In addition to those events listed under Section 27.1 of the GTCs, Force Majeure, as employed herein, will include any and all of the following:

- (a) acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, terrorism, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, freezes, lightning, earthquakes, fires, storms, hurricanes, floods, high water, washouts or other natural disasters, threat of physical harm or damage resulting in the evacuation or shut down of facilities necessary for the production, delivery, receipt, storage (including injection into and withdrawal from storage), or use of the Gas, arrests and restraints of governments and people, civil disturbances, or explosions;
- (b) breakage or accident to machinery, lines of pipe, or facilities in which the Gas is transported, processed, stored (including injection into and withdrawal from storage), treated or used;

- (c) the necessity of testing, or the necessity of repairs or alterations to wells, machinery, facilities (including treating, processing, gathering, transportation, gasification, storage (including injection into and withdrawal from storage), and Gas manufacturing facilities) or lines of pipe through which the Gas is moved;
- (d) partial or entire failure of wells, lines of pipe, or other facilities (including treating, processing, gathering, transportation, gasification, storage [including injection into and withdrawal from storage] and Gas manufacturing facilities) in which the Gas is used;
- (e) orders of any court or Governmental Authority or agency having or asserting jurisdiction or the refusal or withdrawal of any necessary order, certificate or permit by any court or Governmental Authority or agency having or asserting jurisdiction;
- (f) any acts or omissions (including failure to take, transport, store or deliver Gas) of a transporter of Gas to or for Transporter or Shipper;
- (g) in those instances where either Party is required to obtain servitudes, rights-of-way grants, permits, certificates, tariffs, or licenses to enable such Party to fulfill its obligations under this Agreement, the inability of such Party to acquire or the delays on the part of such Party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such servitudes, rights-of-way grants, permits, certificates, tariffs, or licenses;
- (h) in those instances where either Party is required to furnish materials and supplies, or hire vendors or suppliers, for the purpose of constructing or maintaining facilities or is required to secure permits or permissions from any governmental agency to enable such Party to fulfill its obligations under this Agreement, the inability of such Party to acquire or the delays on the part of such Party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions (including delays caused by third party vendors and suppliers);
- (i) force majeure declared under the Texas FTA; and
- (j) any other causes, whether of the kind enumerated above or otherwise, not reasonably within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome at reasonable cost and after the exercise of reasonable diligence.

14.3 As used herein, the terms “reasonable control,” “reasonable diligence” and “reasonable cost” will not require a Party to use extraordinary efforts or incur extraordinary costs to avoid or remedy the Force Majeure event or its effects.

14.4 Neither Party will be entitled to the benefit of Force Majeure to the extent performance is affected by any or all of the following circumstances, except when the enumerated circumstances themselves are caused by the event of Force Majeure:

- (a) the Party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch (which will not require the use of extraordinary efforts or payment of extraordinary costs);
- (b) economic hardship, including Transporter's ability to sell Firm Transportation Service at a higher or more advantageous fee than the fee provided in this Agreement, and Shipper's ability to buy Firm Transportation Service at a lower or more advantageous fee than the fee provided in this Agreement;
- (c) changes in market conditions;
- (d) the loss of Shipper's market(s) or Shipper's inability to use or resell Gas transported under this Agreement; or
- (e) the loss or failure of Shipper's Gas supply or depletion of reserves.

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

14.6 Notwithstanding the foregoing, it is specifically understood and agreed by the Parties that Force Majeure will in no way terminate the Parties' obligations to balance volumes of Gas under this Agreement.

**ARTICLE XV**  
**Billing, Accounting and Reporting**

15.1 Transporter will render to Shipper, [REDACTED] Day of each Month, an invoice setting forth, (i) with respect to all Gas received by Transporter during the preceding Month at the Receipt Point(s), the total quantity and the Heating Value of the Gas, (ii) with respect to all Gas redelivered to Shipper during the preceding Month at the Delivery Point(s), the total quantity and the Heating Value of the Gas, (iii) the charges due Transporter under this Agreement, including all exhibits hereto and, if applicable, (iv) all daily imbalances and detailing the cash-out thereof. Transporter may initially bill on its best reasonably available estimates if all actual information is not available at the time the invoice is to be sent. Shipper agrees to make payment to Transporter by wire transfer or other electronic means, for all undisputed charges incurred during the preceding Month [REDACTED]

[REDACTED]

15.2 If Shipper fails to pay any undisputed amount due Transporter when it is due, the unpaid balance will bear interest from the due date until the date paid at a variable rate (“Variable Rate”) equal to [REDACTED]

[REDACTED] If Shipper’s failure to pay continues for thirty (30) Days, Transporter will, in addition to its other remedies, have the right to suspend services under and/or to terminate this Agreement without prior notice, without prejudice to any and all claims for damages or other rights or remedies available under this Agreement or pursuant to law, and without liability of any kind or character to Shipper.

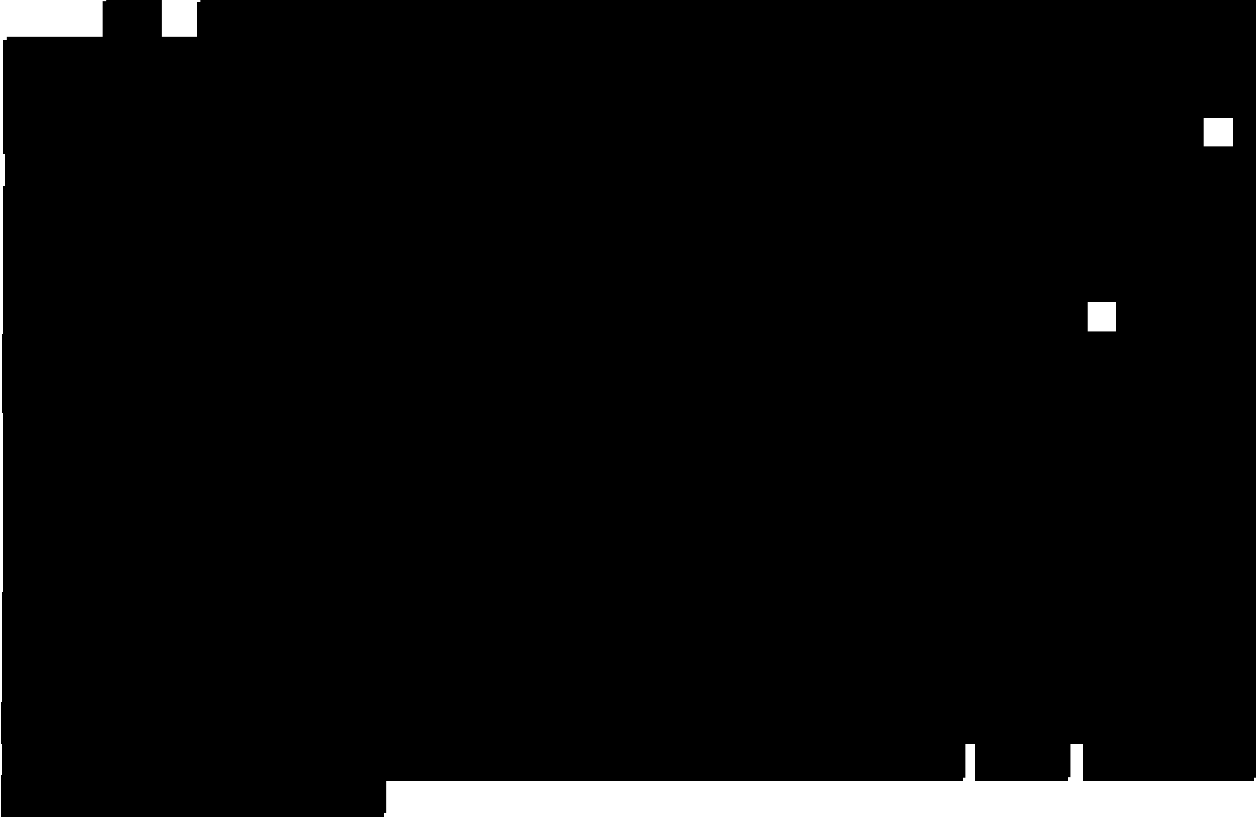
15.3 If Transporter discovers an error in the amount billed in any invoice rendered by Transporter, the error will be adjusted within thirty (30) Days of the discovery of the error. [REDACTED]

15.5 All invoices and billings will be conclusively presumed final and accurate unless objected to in writing, [REDACTED]

15.6 All invoices and payments shall be made in US Dollars.

**ARTICLE XVI**  
**Creditworthiness**

16.1 Prior to commencement of service and throughout the term of this Agreement, upon request by Transporter, Shipper will provide Transporter with its, its parent entity’s, or its guarantor’s, as applicable, annual audited financial statements and quarterly unaudited financial statements prepared in accordance with generally accepted accounting principles (“GAAP”); *provided, however*, if such entity is required to make its annual audited and quarterly financial statements available to the public, then Transporter will use public sources to obtain the information.



16.3 If Shipper or its guarantor, if applicable: (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it which is not dismissed within thirty (30) Days of being filed or commenced; (iii) otherwise becomes bankrupt or insolvent (however evidenced); (iv) becomes unable to pay its debts as they fall due; (v) has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fails to perform any material obligation to Transporter; (vii) fails to give Adequate Assurance of Performance as required under Section 16.2; or (viii) fails to pay any amount due Transporter on or before the second business Day following written notice that such payment is due, then Transporter will have the right, at its sole election, to immediately withhold and/or suspend service upon prior written notice and/or to terminate this Agreement, in addition to any and all other remedies available under this Agreement.

**ARTICLE XVII**  
**Compliance Reports**

Transporter will file all necessary reports and/or notices required by any Governmental Authority, and Shipper will provide Transporter with any necessary compliance information required by Transporter in connection with preparing such reports.

**ARTICLE XVIII**

**Odorization**

Shipper and Transporter acknowledge that applicable regulations do not require the odorization of Gas conducted in transportation pipelines and agree that none of the Gas delivered by Transporter or for the account of Shipper pursuant to this Agreement will be odorized. Any odorization that may be required by any applicable statute, order, rule or regulation at any location downstream of the Delivery Points will be the sole responsibility of Shipper. Shipper will indemnify and hold Transporter and its affiliates harmless from any and all claims, demands, causes of action, losses, damages or injuries (including death) that may result from the operation and maintenance of odorization facilities or equipment at, near or downstream of the Delivery Points, or the lack thereof, or that result from the failure of Shipper to properly odorize Gas delivered by Transporter hereunder.

**Article XIX**  
**Governing Law; Controlling Language**

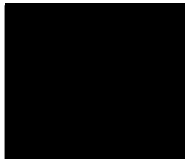
**This Agreement will be interpreted, construed and governed by the laws of Mexico, excluding any conflict of law rules which would refer to the laws of another jurisdiction.**



**This Agreement shall be executed in English and Spanish, *provided that* the English version shall prevail in case of a discrepancy and to solve any dispute arising in connection with this Agreement and its interpretation.**

**ARTICLE XX**  
**NOTICES**

All notices, including invoices, required to be served under this Agreement must be in writing and served by (a) personal or overnight delivery service, (b) U.S. certified or registered mail, or (c) facsimile or electronic mail, and must be addressed as follows:



**IF TO TRANSPORTER:**

Notices & Correspondence:

1001 Louisiana Street, Suite 1000  
Houston, Texas 77002  
Attn: Contract Administration  
Telephone: (713) 369-9099  
Facsimile: (713) 369-8785  
contractadministration@kindermorgan.com

Dispatching Matters:

1001 Louisiana Street, Suite 1000  
Houston, Texas 77002  
Attn: Gas Control Department  
Telephone: (713) 369-9200  
Facsimile: (713) 369-9005

Accounting Matters:

1001 Louisiana Street, Suite 1000  
Houston, Texas 77002  
Attn: Gas Accounting  
Facsimile: (713) 369-9385

Payment by Wire:

[REDACTED]

**IF TO SHIPPER:**

Notices & Correspondence:

[REDACTED]

Billing:

[REDACTED]

Payment

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



or at such other address as the Parties may from time to time designate to one another in writing. Notices served by personal or overnight delivery service or by U.S. certified or registered mail will be effective when received by the addressee. Notice served by facsimile or electronic mail will be effective when received if during the addressee's normal business hours, or at the beginning of the addressee's next business Day if not received during normal business hours.

**ARTICLE XXI**  
**General**

21.1 This Agreement, including attached exhibits, constitutes the entire agreement between the Parties covering the subject matter of this Agreement. There are no agreements, modifications, conditions or understandings, written or oral, expressed or implied, pertaining to the subject matter of this Agreement that are not contained in this Agreement.

21.2 The Parties stipulate and agree that this Agreement will be deemed and considered for all purposes as prepared through the joint effort of the Parties and will not be construed against one Party or the other as a result of the preparation, submittal or other event of negotiation, drafting or execution of this Agreement.

21.3 Except as expressly provided in this Agreement with respect to the GTCs, modifications of this Agreement will be or become effective only upon the due and mutual execution of appropriate supplemental agreements or amendments to this Agreement by duly authorized representatives of the Parties.

21.4 The provisions of this Agreement will not impart rights enforceable by any person, firm, or organization not a Party or not a successor or assignee of a Party.

21.5 Shipper will not be considered or deemed by interpretation of this Agreement to have any rights in, to or through Transporter's system.

21.6 If Transporter or Shipper waives its rights set forth in case of the other Party's breach of any provisions of this Agreement, such waiver will not operate as a waiver of any continuing or future default, whether of a like or different character.

21.7 If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or



unenforceability shall not affect any other provision of this Agreement; *provided that* the Parties shall attempt in good faith to negotiate an amendment to this Agreement consistent with applicable law to place the Parties as nearly as possible in a similar economic position that they were in prior to the finding of such invalidity, illegality or unenforceability.

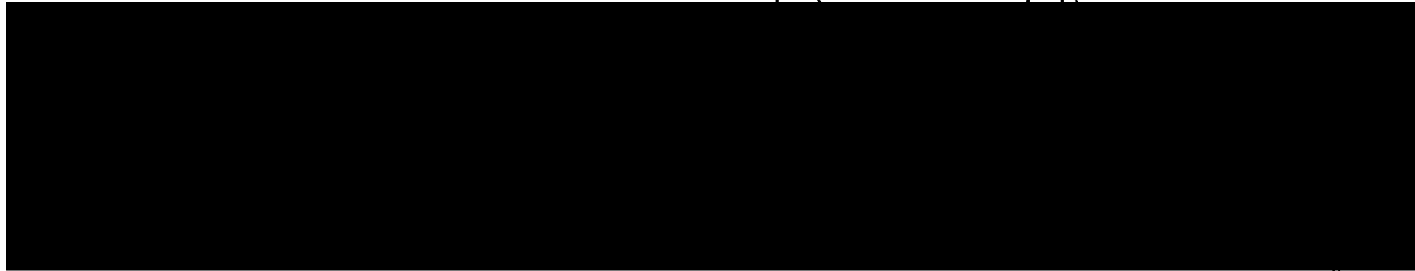
21.8 This Agreement may not be assigned by Shipper without the prior written consent of Transporter, which consent will not be unreasonably withheld or delayed by Transporter.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate original by their duly authorized officers on the date first hereinabove written.

**SHIPPER:**

**TRANSPORTER:**  
KINDER MORGAN GAS NATURAL  
DE MÉXICO, S. DE R.L. DE C.V.



**EXHIBITS**

- A - Transporter's GTCs
- B - Fees
- C - Receipt and Delivery Point(s)

[Signature page to FIRM GAS TRANSPORTATION AGREEMENT made and entered into as of , by and between KINDER MORGAN GAS NATURAL DE MEXICO, S. de R.L. de C.V., and ]

EXHIBIT "A"  
TO  
FIRM GAS TRANSPORTATION AGREEMENT  
DATED [REDACTED] [REDACTED]  
BETWEEN  
KINDER MORGAN GAS NATURAL DE MEXICO, S. de R.L. de C.V.  
AND  
[REDACTED]

**GENERAL TERMS AND CONDITIONS**

See attached

[TRANSLATION FOR REFERENCE PURPOSES ONLY]

General Terms and Conditions  
Natural Gas Transportation Service



Kinder Morgan Gas Natural de México, S. de R. L. de C.V.

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- 7. INTERCONNECTION POLICY**
  - 7.1 Interconnection to the Transportation System
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- 12. NOMINATIONS AND CONFIRMATIONS**
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- 12.1.2 Monthly Nominations
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- 12.3 Unauthorized Overruns Quantities

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- 16.2 OFO Notices
- 16.3 Transporter’s Rights related to OFOs

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- 22.3 Absence of Undesirable Substances.
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**ANNEX B “NOMINATION FORMAT”**

**ANNEX C “FORM OF SERVICE AGREEMENT”**

**GENERAL TERMS AND CONDITIONS TO RENDER NATURAL GAS  
TRANSPORTATION SERVICE**

**KINDER MORGAN GAS NATURAL DE MÉXICO, S. DE R. L. DE C.V.**

**1. DEFINITIONS**

Unless expressly indicated otherwise, the following terms shall have the meanings shown below:

**Act of God or Force Majeure [*Caso Fortuito o Fuerza Mayor*]:** any event, whether foreseeable or unforeseeable but inevitable, that prevents Transporter or User from complying with their obligations according to Section 27 “Act of God and Force Majeure” of these General Conditions.

**Additional Authorized Quantity (AAQ) [*Cantidades Adicionales Autorizadas (CAA)*]:** any Volume of Gas that exceeds the Maximum Daily Quantity requested by an FTS User and delivered by Transporter in any Gas Day, according to the terms of an Agreement.

**Applicable Legal Provisions [*Disposiciones Jurídicas Aplicables*]:** any law, standard, decree, resolution, permit, CRE resolution, ruling, regulation, or any legislative or administrative action carried out by a Governmental Authority, including without limitation, a judicial decision, award or order from a Mexican tribunal, provided that (a) it is related with the execution of rights and obligations stated in these General Conditions and/or in the Agreements, or with the interpretation or application of such documents, and (b) the Governmental Authority has jurisdiction over the corresponding matter or over the Service regulated under these General Conditions.

**Authorized Volume [*Volumen Autorizado*]:** the Volume relative to the User’s Nomination or a portion of the User’s Nomination that Transporter accepts for delivery at the Delivery Point.

**Available Capacity [*Capacidad Disponible*]:** the difference between the Design Capacity and the Reserved Capacity committed under Firm Transportation Services Agreements.

**BB+ [*BB+*]:** a credit rating assigned by Standard and Poors, which means that a company is not very vulnerable to nonpayment but is exposed to adverse economic or financial conditions that could lead to the company’s inadequate capacity to meet its financial commitments.

**Calorie [*Caloría*]:** the amount of heat necessary to raise the temperature of one gram of water from fourteen and one half degrees centigrade (14.5°C) to fifteen and one half degrees centigrade (15.5°C), at sea level, at a constant pressure of one atmosphere (1 atm = 14.696 psia).

**Capacity Charge [*Cargo por Capacidad*]:** the portion of the FTS rate aimed to recover the fixed costs incurred in the provision of the Service.

**Contract Year [*Año Contractual*]:** a period of 12 consecutive months commencing on the first Day of any Month of Service.



**Contractual Rate [Tarifa Convencional]:** the charges freely agreed upon by User and Transporter for a given service and specified in any executed Firm Transportation Service Agreement or Interruptible Transportation Service Agreement.

**CRE [CRE]:** the Energy Regulatory Commission.

**CRE Law [Ley de la CRE]:** the law of the CRE published in the Daily Official Gazette on October 31st, 1995, and any provision of a general nature that replaces it entirely or in part.

**Cubic Meter or m<sup>3</sup> [Metro Cúbico o m<sup>3</sup>]:** the Volume of Gas that occupies the space of one cubic meter when it is at a temperature of 20°C (twenty degrees Centigrade) and under an absolute pressure of 98.0665 kPa (ninety-eight point zero six hundred sixty-five kiloPascals).

**Day [Día]:** any calendar day.

**Delivery Point [Punto de Entrega]:** the point or points where Transporter delivers Natural Gas to User or on his behalf, according to the terms set forth under the applicable Agreement.

**Delivery Volume [Volumen de Entrega]:** the Volume to be delivered by Transporter to User and to be received by User at the Delivery Point, provided that it may not exceed the Authorized Volume.

**Design Capacity [Capacidad de Diseño]:** the daily firm capacity for which the system was designed in order to transport the volumes of contracted Gas to their respective Delivery Points.

**Directives [Directivas]:** the general guidelines issued by the CRE such as principles, criteria and methodologies that regulate first hand sales, transportation, storage and gas distribution.

**Directive on Prices and Rates [Directiva sobre Precios y Tarifas]:** DIR-GAS-001-1996, the Directive on the Determination of Prices and Rates for Activities Regulated related to Natural Gas Matters, published by the CRE in the Daily Official Gazette on March 20, 1996 and any provision of a general nature that replaces it entirely or in part.

**Enlargement [Ampliación]:** the equipment, works and facilities that are added to the System in order to conduct a higher Volume of Natural Gas toward the same points of the System, without constructing new pipelines.

**Expansion [Extensión]:** an increase to the System that allows the Transportation of Natural Gas from new Receipt Points and/or toward new Delivery Points.

**Financial Guarantees [Garantías Financieras]:** the way in which User guarantees to Transporter the compliance of the obligations set forth under these General Conditions and the Service Agreement.

**Firm Transportation Service (FTS) [Servicio de Transporte en Base Firme (STF)]:** the transportation Service on a firm basis through the System, that is not subject to reductions and

interruptions, except for those provided in these General Conditions.

**Firm Transportation Service Agreement [*Contrato de Servicio de Transporte en Base Firme*]:** an Agreement for the provision of a transportation service on a firm basis (FTS) through the System.

**Gas or Natural Gas [*Gas o Gas Natural*]:** the mixture of hydrocarbons composed principally of methane.

**Gas Day [*Día de Gas*]:** a period of 24 hours that starts at 9:00 a.m. Mexico City Time.

**Gas Imbalance [*Desbalance de Gas*]:** the difference between (i) the Delivery Volume that User takes on any Gas Day at the Delivery Point specified in the Agreement; and (ii) the Receipt Volume that User delivers on any Gas Day to Transporter at the Receipt Point specified in the Agreement.

**General Conditions [*Condiciones Generales*]:** these General Conditions for the Provision of Natural Gas Transportation Service.

**Gigacalorie or Gcal [*Gigacaloría o Gcal*]:** one billion calories.

**GISB Standards (*Estándares GISB*):** the standardized business practices promulgated by the US Gas Industry Standards Board from time to time and incorporated in the US Code of Federal Regulations by the US Federal Energy Regulatory Commission.

**Governmental Authority [*Autoridad Gubernamental*]:** any judicial authority legislative or administrative of the United States of Mexico, either federal, local or municipal, including any legislative entity, ministry, tribunal, commission, institution or agency.

**Gross Caloric Value [*Poder Calorífico Bruto*]:** the energy produced by the complete combustion at a constant pressure of a Cubic Meter of dry Gas, as defined under the Mexican Official Standard NOM-001-SECRE-1997 “Quality of Natural Gas”.

**Interruptible Transportation Service (ITS) [*Servicio de Transporte en Base Interrumpible (STI)*]:** the transportation Service on an interruptible basis through Transporter’s System, subject to reductions and interruptions according to these General Conditions.

**Interruptible Transportation Service Agreement [*Contrato de Servicio de Transporte en Base Interrumpible*]:** an Agreement for the provision of a transportation service on an interruptible basis (ITS) through the System.

**Intraday Nomination [*Nominación Intra-día*]:** a nomination that is presented after the Gas Day begins. The intraday nomination will take effect immediately after the beginning of the Gas Day and can be presented up to the end of such Gas Day so that User can modify its original Nomination.

**Kpa [*Kpa*]:** measurement of absolute pressure expressed in kilopascals.

**List of Service Requests [*Lista de Solicitudes de Servicio*]:** the chronological list of the requests for transportation service submitted by User in a Contract Year.

**Maximum Daily Quantity or Reserved Capacity (MDQ) [*Cantidad Máxima Diaria*] (*CMD o Capacidad Reservada*):** the maximum Volume of Gas specified in the Agreement that Transporter shall be bound to transport on any Gas Day for the User's account to a Delivery Point specified in the Agreement.

**Mexican Official Norm (NOM) [*Norma Oficial Mexicana (NOM)*]:** the obligatory technical regulation issued by the competent authorities, according to the terms set forth under article 40 of the Standardization and Measuring Federal Act, which contains rules, specifications, faculties, directives, characteristics or provisions applicable to products, processes, installation, systems, activities, services or production and operation methods, as well as rules related to terminology, symbols, packing, trade and labels.

**Month [*Mes*]:** any calendar month.

**Month of Flow [*Mes de Gas*]:** the period that begins at 9:00 a.m. Mexico City Standard Time, on the first day of the Month, and that ends at 8:59 a.m. Mexico City Standard Time on the first day of the immediately succeeding calendar Month.

**Natural Gas Regulation [*Reglamento de Gas Natural*]:** the Natural Gas Regulation published in the Daily Official Gazette on November 8, 1995, including any amendment and any provision of a general nature, issued by an entitled authority, that replaces it entirely or in part.

**Nominations [*Nominaciones*]:** the delivery of information from User (or its designee) to Transporter indicating the quantity of Gas that User requires to be transported and delivered at a given Delivery Point, as well as the Gas Day or Gas Month when the Gas is required. The Nominations will have to be performed according to what is established in Section 12 "Nominations and Confirmations" of these General Conditions.

**NOM-001-SECRE-1997:** the Mexican Official Norm NOM-001-SECRE-1997, "Quality of Natural Gas" issued by decree in the Daily Official Gazette as of January 27, 1998, as amended from time to time.

**NOM-007-SECRE-1999:** the Mexican Official Norm NOM-007-SECRE-1997, "Transportation of Natural" issued by decree in the Daily Official Gazette as of February 4, 2000, as amended from time to time.

**Open Season [*Temporada Abierta*]:** a procedure that Transporter carries out in which Users submit FTS requests that Transporter will evaluate in order to distribute and/or assign Available Capacity among said requests, or to design an Enlargement or Extension of the System.

**Operative Flow Order [*Orden de Flujo Operativo u OFO*]:** the order issued by Transporter to limit the flow in the System to keep and restore the operative integrity of it, according to the terms set forth under Section 16 "Operative Flow Orders (OFO)" of these General Conditions.

**Overrun Quantities** [*Cantidades Excedentes*]: the Additional Authorized Quantity and the Unauthorized Overrun Quantities.

**Primary Delivery Point** [*Punto de Entrega Primario*]: the point or points at which Transporter delivers Natural Gas to User or for the latter's account, as set forth in the pertinent Agreement.

**Primary Path** [*Ruta Primaria*]: shall mean the most direct route on Transporter's system between the Primary Receipt Point and Primary Delivery Point. The direction of flow for such path shall be from the Primary Receipt Point to the Primary Delivery Point as indicated in the Agreement. A User's ability to change such Primary Receipt Points or Delivery Points or to add Secondary Receipt or Secondary Delivery Points shall require the authorization of Transporter and in no event will be authorized if such change will negatively impact existing levels of firm service or existing FTS Agreements between Transporter and any User or may negatively impact Transporter's ability to provide additional services to existing Users or potential Users.

**Rate** [*Tarifa*]: the charges approved by the CRE for each type and modality of services offered by the Permittee into its System.

**Rate Schedule** [*Lista de Tarifas*]: the list of rates approved by the CRE to Transporter.

**Receipt Point** [*Punto de Recepción*]: the point or points where User delivers Natural Gas to Transporter, according to the terms set forth under the applicable Agreement.

**Receipt Volume** [*Volumen de Recepción*]: the Volume to be delivered by User to Transporter for its transportation and to be received by Transporter at the Receipt Point specified in the Agreement, excluding the Transporter's Use.

**Releasing User** [*Usuario Cedente*]: the User who makes an offer to release capacity and enters into an agreement to release to a Replacement User its rights with respect to all or part of its Reserved Capacity.

**Replacement User or Assignee** [*Usuario Cesionario o Parte Substituta*]: a third party who acquires through an agreement, the rights with respect to all or part of the Reserved Capacity of a Releasing User.

**Reserved Capacity** [*Capacidad Reservada* ]: the Maximum Daily Quantity set forth under a Firm Transportation Service Agreement.

**Secondary Delivery Point** [*Punto de Entrega Secundario*]: the point or points at which Transporter delivers Natural Gas to User or for the latter's account, in addition to the Primary Delivery Point, provided that it is located into the User's Primary Path as set forth under the corresponding Agreement.

**Secondary Receipt Point** [*Punto de Recepción Secundario*]: the point or points at which User (or someone for the latter's account) delivers Natural Gas to Transporter for its transportation into the

System, in addition to the Primary Receipt Point, provided it is located into the User's Primary Path as set forth under the corresponding Agreement.

**Service Agreement (Agreement) [*Contrato de Servicio o Contrato*]:** the meeting of the minds between User and Transporter to render the transportation service through the System.

**Service Request [*Solicitud de Servicio*]:** the form by means of which User requests Transporter the execution of an Agreement.

**System or Transportation System [*Sistema o Sistema de Transporte*]:** the overall array of pipelines, compressors, regulators, meters and other equipment for the transportation of Natural Gas, that belong to Transporter.

**Transportation or Transportation Service [*Transporte o Servicio de Transporte*]:** the service rendered by Transporter according to these General Conditions, which includes the receipt, conduction and delivery of Gas through pipelines to persons that are not End Users located within a geographic zone, according to Article 28 of the Natural Gas Regulations.

**Transporter [*Transportista*]:** Kinder Morgan Gas Natural de México, S. de R.L. de C.V. holder of the permit to transport the Gas subject matter of these General Conditions.

**Transporter's Use [*Uso del Transportista*]:** the Gas Volume required by Transporter to operate the System, including without limitation, gas loss in the System under normal operation of the pipeline, which User will deliver at the Receipt Point in addition to the Receipt Volume.

**Unauthorized Overrun Quantities [*Cantidades Excedentes No Autorizadas*]:** the volumes of Gas that User takes exceeding the Maximum Daily Quantity in any Gas Day and such takes have not been authorized by Transporter, or if User takes Gas with no nomination.

**USA or United States [*EUA*]:** the United States of America.

**User [*Usuario*]:** the person who requests or uses the Transporter's services pursuant to these General Conditions.

**Use Charge [*Cargo por Uso*]:** the portion of the FTS rate aimed to recover the variable costs incurred in the provision of the Service, and the entirety of the ITS rate.

**Volume [*Volumen*]:** the quantity of Gas adjusted to the Gross Caloric Value when the possession of such gas is transferred.

**Working Day [*Día Hábil*]:** any day from Monday to Friday on which the credit institutions of the United Mexican States are open to the public.

**Year [*Año*]:** period of 365 consecutive days, on the understanding that the years having a 29th of February, shall consist of 366 consecutive days.

## **2. INTRODUCTION**

These General Conditions refer to the Natural Gas Transportation Services to be furnished by Transporter in the Transportation System.

## **3. MATERIAL SCOPE**

These General Conditions include the rates for the provision of Service, the terms and conditions for open access and the provision of the different services, the Transporter's and the User's rights and duties related to the System and the services, as well as the procedure for the resolution of disputes arising out of the provision of the services.

These General Conditions are applicable to all of the Services that Transporter provides or may provide in its System. These General Conditions and the GISB Standards shall be at the disposition of any User who requests them, at Transporter's offices and at the CRE offices.

### **3.1 Term**

These General Conditions form an integral part of the Natural Gas Transportation permit granted to Transporter by the CRE and shall be in effect from the notification of the awarding of the permit by the CRE, as they may be amended with prior CRE approval, and until the Natural Gas Transportation permit is revoked or ceases to be in effect.

### **3.2 Applicable Legal Provisions**

These General Conditions are issued pursuant to the Applicable Legal Provisions; therefore, they shall be amended according to such Applicable Legal Provisions, according to the Permit terms and conditions and to any other legal provision that may be applicable.

In case of contradiction between the Applicable Legal Provisions and these General Conditions, the first shall prevail.

In case of contradiction between these General Conditions and the Service Agreements, the first shall prevail.

### **3.3 Changes in the Law and Acts of Authority**

Any modification or amendment to the Applicable Legal Provisions shall imply the modification of these General Conditions, upon prior approval by the CRE.

### **3.4 Transporter's Address**

Transporter's address is as follows:

Kinder Morgan Gas Natural de Mexico, S. de R.L. de C.V.

Tecamachalco No. 35, Col. Lomas de Chapultepec, México, D. F. 11000

All notices, communications, service requests and complaints shall be received at this address. Unless otherwise provided for, all notifications, communications, service requests, lawsuits, invoices or payments among the parties shall be in writing and be sent by courier or be hand delivered to a representative of the other party or may be sent by fax, provided that simultaneously

an identical notification is sent by courier or hand delivered.

#### **4. AVAILABILITY OF TRANSPORTATION**

Subject to these General Conditions, every Gas Day in which User requests Service and it is authorized by Transporter according to these General Conditions, User will have to deliver to Transporter at the Receipt Point, a Gas Volume equal to the Receipt Volume plus the Transporter's Use, and Transporter will have to receive it. Additionally, Transporter, on behalf of User will receive at the Receipt Point, transport and deliver a Gas Volume equal to the Delivery Volume, and User will have to receive it.

Under no circumstance, Transporter will have the obligation to receive from User, at the Receipt Point, and deliver to User, at the Delivery Point, a Gas Volume higher than the Authorized Volume nor a quantity of gas lower than two percent (2%) of the Reserved Capacity, in order to avoid measuring problems related to small Volumes and overwhelming administrative charges.

##### **4.1 Provision of Firm Transportation Service**

The FTS consists of daily transportation of User's Gas, under firm basis, up to the Maximum Daily Quantity, from the Receipt Point to the Delivery Point set forth under the Agreement formalized between User and Transporter. User's Gas to be delivered may not exceed the Volume for the Maximum Daily Quantity specified under the Agreement plus the Transporter's Use.

User will have the right to request on a daily basis this Service during the term of the Agreement, according to Section 12 "Nominations and Confirmations" of these General Conditions. The FTS will not be subject to reductions or interruptions in the service, unless otherwise provided in these General Conditions.

Any Gas Day, a User of FTS may request Transportation of Additional Authorized Quantities provided it is set forth under the Agreement. Transporter will schedule such Additional Authorized Quantities provided that all the FTS Nominations of the corresponding Maximum Daily Quantity in any Gas Day will be scheduled with priority, and on an equal basis with ITS.

User will inform daily to Transporter about the Volumes to be transported, according to the Nomination Procedure set forth under Section 12 "Nominations and Confirmations" of these General Conditions and Transporter will schedule the FTS according to the provisions herein.

The FTS may be rendered by Transporter either at the Rate contained in Annex A, or according to a Contractual Rate. Annex C includes a model of the FTS Agreement.

##### **4.2 Eligibility for Capacity**

In order to be eligible for firm capacity, a party requesting service must be deemed credit-worthy per Section 6 "Credit-Worthiness" of these General Conditions and shall have to submit a valid request in accordance with the provisions contained under such Section.

##### **4.3 Interruptible Service**

ITS consist on daily transportation of User's Gas, from the Receipt Point to the Delivery Point set forth under the Agreement formalized between User and Transporter. User will have the right to

request daily this service during the term of the Agreement; however the Transporter's obligation to render the ITS will be subject to capacity availability for ITS. The ITS Service will be subject first to comply with the FTS Nominations, including any Nomination asking for Authorized Additional Quantities in any Gas Day. Transporter will have the right to reduce and interrupt the ITS when Transporter determines that the ITS will interfere or restrict the Transporter's capacity to carry out deliveries under the FTS.

User will have to inform daily Transporter about the Volumes to be transported, according to the Nomination Procedure set forth under Section 12 "Nominations and Confirmations" of these General Conditions and Transporter will schedule the ITS according to the provisions herein.

The ITS may be rendered by Transporter either at the Rate contained in Annex A, or according to a Contractual Rate. Annex C includes a model of the ITS Agreement.

The provisions of this Section shall be applicable to interruptible transportation service under Rate Schedule ITS.

#### **4.4 Transporter's Obligations; User's Rights.**

According to article 63 of the Natural Gas Regulations, Transporter will have to allow Users an open access and not unduly discriminatory to the System, according to the following:

- i) Open access and not unduly discriminatory will be limited to the Available Capacity of the System;
- ii) The Available Capacity will be the capacity not used effectively, and
- iii) The open access to the services will only be enforced by Users through signing an Agreement to provide Transportation Service, except to the provisions under article 69 of the Natural Gas Regulations, which states the User's faculty to assign the reserved capacity that it does not intend to use.

#### **4.5 Availability of the Firm and Interruptible Transportation System**

User will receive the Transportation Service according to these General Conditions, provided that User:

- a) formalizes with Transporter an Agreement;
- b) has available, at the moment of requesting the service, the capacity rights in the upstream and downstream facilities (as applicable) interconnected to the System at the Receipt Points and the Delivery Points set forth under the Agreement; such rights should be at least equal to the Volumes and to the type of service that User desires to contract, and enough to allow User to deliver Volumes to the System and to receive Volumes from the System; and
- c) has provided to Transporter the Financial Guarantees according to Section 6 "Credit-Worthiness" of these General Conditions.

#### **4.6 Enforceability of the Obligations**



Once the Agreement is signed, the User's Obligations including the obligation to pay Transporter all the applicable charges will be enforceable, except for the terms included under Section 27 "Act of God and Force Majeure" of these General Conditions.

## **5. QUALIFYING FOR SERVICE**

### **5.1 Procedure to formalize the Agreements**

The procedure to request the formalization of an Agreement to use Available Capacity is the following:

1. User will have to present to Transporter a Service Request Form according to the format contained under Annex B. Transporter will confirm User the receipt of that request and will inform User about any additional information within ten (10) Working Days following to the receipt of the Service Request Form.
2. In a period of thirty (30) days from the date that Transporter has received the Service Request or, if applicable any additional information required, Transporter shall notify User about the results of the feasibility evaluation to render the service requested according to the Maximum Daily Quantity requested and to the Available Capacity. If Transporter can render the service requested, the Transporter's notification will include an Agreement for the Service requested that will have to be signed by User and will inform to User about the requirements related to the Financial Guarantees, according to Section 6 "Credit-Worthiness" of these General Conditions.
3. Within the thirty (30) Working Days following the date that the Agreement is received by User, it will have:
  - a. to comply with the provisions set forth under Section 6 "Credit-Worthiness" of these General Conditions; and
  - b. to give back to Transporter the signed Agreement by User so that Transporter can sign it and to include the correspondent Financial Guarantees.
4. Transporter will review the User's Financial Guarantees in a period of thirty (30) Working Days after receiving them and, if they are acceptable to Transporter, Transporter will sign the Agreement.
5. If User does not return the Agreement signed with all the information requested in the term stated in paragraph 3 above, it will be understood that User refused the Agreement.
6. If Transporter denies to render the service for lack of Available Capacity it will have to prove the lack of such Capacity at the moment of denial. If any User considers that Transporter has made unduly a discrimination or preference, User may request the intervention of the CRE under the Natural Gas Regulation.
7. For the renewal of an Agreement, User will have to notify Transporter its desire to renew the Agreement with six (6) Months of anticipation before the termination of the

Agreement. Transporter will use the procedures set forth herein to evaluate the renewal of such Agreement.

Transporter will not provide service if there is not Available Capacity.

User shall not be entitled to receive new Transportation Service according to these General Conditions if User has not complied with its payments obligations to Transporter related to any charge, rate or fee authorized by CRE for Transportation Service; provided that if the amount not paid is reasonably disputed by User, User shall be entitled to receive a new Service or to continue receiving Transportation Service if User issues Financial Guarantees as required by Transporter.

In order to ensure fair and equitable treatment for all potential Users that desire to enter into Firm Transportation Service Agreements with Transporter, Transporter shall keep on file for one year a List of Service Requests.

Transporter shall evaluate every Service Request in accordance with the specifications of the service and the capacity requested and shall allocate the available capacity among the Service Request (s) that offer the highest net present value. In the event that one or more Service Request(s) offer an equal net present value, Transporter shall allocate the Available Capacity to the Service Request for FTS under the principle of “first time, first served”, pursuant to the List of Service Requests described in Section 5 “Qualifying for Service” of these General Conditions. Transporter shall offer said capacity in accordance with the chronological order (by date and time) in which the Service Request for FTS is received. If Available Capacity still exists within the System, the process shall be repeated for each subsequent Service Request.

## **5.2 Expansions or Enlargements of the Transportation System**

If Transporter determines that there is no capacity in the System to comply with a FTS request, Transporter will be obliged to extend or enlarge the System, upon a User’s request asking for FTS, provided that:

1. The service is technically and economically feasible according to the common standards of the Gas Industry, or the parties formalize a contract describing the way in which User will cover the cost of the Expansion or Enlargement;
2. The CRE approves previously the Expansion or Enlargement of the System;
3. The provisions set forth under Section 4 “Availability of Transportation” and 5 “Qualifying for Service” of these General Conditions are met, with regard to the service requested;
4. Transporter recovers the investment and a reasonable profit according to the applicable circumstances, by means of Rates, additional charges, User’s upfront payments or any other terms agreed with User.

The Agreement arising from an Expansion or Enlargement of the System shall state, in addition to the terms of the Agreement format contained in Annex B, the following:

1. A minimum term of five (5) years for the requested Service;
2. The Contractual Rates or the contributions, if applicable, that User will have to pay or provide to Transporter to allow the technical and economical feasibility of the project, and
3. The starting date to render the service.

With regard to any Expansion or Enlargement of the System, Transporter may request the additional Financial Guarantees described under Section 6 "Credit-Worthiness" of these General Conditions. The Financial Guarantees will have to be for an amount equivalent to eighteen (18) Months of Capacity Charge or Contractual Rate, as applicable, calculated according to the Maximum Daily Quantity requested and will have a term of at least twenty one (21) Months from the starting date to render the service.

To evaluate the technical and economical feasibility of an Expansion or Enlargement of the System, Transporter will evaluate if the facilities can effectively be used at a reasonable level during the useful life, and if the payments of the Capacity Charge will be made with no interruption.

To evaluate the future usage of an Expansion or Enlargement of the System, Transporter will analyze, among other issues:

1. If the Gas supply is enough to meet the demand;
2. If there are or there will be Gas Transportation Agreements consistent with the Expansion or Enlargement of the System, upstream and downstream to the System, and
3. If all the authorizations, licenses and permits required will be obtained before starting construction.

In order to analyze the continuity of the Capacity Charge payments, in addition to the information described under Section 6 "Credit-Worthiness" of these General Conditions and in the Service Request, Transporter may request User the following information:

1. Potential Gas consumption including the Gas supply agreements, charge profile and the projected User's requirements. The market information should be enough to justify a minimum term for operation of ten (10) years.
2. A copy of the three (3) last audited financial statements, description of the financial and legal characteristics of the User's business, as well as the financial-economical current value of the business;
3. The required information, if applicable, by the CRE and by the applicable legal provisions related to the construction of the facilities, and

4. Use of Gas projections in a monthly and daily basis, indicating the maximum flow and the average per Gas Day and hour, in the previous Year and the projections for the following year.

Transporter shall keep a file with all the requests for service that have not been met with the Available Capacity of the System, or through an Enlargement or Extension of the System. Transporter will initiate an Open Season procedure when there are requests for Firm Transportation that support the economical feasibility of the Enlargement or Extension of the System.

## **6. CREDIT-WORTHINESS**

Transporter shall not be required to render or to continue rendering Transportation service on behalf of any User who is or has become insolvent or who, after Transporter's request, fails to establish or confirm credit-worthiness.

In order to request Transportation service, User will have to prove that it is a credit worthy person, for that purpose, it will deliver to Transporter a copy of its last financial statements duly audited, as well as any other equivalent financial documentation issued every quarter; or User's credit-worthiness must be evidenced by at least a senior debt rating of BB+ or an equivalent rating. If the creditworthiness is proved with a debt rating qualification, it shall be determined by Standard and Poors or by any other US or Canadian debt rating service.

If User does not establish or maintain credit-worthiness as described above, User has the option of receiving transportation service under these General Conditions by providing to Transporter one of the following Financial Guarantees:

1. A performance bond (Fianza) accepted by Transporter and issued by a Bond Institution (Institución Afianzadora) authorized to operate in Mexico;
2. An Irrevocable Standby Letter of Credit issued and/or confirmed or notified by a Mexican credit institution which has been reviewed and accepted by Transporter;
3. Deposit;
4. Mortgage, commercial pledge or guarantee pledge granted by User or a third party, in terms that secure Transporter the compliance of User's obligations;
5. Written commitment from a third party assuming a jointly and several liability for the obligations to be agreed between User and Transporter, in terms that secure Transporter the compliance of User's obligations;
6. Other security acceptable to Transporter and/or its lenders.

When accepted by Transporter, it will be understood that User's obligation to provide Financial Guarantees has been complied with.

With regard to the acceptance of the financial institutions referred under paragraphs 1 and 2 of this

Section 6.1, Transporter may reject such institution for a valid cause expressing in writing the reasons for that refusal.

During the term of the Agreement, Transporter may request User to deliver a copy of the audited financial statements for the last three (3) Years in order to confirm the financial solvency of User.

If the User's credit worthiness diminishes during the term of the Agreement, Transporter may request new or additional Financial Guarantees in any of the forms above described, which will have to be delivered to Transporter within the following thirty (30) Days to the date User has received the written request from Transporter.

Except for the provisions stated under Section 5.2 "Expansions or Enlargement of the Transportation System" of these General Conditions, the Financial Guarantees for the FTS will have to cover the Capacity Charge or the Contractual Rate corresponding to twelve (12) Months of Service, calculated according to the Maximum Daily Quantity stated in the Agreement, plus the Use Charge of sixty (60) Gas Days, calculated according to the average use of the System.

The Financial Guarantees will have to be enforceable at least for three (3) additional Months following to the termination date of Service.

The Financial Guarantees for ITS will cover, at User's election, an advanced payment of three (3) Months of Use Charge, based on the Maximum Daily Quantity stated in the Agreement; or, any of the Financial Guarantees set forth in this Section for an amount equal to the total value of the requested Service, based on the Use Charge or the Contractual Rate, taking into account the Maximum Daily Quantity stated in the Agreement and the term of it. Once the Service is terminated, the Financial Guarantees will have to remain enforceable at least for three (3) additional Months following the termination date of Service.

## **7. INTERCONNECTION POLICY**

### **7.1 Interconnection to the Transportation System**

According to Art. 64 of the Natural Gas Regulation, Transporter will allow any entity to interconnect with its System, subject to the following conditions:

- a) The capacity for the requested service is available.
- b) The interconnection is technically viable, and
- c) User has complied with all the requirements to receive the Service according to these General Conditions.

The charges to provide connection, disconnection and reconnection services will be determined by Transporter, case by case, and will be paid by User that causes the expense from Transporter, or will be paid directly by User when it carries out the construction of the interconnection facilities. According to provision 8.5 of the Directives on Prices and Rates, Transporter and User will agree who will be the responsible party for the operation and maintenance of the facilities associated with

the User's connection to the System. According to provision 8.11 of Directives on Prices and Rates, the physical connection to the Transportation System within a distance of three (3) meters will be owned by Transporter, irrespectively of who pays the cost. The meters and facilities out of that three (3) meter distance will be owned by the party paying the cost.

Transporter will allow any entity to interconnect with its facilities on a non-discriminatory basis, subject to the following conditions:

- a) The proposed interconnection must be constructed according to the technical specifications of the System and will not adversely affect the Transporter's operations.
- b) The proposed interconnection and any resulting transportation must not diminish the service to existing Users.
- c) The proposed interconnection must not cause Transporter to be in violation of any applicable environmental or safety laws or regulations with respect to the facilities required to establish the interconnection.
- d) The proposed interconnection must not cause Transporter to be in violation of its right-of-way agreements or any other contractual obligations with respect to the interconnection facilities.

## **7.2 Operational Balancing Agreements.**

Transporter shall be obligated to allow the interconnection with other Transportation permit holders, pursuant to Article 64 of the Natural Gas Regulations and based on the principles of open access and no undue discrimination. Ownership of the interconnection between the transportation systems shall belong to Transporter, without detriment to other agreements which may be reached between other Transportation permit holders and Transporter. When the System and other Transportation systems are interconnected, Transporter and the Transportation permit holders of such systems may enter into an Operational Balancing Agreement (OBA). The OBA shall be an agreement between Transporter and other Transportation permit holders that shall specify the procedures for managing and correcting the gas imbalances that occur between two or more interconnected Transportation systems.

The OBA shall be negotiated between Transporter and other Transportation permit holders case by case, depending on the technical and operational characteristics of the interconnected Transportation systems. The OBA should describe all of the interconnection points existing between the Transportation systems regulated under such OBA, in order obtain efficiency in: operations; accounting for Gas; management of imbalances at any point or points, and in all the interconnected Transportation systems; an also, in order to protect Users from operative fluctuations beyond their control.

As to the interconnections between Transporter and other Transportation permit holders, the OBA shall include the agreements existing with regard to daily deliveries, as described under Section 12 "Nominations and Confirmations" of these General Conditions. The Transportation permit holders shall execute the OBA's pursuant to the applicable legal provisions indicated in this Section 7.2 .

The OBA's shall be incorporated as annexes to these General Conditions. The OBA may not limit Transporter's obligations or rights to adjust the receipts and deliveries of Natural Gas with respect to any Agreement in order to protect the integrity of the System.

The interconnections, as well as the metering effected under an OBA, must comply with Official Mexican Standards or, in the absence thereof, with the specifications set forth in the Transporter's permit title.

Without prejudice to admissible action, in the event of any dispute, the transporters that subscribe to an OBA may request the intervention of the CRE, pursuant to the provisions contained in Section 32 "Resolution of Disputes" of these General Conditions.

## **8. OPEN SEASON PROCEDURES**

### **8.1 Open Seasons**

At any time that Transporter deems it appropriate, or in any other moment that the CRE determines so, it shall carry out an Open Season in order to obtain new requests of FTS for the Enlargement or Expansion of the System and to allocate such capacity, or in order to obtain support for the System's expansion or extension.

### **8.2 Open Season Procedure:**

- a) The notice of Open Season shall be published at least in a newspaper with national circulation and in one of the major circulation daily newspapers in the regions in which the service is to be provided, and also in any other means that Transporter deems fit, at least 15 Days in advance of the start of the Open Season, which shall last not less than 10 Days;
- b) The notice shall indicate the start date and end date of the Open Season, the place at which the interested parties may submit their service requests, the minimum criteria (such as rates or term), and the procedure for the interested parties to obtain the Service Request;
- c) The criteria for evaluating the offers shall be published. The method established for awarding the capacity in case the Service Requests exceeds the projected capacity must be fair and non-discriminatory;
- d) Access to the System Capacity shall not be conditioned upon other services offered by Transporter or any of its affiliates or subsidiaries.
- e) In case of an Enlargement, Transporter and User may review the terms stated under the Agreements in force and will mutually agree upon the applicable modification.

### **8.3 Information that the Open Season documents must include**

- a) A description of the facilities and services that Transporter proposes;
- b) The expected cost of capital and the capacity of the facilities;
- c) A list of the Gas receipt and delivery points and the associated capacities available at each

- point;
- d) A description of any special services or conditions that may be applicable to the Users;
  - e) The rate foreseen for each type of service to be offered;
  - f) A calendar with the in service dates and other relevant dates;
  - g) A detailed description of the steps that a potential User must take in order to participate in the Open Season;
  - h) A detailed description of the mechanisms that Transporter will employ to allocate an/or assign capacity between Users.

#### **8.4 Capacity Allocation**

Transporter shall evaluate the Service Requests and shall allocate the Available Capacity and the capacity released, if any, among the Service Requests that offer the greatest net present value based on the Volume, term and Rate of each request, unless otherwise established in the Open Season.

In the event that one or more similar valid requests offer an equal net present value in that date, Transporter shall allocate the Available Capacity to the Service Request that was received first, according to the principle “first time, first served”. If Available Capacity remains in the System, the process shall be repeated for each subsequent request. Notwithstanding the foregoing, Transporter reserves the right to combine and/or select among requests for Service on a non-discriminatory basis, in order to obtain the highest net present value.

### **9. RATES**

The Rates will not be discriminatory and will not be subject to rendering other services. The methodology to calculate the Rates is described under the Directives on Prices and Rates. The Rates contained under Annex A were reviewed and approved by the CRE according to such Directive and to the provisions of the Natural Gas Regulations.

#### **9.1 Publication of Rates**

According to the provision 9.63 of the Directives on Prices and Rates, at least once a year Transporter will publish the complete list of Rates in the Official Gazette of the Federation and in the Official Gazettes of the States corresponding to the route of the System. The Rate list for the first Year of operation is contained under Annex A of these General Conditions.

According to provision 9.65 of the Directives on Prices and Rates, the Rates approved by the CRE will be published five (5) Days before entering in force. According to provision 9.66 of such Directive, the Rate modifications that do not have to be approved by the CRE will be previously presented to the CRE and published ten (10) Days before entering in force.

#### **9.2 Contractual Rates**

According to Section 3.29 and Chapter 11 of the Directive on Prices and Rates Transporter may agree with Users Contractual Rates in order to provide the Service under different conditions to



those set forth under these General Conditions. The Contractual Rates as well as the terms and conditions offered by Transporter may not be unduly discriminatory or conditioned upon the acquisition of other services.

According to Article 88 of the Natural Gas Regulation and to Section 11.5, paragraph II of the Directive on Prices and Rates, when Transporter has agreed with Users different Rates to the approved Rates, it will have to file before the CRE the agreements containing such Contractual Rate, and inform to the CRE every three months about the Contractual rates that have been implemented in the immediate prior period. As well, no later than one year after, Transporter will have to incorporate to these General Conditions the terms and conditions offered under such Contractual Rates; for that purpose, Transporter will request to the CRE, together with the registry of the corresponding Agreement, the applicable modification of these General Conditions, and will have to offer such terms and conditions to Users that desire to contract the service under the same conditions, type or modality.

The service under Contractual Rates may not affect the Firm service commitments agreed previously with Transporter. The Request for Service accepting Contractual Rates and other Terms and Conditions will not have higher priority than the Firm Request Services.

The Contractual Rates, in no event, will be lower than variable cost of the Service, that in this case is equal to the Use Charge stated under Annex A of this General Conditions.

### **9.3 Rates Adjustment**

Transporter will adjust the Rates periodically, according to the terms of article 86 of the Natural Gas Regulation, however, prior to the application of the new Rates, Transporter will have to submit them to the approval of the CRE according to the Directive on Price and Rates.

The new Rates approved by the CRE will be published in the Official Gazette of the Federation and in the Official Gazettes of the States corresponding to the route of the System.

## **10. USE OF CAPACITY**

It is not expected that the System will have a peak at the beginning.

A User that receives Gas through various types of services in one or more Delivery Points, shall receive the Authorized Volumes in the following priority:

- a) FTS Agreement ;
- b) Additional Authorized Quantities under FTS Agreement , and
- c) ITS Agreement.

If User takes Gas exceeding the Maximum Daily Quantity in any Gas Day and such takes have not been authorized by Transporter, or if User takes Gas with no nomination, such Volumes will be considered Unauthorized Overrun Quantities, and it will be considered that such Gas has been delivered subject to the last type of service used. For example, if a FTS User takes Unauthorized

Overrun Quantities, such Quantities will be considered as being delivered under FTS. In accordance with the above, User shall pay the Unauthorized Overrun Charge described in Section 12 “Nominations and Confirmations” and any applicable penalties for Gas Imbalances which are established in Section 13 “Penalties and Gas Imbalances” of these General Conditions.

### **11. PRIORITY OF SERVICE**

After confirming the Nominations, Transporter will schedule the receipts in the System and the deliveries to Users for the following Gas Day. Transporter will schedule the receipts and deliveries of Gas according to the following schedule priority (listed from higher to lower priority):

1. FTS within the Maximum Daily Quantity of the Agreement;
2. Authorized Additional Quantities for FTS and ITS in decreasing order starting with the highest Rate and ending with the lowest Rate. Such Volumes requested by different Users with the same Rates will be authorized before approving any Nomination related to the immediately lower Rate. If the Available Capacity in the system is not enough to render such Service to all the Volumes requested within the same Rate, the available service will be authorized in a proportional way among all the Nominations for that Rate.

Any cut will result in allocations of Available Capacity to the Services with the highest priority before the Services with the lowest priority. Unless otherwise stated, the schedule priority within the same category will be prorated.

### **12. NOMINATIONS AND CONFIRMATIONS**

#### **12.1 Nominations:**

##### **12.1.1. General**

- a) The format and the necessary information required for a nomination is shown on the Transportation Nomination Form attached as Exhibit A “Nominations” to these General Conditions. Each month, User shall furnish a monthly nomination. Nominations will not be carried forward from one month to the next unless nominated across months. Failure to renominate will result in an interruption of service, with no liability for Transporter.
- b) Once nominations are submitted and confirmed, they shall remain binding and in effect until the date specified on the nomination or the end of the month, unless changed per the provisions in paragraph A.3.
- c) Nominations must be submitted electronically or by fax to:

Kinder Morgan Gas Natural de México, S. de R.L. de C.V.  
Attn: Pipeline Scheduling Operations Department  
500 Dallas, Suite 1000  
Houston, TX 77002  
Fax: (713) 369-9375

- d) Nominations should be received by Transporter in accordance with Paragraphs A.2 and A.3. Transporter shall notify User in writing if a scheduler has been assigned to manage User's agreement, and all nominations shall be sent to that Scheduler. Any questions concerning the nomination procedure shall be directed to Transporter via the Pipeline Scheduling Operations Department at (713) 369-9271 or the Marketing Department at (713) 369-9270.

#### **12.1.2. Monthly Nominations**

If User desires to transport daily quantities of gas commencing on the first day of the month it should nominate electronically or furnish a fully completed Transportation Nomination Form no later than 11:30 a.m. US Central Standard Time (CST) on the last Mexican business day prior to the first day of such month.

#### **12.1.3. Daily Nomination and Changes**

User may submit daily nominations and/or changes on any Mexican business day. Such daily nominations shall be received no later than 11:30 a.m. CST on the last Mexican business day prior to the day gas is requested to commence flowing. Transporter shall use its best efforts to accommodate Intraday Nominations changes submitted by User. User should submit nomination changes whenever actual flows are expected to vary from the current nominated flow.

Any nominations received after the above stated Transportation submission deadlines of Paragraphs A.2 and A.3 may result in a delay of service.

#### **12.1.4. Required Changes**

If Transporter determines that the actual flows under a particular Transportation service agreement differ from the confirmed nominations and imbalances in excess of the limits established in Section 13 "Penalties and Gas Imbalances" of these General Conditions, then Transporter may require a prospective nomination change(s) (either receipt or delivery adjustments) from User, to correct such variance.

#### **12.2 Confirmations**

Transporter will use commercially reasonable efforts to have all nominations confirmed by 2:00 p.m. but in no event later than 3:30 p.m. CST on the last Mexican business day prior to the day gas is to flow. If confirmation cannot be given by 3:30 p.m. CST, the Parties will communicate in order to solve the problem impeding the confirmation. User will have the ability to set nomination priorities to rank cuts in supply or market.

#### **12.3 Unauthorized Overruns Quantities**

In cases where Gas is received for the account of Shipper into Transporter's System and such Gas has not been nominated and scheduled in accordance with this Section 12, Shipper shall have incurred an Unauthorized Overrun. The Unauthorized Overrun Rate shall apply to any of such volumes. The Unauthorized Overrun Rate shall be five times the base FTS rate. Transporter may waive totally or partially the Charges for Unauthorized Overrun Quantities.

### **13. PENALTIES AND GAS IMBALANCES**

### **13.1 Responsibility to balance the receipts and deliveries of Gas**

User will be liable to balance its injections and extractions at the Receipt and Delivery Points. On the other hand, in order to maintain the balance of the System, Transporter will only supply on behalf of User the Gas Volumes that Transporter has received from User, and may not accept more Gas Volumes on behalf of User at the Receipt Points than those that have been sent during any Gas Day.

Balancing of thermally equivalent quantities of gas received and delivered by Transporter shall be achieved as nearly as feasible on a daily basis, with any cumulative imbalance accounted for on a monthly basis. Correction of imbalances shall be the User's responsibility whether or not notified by Transporter at the time of occurrence of the imbalance. Correction of imbalances shall be scheduled with Transporter using the nomination process as soon as an imbalance is known to exist based on the best available current data. Nominations to correct imbalances shall have the lowest priority for scheduling purposes and shall be subject to the availability of capacity and other operational constraints for imbalance correction. If on any Day capacity is insufficient to schedule all imbalance nominations, all such nominations shall be prorated accordingly. To maintain the integrity of its System, Transporter shall have the right to balance any User's volumes as needed according to operative conditions..

If Gas Imbalances are not corrected, User shall be subject to the applicable charges and penalties stated under Section 13.3 of these General Conditions.

### **13.2 Corrections of non-intentional Imbalances**

The operative conditions may, occasionally, cause a temporary and not intentional Imbalance between the quantities of gas that Transporter receives and the quantities of Gas that User takes under the Agreement. User will have to include the compensation for those Imbalances into the daily Nominations so that they are compensated in the following Gas Day to the Day the Imbalances take place.

### **13.3 Cashout (Penalties)**

At the end of each month in which gas is received and delivered, or as soon thereafter as may be practical, Transporter shall provide User with a cumulative imbalance statement, setting forth any imbalance and the basis thereof, expressed in MMBtu. If at the end of any month, a User has a cumulative imbalance in either a long or short position, Transporter will have the right, to cash out the Gas Imbalance as follows:

Transporter and User shall select an index market price (Cash-out Index) and a group of factors applicable to such Cash-out Index, in order to determine the penalty cost. If Transporter and User do not reach an agreement as to the Cash-out Index, the Cash-out Index shall be the Houston Ship Channel Index for Large Packages, first of the month Inside FERC Gas Markets Report. If Transporter and User do not reach an agreement as to the group of factors, then, the applicable factors shall be those established under the Table shown below.

The cash out price shall reflect a price which is sufficiently higher than the Cashout Index for a Short Imbalance and sufficiently lower than the Cashout Index for a Long Imbalance (but in no

event more onerous than the factors reflected on the table set forth below) to provide User with an incentive to maintain deliveries and receipts in balance.

Short penalty means that Transporter will compensate to User the Gas Imbalance at a price stated for lack of gas. Long penalty means that Transporter will compensate to User the Gas Imbalance at a price stated for excess of gas.

**Short Penalty**

Percentage of Gas Imbalance	Penalty
<5 %	100% of the Gas Price Index
>5% but <10%	110% of the Gas Price Index
>10% but <15%	120% of the Gas Price Index
>15% but <20%	130% of the Gas Price Index
>20%	140% of the Gas Price Index

**Long Penalty**

Percentage of Gas Imbalance	Penalty
<5 %	100% of the Gas Price Index
>5% but <10%	90% of the Gas Price Index
>10% but <15%	80% of the Gas Price Index
>15% but <20%	70% of the Gas Price Index
>20%	60% of the Gas Price Index

The penalties payable by User for Imbalances are additional to any other charge that User has to pay to Transporter. Under no circumstance it will be understood that the payment for those penalties gives User the right to take Gas Volumes not authorized or to incur imbalances daily or recurrently. In such cases, in addition to charge such penalties, Transporter may exert the applicable legal actions against User according to applicable laws.

Notwithstanding the penalties provided on these General Conditions Transporter reserves the right to suspend the Service to User if such actual Delivery Volumes exceed the actual Receipt Volumes affecting adversely the integrity of the System. The suspension of the Service will not exempt User from its obligations to pay the Capacity Charges or the Contractual Rates, as applicable, according to the Agreement.

### **13.4 Hourly Balancing**

User's scheduled quantity up to their MDQ is assumed to be delivered evenly over the gas day. If a User's hourly usage is in excess of one twenty-fourth of their scheduled quantities, Transporter may issue an Operative Flow Order to User under Section 16 "Operative Flow Orders (OFO)" of these General Conditions; provided that Operative Flow Orders will not be issued in such circumstances unless the non-conforming hourly takes present safety hazard or deprive other FTS Users of service.

### **14. REDISTRIBUTION OF THE PENALTIES**

Pursuant to Section 9.34 of the Directive On Prices and Rates, at the end of the Contract Year, Transporter shall redistribute among Users with FTS Agreements, the amount that Transporter has collected during the Contract Year by reason of penalties, deducting the costs which Transporter has incurred in order to remedy the Unauthorized Amounts or Gas Imbalances. The amount to be redistributed to each User with FTS shall be proportional to the ratio that exists between the User's FTS Volume and the System Capacity. As an exception to the foregoing, the User who has been penalized by reason of Unauthorized Amount or Gas Imbalance shall not be entitled to redistribution of the penalty that said User has paid to Transporter.

If the System Capacity is not totally reserved, Transporter may withhold the income obtained from penalties in a proportional basis that corresponds to the unreserved capacity.

### **15. TEMPORARY RECEIPT AND DELIVERY POINTS**

Upon prior written request from User, Transporter may allow User to change provisionally the Receipt Point(s) and/or Delivery Point(s) under the applicable Agreement. The provisional change of the Receipt Point(s) and/or Delivery Point(s) once it is authorized by Transporter, will be in force for a minimum period of three (3) Months and will not exceed the remaining term of the Agreement.

User may request the approval of new provisional Receipt Points and/or Delivery Points, either for the total Maximum Daily Quantity stated in the Agreement or for any part of it. In case of a change in the Receipt Point or Delivery Point, all the other aspects of the service stated in the agreement and in these General Conditions will not be modified.

Transporter will evaluate the technical feasibility to modify the Receipt Point or the Delivery Point within the thirty (30) Days following to the date of reception of the User's request.

The Transportation Service in a provisional Receipt Point or Delivery Point, will be provided under the same Service condition than those stated initially in the Agreement, unless the modification of the Service to a provisional Receipt Point or Delivery Point requires specific conditions, which will have to be previously agreed upon by User and Transporter.

### **16. OPERATIVE FLOW ORDERS ("OFO")**

#### **16.1 Purpose of the OFO's**

Transporter, in its discretion, will have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of Transporter's Pipeline System. Additional circumstances under which Transporter may determine that OFOs may be issued include, but are not limited to:

- a) Responding to an event of Force Majeure;
- b) Ensuring current and future maintenance of line pack; and
- c) Accommodating maintenance and repairs.

Whenever possible, Transporter will identify those User(s) whose action(s) require Transporter to issue an OFO and will limit the applicability of the OFO to such User(s). If Transporter is unable to identify those User(s) whose action(s) require issuance of an OFO, or if issuance of an OFO to discrete User(s) is insufficient to alleviate the conditions requiring the issuance of such OFO, Transporter may issue an additional OFO applicable to all Users on a nondiscriminatory basis.

### **16.2 OFO Notices**

All OFOs will be communicated by a facsimile, written notice or other mutually agreeable means of Communication to affected Users that will set forth the causes or conditions necessitating the OFO. Transporter will issue an OFO as expeditiously as is reasonable and practicable in the circumstances. When practicable, Transporter will provide sufficient notice to customers to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:

- a) time and date of issuance;
- b) time that OFO is considered to be effective (if no time is specified, the OFO will be effective immediately);
- c) duration of the OFO (if not specified, the OFO will be effective until further notice);
- d) the party or parties receiving the OFO;
- e) the foreseen consequences of the event that caused the OFO over the capacity of the System; and the quantity of Gas required to remedy the operational condition requiring the issuance of the OFO; and
- f) any other term Transporter may reasonably require to ensure the effectiveness of the OFO.

Transporter will inform User(s) when any operational flow order in effect will be canceled.

### **16.3 Transporter's Rights related to OFOs**

At Transporter's discretion, and upon notice to the responsible User(s), Transporter shall have the right, but not the obligation, to take actions such as buying or selling Gas, to avoid or alleviate the causes or conditions which would necessitate the issuance of an OFO. If Transporter takes such actions to prevent the issuance of an OFO, Transporter shall be reimbursed by the responsible User(s) for all costs that Transporter incurs.

Except in cases where the curtailment of ITS service would not alleviate the causes or conditions necessitating the issuance of an OFO, Transporter will, where practicable, curtail ITS service prior

to issuing an OFO. Transporter shall not be required to curtail ITS Services to individual Users when curtailment of service to those Users would not affect the OFO.

Upon the issuance of an OFO by Transporter, it shall be incumbent upon User to adjust Gas supplies as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of User's service and cause User to incur a penalty of US\$25 plus the Cashout Index Price per Dth (described in Section 13.3 "Cashout (Penalties)" of these General Conditions) for all quantities in excess of that allowed under the OFO. The payment of unauthorized overrun penalties does not create the right to exceed the levels established by an OFO. In the event User does not respond to the OFO and Transporter believes it is necessary to take actions such as buying or selling gas to maintain system integrity or to prevent interrupting service to another User, Transporter shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If Transporter takes these actions, it shall be made whole by the non-responding User for all costs that Transporter incurs. Transporter shall not be liable for any costs incurred by any User/Operator in complying with an OFO.

Transporter will install flow control devices at all Primary Delivery Points or Secondary Delivery Points of User at User's expense. The flow control device will be under the control of Transporter. In the event User does not respond to the OFO and Transporter deems it is necessary, Transporter will have the right to operate the flow control device to limit or completely curtail the deliveries to User. Transporter shall not be liable for any costs incurred by any User/Operator, as a result of such actions.

Transporter shall not be responsible for any damages that result from any interruption in User's service that is a result of a User's failure to comply promptly and fully with an OFO and the non-complying User(s) shall indemnify Transporter against any claims of responsibility.

Notwithstanding the foregoing, when Gas supplies necessary to effectuate transportation deliveries are not flowing on the system, Transporter will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.

Where a nomination is required by the service provider to make an effective physical change necessary to comply with an Operational Flow Order, unless critical circumstances dictate otherwise, an Operational Flow Order penalty should not be assessed unless User is given the opportunity to correct the circumstance giving rise to the Operational Flow Order and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstance should include the opportunity to:

- a) make a nomination, which, once confirmed and scheduled would cure the circumstance giving rise to the Operational Flow Order, or
- b) take other appropriate action which cures the circumstance giving rise to the Operational Flow Order.

## **17. FUEL, LINE LOSS, AND OTHER UNACCOUNTED FOR GAS PERCENTAGES**



The effective fuel percentage under Rate Schedules FTS and ITS shall be, initially, 0 (zero). If, in the future Transporter shall add compression to the System then the effective fuel percentage shall be established prospectively based upon projected fuel usage by such compression.

Line loss shall be accounted for as a pass-through cost and shall be as set forth on the Applicable Rates (List of Tariffs) sheet of these General Terms and Conditions. All nominations shall include the currently applicable fuel percentage which shall be retained by Transporter, unless Transporter and Shipper agree to alternative compensation, on a basis which is not unduly discriminatory. Line loss shall be collected in the same manner as rates for service.

## **18. SYSTEM'S CAPACITY CURTAILMENTS AND INTERRUPTIONS**

In cases where Transporter needs to temporarily curtail or interrupt service to any User hereunder for the purpose of making planned alterations or repairs, Transporter shall give User as much notice as possible of the process so that each User's firm transportation requirements are taken into account in the planning process.

Transporter may partially or entirely interrupt the service according to these general Conditions in order to carry out the necessary maintenance of the System, but only to the extent such interruption is unavoidable according to prudent operation standards of the industry, and provided that Transporter gives Shippers at least forty-eight (48) hours advance written notice of each such interruption. Transporter shall be entitled to interrupt the service for no more than ten (10) Days in an specific event, and for no more than thirty (30) Days in any calendar year. Transporter shall provide Shipper by December 1 of each year with a projected annual maintenance schedule for the following calendar year. If the incident puts on risk the facilities safety, Transporter and User agree that the forty-eight (48) hour notice provision to carry out scheduled modifications or repairs shall be waived, and the thirty (30) days maximum interruption, as defined under this Section 18, shall be extended.

## **19. SUSPENSION, REDUCTION OR MODIFICATION DUE TO ACT OF GOD OR FORCE MAJEURE**

### **19.1 Suspension, restriction or modification without liability.**

Transporter shall incur no legal liability whatever for suspension of the Service, when this arises from:

- a) Act of God or Force Majeure;
- b) Defects in the User's facilities or improper operation of facilities of systems upstream and downstream to the System that are required so that User delivers and receives Gas from the System;
- c) Work necessary for the maintenance, expansion or modification of its works and facilities, subject to prior notice to Users;
- d) User's failure to fulfill its contractual obligations pursuant to its Agreement or to these General Conditions.

- e) An Operative Flow Order under Section 16 “Operative Flow Orders (OFO)” of these General Conditions.

Notwithstanding the above, in the Agreements the parties may state other causes to suspend the service without liability for Transporter.

### **19.2 Suspension, restriction or modification due to Act of God or Force Majeure.**

When due to an Act of God or Force Majeure Transporter is forced to suspend, restrict or modify the characteristics of the Transportation services provided, it shall make this known to Users by means of electronic media, telefax, notification, or by means of the mass communications media with major coverage in the localities, indicating the duration of the suspension, restriction or modification, the days and hours on which same shall occur and the areas affected.

When the suspension, restriction or modification of the characteristics of the Transportation Service is to last for longer than five (5) days, Transporter must submit to the CRE for its approval, the program that is to be applied in order to contend with the situation. Said program shall attempt to prevent the suspension, restriction or modification of the transportation Service from causing more than minor problems to Users.

### **19.3 Notice of suspension due to work**

When the suspension is due to maintenance, Expansion, Enlargement or planned modification of the System, Transporter must inform Users by means of electronic media, telefax, notification or by means of the mass communications media with major coverage in the localities, and through individual notification in the case of hospitals and industries, at least forty-eight (48) hours in advance of the start of the respective work, indicating the day, time and duration of the suspension of the service and the time at which it will be restored, and must clearly indicate the limits of the affected area. Failure to give notice shall give rise to liability incurred by Transporter, except for those cases where Transporter has issued an OFO according to Section 16 “Operative Flow Orders (OFO)” of these General Conditions. Transporter shall attempt to have the work referred to herein carried out at the times and on the days on which Gas consumption is low or when User’s facilities are also undergoing work, so as to affect Users as little as possible.

### **19.4 Suspension of service due to User default**

If any User fails to fulfill its obligations under the Agreement or these General Conditions, Transporter may suspend the contracted Service. For that purpose, Transporter shall send a prior notice to User, indicating the non-compliance and stating Transporter’s intention to suspend the contracted Service. The non-complying User shall have thirty (30) Working Days or such other period as shall be negotiated by the parties, commencing as of the date of receipt of the notification, either to present to Transporter the reasons explaining that there has not been a default, or to remedy the cause or causes indicated therein.

In case that: (a) Transporters considers that the reason argued by User with regard to the non existence of a default are acceptable; (b) User cures the default within the period above described; and (c) if there is a default, User pays Transporter for any liabilities arising from the default according to these General Conditions and to the Agreement, Transporter will cancel the notification

for suspension of the Transportation Service. Otherwise, Transporter may (i) at its discretion, grant an additional term to cure the default, or (ii) suspend the Service and terminate the Agreement without need of a judicial declaration.

If Transporter notifies User of an event of default and during the last twelve (12) Months User has being notified of another for the same obligation or a substantially similar obligation, Transporter will not have to give User the opportunity to cure or eliminate such default, and Transporter, at its sole discretion will have the right to terminate the Agreement within the seven (7) Days after sending the default notification.

The termination of an Agreement pursuant to the provisions of the present Section shall be effected without detriment to the Transporter's right to collect the amounts owing plus interest earned up to the time of their payment at the rate stated under Section 25.4 "Interest on Unpaid Amounts" of these General Conditions, for services provided or Gas delivered to the date of termination, and to the User's right to receive any amounts of Gas that may be pending delivery and whose value it has paid before the date of termination. The termination of an Agreement does not imply a waiving of the actions available to Transporter by reason of the non-compliance with the Agreement.

#### **19.5 Reimbursement for suspension or failure in the Service**

In case of suspension of the Service or failure to deliver the quantity of Gas under the confirmed and scheduled Nomination for reason different to those described under this Section 19 and Section 16 "Operative Flow Orders (OFO)" of these General Conditions which are attributable to Transporter, Transporter shall reimburse User when it issues the invoice for the Month in which the service was not rendered, an amount equal to five times the import for the Service that would have been available if suspension had not occurred and that User had had to pay. To calculate such amount it will be taken into account the consumption and the Rate of the previous invoice. This reimbursement will be in addition to any of the remedy granted to User according to the Agreement.

#### **19.6 Priority in the suspension or Reduction of the services**

The ITS and Additional Authorized Quantities shall be the first services to be suspended or reduced, and only after the FTS.

### **20. NOTICE OF CHANGES IN OPERATING CONDITIONS**

Transporter and User shall each ensure that the other is notified from time to time as necessary of expected changes in the rates of delivery or receipt of gas, or in the pressures or other operating conditions, and the reason for such expected changes, so that they may be accommodated when they occur.

### **21. ASSIGNMENT OF RESERVED CAPACITY**

Pursuant to Article 69 of the Natural Gas Regulations, Users may assign, either directly or through an authorization granted by Transporter for that purpose, its rights regarding Reserved Capacity under the Agreement. This Section describes the procedure to assign Capacity.

User may temporarily or permanently assign its rights and duties under the Agreement to a third party, provided that Transporter consents to the assignment, on the understanding that Transporter may deny or withhold its consent for justified cause. The fact that the Assignee fails to comply with

the Financial Guarantees set forth in these General Conditions constitutes a valid justified cause for Transporter to deny its consent with respect to the assignment.

Except from a permanent assignment of Reserved Capacity, the Releasing User will be jointly and severally liable before Transporter, together with the Replacement User, with regard to the obligations that may arise from the exertion of the assigned rights. The permanent assignment of Reserved Capacity will be formalized under a new Agreement with the Replacement User, according to Section 21.6 of these General Conditions.

### **21.1 General Provisions**

The Releasing User may release capacity only under the terms and the conditions set forth in this Section.

The capacity that may be released under this Section shall not be greater than the capacity under the FTS Agreement that the Releasing User has entered into with Transporter, whenever such capacity rights had not been previously released by the Releasing User. The capacity can be released in a segmented form to more than one Replacement User and the Releasing User may maintain a part of its Maximum Daily Quantity.

The term during which the capacity can be released under this Section shall not be less than one day or more than the remaining term of the FTS Agreement that the Releasing User has entered into with Transporter.

The Releasing User shall have to comply with all the requirements of these General Conditions, including those related to Financial Guarantees, before the beginning of the Transportation Service. Rights of the Replacement User under the releasing and assignment of the Capacity will not be higher than those of the Replacement User.

In the event that the Replacement User fails to comply with its obligations to Transporter, Transporter shall immediately notify the Releasing User of said non-compliance. In such case, the Releasing User may terminate the release giving twenty-four (24) hour advance notification.

Transporter may directly demand the Replacement User to fulfill its obligations pending fulfillment. After Transporter has made reasonable efforts to get the Replacement User to comply with its obligations arising out of the Agreement, Transporter may demand that the Releasing User pay the Capacity Charges that are pending, and the Releasing User is so obligated.

Transporter may receive a marketing fee if the Releasing User requests Transporter to actively market the capacity; said fee shall be negotiated between Transporter and the Releasing User and shall be billed separately to the Releasing User.

The Replacement User must comply with all of the requirements of these General Conditions, including those relative to Financial Guarantees, prior to the start of the transportation Service. The Replacement User's rights under the release and assignment of capacity shall not be greater than those of the Releasing User.

The release and assignment of capacity under this Section does not exempt the Releasing User from its obligations under its FTS Agreement, which shall remain in full force and without modifications, just as though the Releasing User had never entered into the Release Agreement with the Replacement User, except for the following:

- a) The Releasing User shall not be entitled to the Transportation capacity described in its FTS Agreement that has been released during the term of the assignment.
- b) The Releasing User shall be liable to Transporter for all of the pending Capacity Charge payments by the Replacement User.

Except in the case of a permanent assignment of the Reserved Capacity, Releasing User will continue to be jointly and severally liable before Transporter, together with the Replacement User, regarding those obligations that can result because of the exertion of the rights assigned.

### **21.2 Information that must be furnished**

To carry out an assignment of capacity, the Releasing User must provide Transporter with the following information in writing, by electronic means, telefax or notification:

- a) Name and address of the Releasing User, name, telephone and telefax numbers of the person responsible for the operation. It must provide the same information with respect to the Replacement User.
- b) The Volume of the Releasing User's capacity that is to be released and assigned.
- c) The term of the release and assignment of the Releasing User's Capacity, including the start and end dates of said assignment.
- d) The Receipt Point and the Delivery point of the capacity that is to be released by the Releasing User.
- e) The Charge for Capacity and Use Charge or the Contractual Rate of the FTS Agreement rate to be charged to the Replacement User.
- f) The necessary information to valid the financial capacity of the Replacement User to comply with the assignment, information that will be in any of the forms identified in Section 6 "Credit-Worthiness" of these General Conditions, and;
- g) All other terms and conditions for the assignment of the proposed Capacity.

Transporter shall review the Replacement User's Financial Guarantees and if same comply with the requirements set forth in these General Conditions, Transporter shall enter into an Agreement with the Replacement User and shall effect the release of the capacity after the Replacement User has complied with all of the requirements of Section 6 "Credit-Worthiness" of these General Conditions. These requirements must be fulfilled prior to the start of service.

### **21.3 Assignment Procedures through Transporter**

The assignment of reserved capacity affected through Transporter shall be considered as a business arrangement. For such purpose, it shall be understood that Transporter and User acquire the rights and duties of agent and owner, respectively, contained in Book Four, Title One, Chapter IV of the Federal Civil Code. Pursuant to the foregoing, it shall be understood that Transporter, upon acting as agent, does so in accord with the User's interests, applying the diligence and effort that it would give to its own business and carrying out the administration as though the matter were its own.

Any User wishing to assign part or all of its reserved capacity through Transporter must notify the latter in writing, stating the amount of reserved capacity to be assigned and the terms and conditions for execution of said assignment. The notice of assignment of reserved capacity shall constitute a unilateral declaration by User, provided that it shall contain the conditions under which User agrees to assign part or all of its reserved Capacity.

The terms and conditions set forth by User for assignment of the reserved capacity must be objective, non-discriminatory and capable of being applied in practice. These terms and conditions must establish, at least, whether the assignment of reserved capacity is to be permanent or temporary, whether the Releasing User may or may not revoke said assignment and the conditions under which it may be revoked.

The notice of assignment of reserved capacity must contain the following information:

- a) Name, address, telephone number, Agreement number, and contact person;
- b) The reserved capacity that is intended to be assigned;
- c) The rate contracted for the reserved capacity that is intended to be assigned;
- d) The minimum rate at which the Releasing User is willing to assign the reserved capacity;
- e) Whether the assignment is temporary or permanent and, as the case may be, the period during which it is intended to assign the reserved capacity temporarily;
- f) Whether the assignment is revocable or irrevocable and, as the case may be, the terms and conditions for revoking the assignment;
- g) The Receipt and Delivery Points applicable to the Releasing User's Agreement;
- h) The methods to be employed by Transporter to evaluate the offers for assigning the reserved capacity; and
- i) The method to be employed by Transporter in order to decide between offers that are equal to one another [in a tie].

Transporter shall publish the notice of assignment of reserved capacity during the five (5) Working Days following receipt thereof. Transporter shall receive proposals for that reserved capacity during the ten (10) Working Days following publication of the notice. Said proposals shall be received in writing at the Transporter's office or by fax.

The proposals received shall signify a unilateral declaration of willingness to acquire the rights to utilize the reserved capacity and shall obligate the offering parties to acquire it pursuant to the terms and conditions set forth in the publication of the notice. The offering parties may not submit more than one proposal in relation to the same reserved capacity and may not withdraw their initial proposal during the period for submission of proposals. In the event that an offering party withdraws its proposal, it may not submit a new offer at a lower rate.

Transporter shall determine the winning proposal according to the methods set forth in the Releasing User's notice, notifying the Releasing User and the Replacement User of the results of the procedure and shall publish this result in its information system within the following five (5) Working Days.

The Releasing User and the Replacement User shall execute a temporary or permanent assignment of capacity agreement (as the case may be). The Releasing User and the Replacement User shall advise Transporter of the execution of said assignment and shall deliver a copy of such assignment to Transporter.

#### **21.4 Rates for the assignment of Capacity**

The rate agreed upon between the Releasing User and the Replacement User in the reserved capacity assignment agreement may be higher than, equal to or lower than that which is set forth in the Agreement between Transporter and the Releasing User.

If the Rate agreed between the Releasing User and the Replacement User is lower than the specified in the FTS Agreement of the Releasing User with Transporter, the Releasing User will pay to Transporter the difference between both Rates.

If the Rate agreed between the Releasing User and the Replacement User is higher than the specified in the FTS Agreement of the Releasing User with Transporter, Transporter will charge the service to the Replacement User based in the first agreed Rate between the Releasing User and Transporter. In this case, the Releasing User will have to agree with the Replacement User how the Replacement User will pay him the difference between both Rates.

#### **21.5 Anticipated Termination of the Assignment**

If prior to the scheduled termination of a temporary assignment a Releasing Party recovers the Reserved Capacity, it shall notify such event to Transporter as soon as possible, on the understanding that Transporter still providing the service to the Replacement User until it receives notice of the recover of the Reserved Capacity. The Reserved Capacity recover notice shall have to include the causes which originate such recovery. If such causes had been anticipated in the Contract of Reserved Capacity Assignment, the Releasing User and the Replacement User shall have to sign the notification stating that the Reserved Capacity has been recovered.

#### **21.6 Permanent Assignment of the Reserved Capacity**

In case of permanent assignments, the Releasing User and the Replacement User can request to Transporter to celebrate a new contract with the Replacement User for the Reserved Capacity under the assignment. For this, the Replacement User shall have to present to Transporter the required information to request the FTS as specified in Section 5 “Qualifying for Service” of these General Conditions, and Transporter shall have to evaluate such request in accordance to the dispositions of this document. Transporter can accept the request even there is not Available Capacity in the System or there are pending requests. If Transporter refuses to sign a new contract with the Replacement User, the assignment for Reserved Capacity between the Releasing User and the Replacement User will not be voided.

The contract between Transporter and the Replacement User will show the agreed Rate between the Releasing User and the Replacement User in the assignment of the Reserved Capacity. The remaining terms and conditions will be the same of the current Agreement between the Releasing User and Transporter, unless otherwise agreed between Transporter and Replacement User.

When Transporter and Replacement User sign a new Agreement, with a higher or equal Rate to the one established in the Agreement between Releasing User and Transporter, Releasing User will remain free from any responsibility or benefit regarding the assigned portion of the Reserved Capacity.

#### **21.7 Billing and Payment**

The services provided to the Replacement User shall be billed directly to same and must be paid by same according to the terms of these General Conditions. For the purposes of this billing, Transporter must use the rate in effect pursuant to that which is agreed upon in the pertinent Agreement between Transporter and the Releasing User.

When the Replacement User fails to comply with its obligation to pay, Transporter shall inform the Releasing User and the latter must make effective the Financial Guarantees of the Assignee, provided that the Assignee will have to make the payment of any amount not covered with such Financial Guarantees within the five (5) following days. Having exhausted the procedure without the debt being covered by the Releasing User or the Replacement User, Transporter shall have the right to interrupt the transportation Service to the Releasing User and/or to the Replacement User, in relation to the assigned capacity, pursuant to the terms of these General Conditions.

Except in case of definitive and irrevocable assignment, with a rate equal to or higher than that which is set forth in the Agreement between the Releasing User and Transporter, Transporter shall continue to bill the Releasing User. For this billing, Transporter shall apply the rate initially agreed upon between Transporter and the Releasing User. Said invoices must reflect the crediting of the payments made by the Replacement User in the amount set forth in the rate agreed upon between Transporter and the Releasing User.

#### **21.8 Irregular Assignments**

Assignments made in violation of the stipulations of the present Section shall not be accepted by Transporter.

### **22. QUALITY OF GAS**



### **22.1 Quality**

The Gas that User shall deliver to the Transportation System must comply with the provisions of Official Mexican Standard NOM-001-SECRE-1997, and with the provisions of any standard which modifies or replaces same in the future.

The Gas that shall be delivered under this Agreement shall be Natural Gas, on the understanding that any content of helium, natural gasoline, butane, propane and any other hydrocarbon, except methane, may be extracted prior to its delivery. Transporter may submit the Natural Gas to processes of compression, cooling, cleansing and other similar processes.

Transporter will have the right in any moment to mix the Gas owned by User with the Gas owned by other Users in the System, but it will be obligated to deliver Gas according to the specifications contained in the NOM mentioned in the first paragraph of this Section.

### **22.2 Heat Value**

The minimum Gross Caloric Value of Gas to be received and delivered by Transporter shall comply with the minimum specified in the Mexican Standard NOM-001-SECRE-1997, and from any Standard that modifies or replace it.

If User delivers Gas to Transporter with such caloric value and the Gross Caloric Value of the Gas delivered by Transporter during any Month is less than the minimum permitted, User shall have the option of rejecting said Gas. The rejection of the Gas by User, shall not exempt the latter from fulfillment of its obligations to pay the Charge for Capacity or the Contractual Rate, as applicable, acquired by means of the Agreement if the diminishment in the quality of the Gas is not directly imputable to Transporter.

### **22.3 Non compliance with the Specifications relative to the Quality of the Gas**

If the Gas received by Transporter from User in the Receipt Point does not comply at some moment with the specifications of this Section, Transporter will notify such deficiency to User and may at its discretion, refuse to accept the delivery until User corrects such deficiency. If User does not correct promptly the deficiency to comply with this Section, Transporter may accept the Gas whenever User indemnifies to Transporter for the damages and costs, if any, that Transporter proves to be the result of the Gas deliveries out of specifications. In case that User delivers Gas that does not accomplish with the specifications of this Section and Transporter accepts and transport such Gas to the Delivery Point, User shall receive such Gas and Transporter will not be penalized for delivering Gas that does not accomplish with the specifications.

### **22.4 Pressure**

Based on dispositions of the Laws and Mexican Official Norms, the Gas delivered to Transporter by User at the Receipt Point shall be performed on a necessary pressure in order to reach the existent operation pressure in the Transportation System in such Receipt Point, as well as the necessary pressure to reach the delivery in the same Delivery Point, but never in a higher pressure than the maximum pressure allowed in the System in such Delivery Point.

Transporter shall have the right to refuse the deliveries of Gas in the Receipt Points that do not accomplish the foregoing; in such case, User will still be obligated to pay the Capacity Charge, in spite of not transporting the Gas. Transporter shall not be obligated to render the service of additional compression to perform such deliveries to User or on behalf of it.

Notwithstanding the above, if a determined User has special pressure requirements in a Delivery Point, Transporter and the corresponding User can negotiate in the Agreement, the form and terms to obtain such special pressure. If any User requires that the Gas be transported in a higher pressure than the maximum or lower than the minimum, the associated costs will be determined by Transporter and will be paid by User. If Transporter intends to deliver gas below the agreed pressure, Shipper shall have the right to reject such gas delivered below the agreed pressure in which case Shipper will not pay Transporter for the Capacity Charge and Usage Charge for such gas and Transporter will pay the amount set forth for interruption of service, according to Section 19.5 “Reimbursement for suspension or failure in the Service”, or, if Shipper accepts the gas at the lower pressure, Shipper agrees to pay the Transportation fees set forth under these General Conditions.

## **23. MEASURING**

### **23.1 Measuring Equipment**

Unless Transporter agrees otherwise, all gas volume measuring equipment, devices and materials at the point(s) of receipt and/or delivery shall be furnished and installed by Transporter at User's expense including applicable taxes.

All meters and other metering equipment that are used to determine the Gross Caloric Value and/or relative density of the Gas must fulfill the requirements of the Official Mexican Standards in effect and the Federal Law of Metrology and Normalization.

Meters shall have the capability of real-time transmission of data to Transporter. User may install and operate check measuring equipment provided it does not interfere with the use of Transporter's equipment.

The Gas temperature will be determined in the measuring points using a “termopar” duly installed or an electric “transductor” of continuous entry. The arithmetic average of the temperatures for each Day will be used to calculate the Gas Volume during such day, when it is used the conventional graphic method. When electronic measurement is used, the actual temperature will be calculated as the media for the data determined by the electronic computer.

Installation of all the equipment that affect or are related with the gas deliveries will allow to determined with precision the delivered Gas quantity and easily verify the precision of the registered readings. Both parties will act with responsibility when installing, maintaining and operating the precision regulating equipment. In order to avoid any imprecision in determining the delivered Gas Volumes under this Agreement.

#### **23.1.1 Testing Meter Equipment**

The accuracy of either the Transporter's or User's measuring equipment shall be verified by test, using means and methods acceptable to the other party, at intervals mutually agreed upon. Notice of

the time and nature of each test shall be given by the entity conducting the test to the other entity sufficiently in advance to permit convenient arrangement for the presence of the representative of the other entity. If, after notice, the other entity fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test.

If any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. All tests of such measuring equipment shall be made at the expense of the entity conducting the same, except that the other entity shall bear the expense of tests made at its request, in the event of a challenge, if the inaccuracy is found to be two percent (2%) or less.

### **23.1.2 Correction and Adjustment**

If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, the lesser of one-half (1/2) of the elapsed time since the last test and six months from the production month with a three-month rebuttal period, provided, however, that this limitation shall not apply in the case of a deliberate omission or misrepresentation or mutual mistake of fact.

The parties' other statutory or contractual rights shall not otherwise be diminished by this limitation. If the measuring equipment is out-of-service, the volume of gas delivered during such period shall be determined by using the data recorded by any check measuring equipment accurately registering.

### **23.2 Units and measuring base conditions**

The base conditions for volumetric measurement will be 20 centigrade degrees (20 °C) and 1 kg/cm<sup>2</sup> of absolute pressure.

For measurement purposes, the atmospheric pressure will be the barometric pressure calculated in accordance to the altitude in the measurement point.

The determination of the Gross Caloric Value and the specific gravity of Gas in the measurement points will be performed with Gas chromatographs or calorimeters and “gravity-meters”, respectively. If a device of Gas testing for continuous samples, the calibration will be performed at least once in a Month. Such determinations will be considered as the Gross Caloric Value and the specific gravity of all the delivered Gas during the corresponding Month of Flow. The Gross Caloric Value and the specific gravity determined in specific points of samples, will be used to calculate the Gas Volume delivered for the Gas Day in which the testing is performed, as well as for the subsequent Gas Days until the next determinations perform.

### **23.3 Measuring Period**

The measuring period will be equivalent to a Gas Day.

### **23.4 Metering**

The gas shall be metered by one or more orifice, turbine, ultrasonic displacement or other-type meters, at the discretion of Transporter.

The Gas will be measured in accordance to the last reports of the Gas Measurement Manuals, Parts 3, 5, 7, 8 and 9, of the American Gas Association (AGA).

If in any time during the term of these General Conditions, new methods or techniques are developed with regard to measurement or to the determination of the used factors in such Gas measurement, then such methods or techniques can replace to those established in this Section, whenever such methods or techniques are consistent with the accepted standards by the AGA and the replacement is previously agreed by the CRE and/or any other authority with jurisdiction.

### **23.5 Samples Testing**

Transporter will install equipment for Gas analysis, as example, a gas chromatograph, in all the Receipt Point of Gas (with the exception of the Receipt Point at the International Boundary) and in some specific Delivery Points to assure that the Gas received in the System and delivered to User complies with the specifications determined in Section 22 “Quality of Gas” of these General Conditions.

In the places mentioned above also it will be installed a Gas testing samples device. In case that the chromatograph or other equipment analysis fail, samples of Gas will be available for its analysis by other methods.

### **23.6 Special verification of the measuring equipment**

User can install, maintain and operate, at it cost, the desired verification measurement equipment, whenever its installation is performed without interfering with the performance of Transporter measurement equipment.

### **23.7 Corrections of measurements**

When User believes that the measurement equipment of Transporter does not measure with the pre-established precision, it may require that Transporter verifies the precision of its measurement equipment in accordance to Section 23.10 “Calibration and Testing of the Measuring Equipment” of these General Conditions.

### **23.8 Errors in measurement**

In case that a measurement equipment is out of service or performs measurements without the required precision, in accordance to the errors margins indicated in Section 23.10 “Calibration and Testing of the Measuring Equipment” of these General Conditions, the delivered Gas Volume will be calculated using the most objective methods. Such methods will include but no limited to:

- a) Mathematical calculations and comparisons, including the relation prevailing with a measurer connected in parallel with the measurement equipment in doubt, which will measure with the required precision;
- b) The use of User’s measuring equipment, and
- c) Comparisons with the measures resulting from similar deliveries in which the measuring equipment work correctly.

### 23.9 Records of measurements

Transporter and User shall have to keep all the measures data and the testing registers at least during a period of three (3) Years. The electronic information will be considered as authentic prove.

### 23.10 Calibration and testing of the measuring equipment

The measuring equipment precision will be proved by Transporter at least once a Year and if it is requested, Transporter will perform it with the presence of User's representatives, but it will not be required to Transporter to verify the precision of such equipment more than once in a period of six (6) Months. In case that any part notifies to the other its desire to perform a special test in any measuring equipment, the parties will cooperate to assure the soonest verification of such equipment precision. The cost of any special test, if it is request by User, will be charged to User if is found that the error margin exceeds the limits establish here in below:

- a) Two percent (2%) in the case of measuring equipment used to determine the Volume;
- b) One percent (1%) in any instrument used to determine the relative density, and
- c) Zero point five hundred and fifty-six percent (0.556%) in any instrument used to determine the Gross Caloric Value.

If when performing the verification, it is proved that any of the measuring equipment present an error margin lower to the specified limits above mentioned, the registered readings for such equipment will be considered as precise for the calculations of Gas delivery or receipts, but such equipment will be immediately adjusted in order that in the future its readings are in accordance with the calibrations performed in such moment.

If according to the last verifications, it is determined that:

- a) Any of the used equipment to measure Volumes is imprecise in a margin higher than two percent (2%) over the reading corresponding to the average of the hourly rate of flow in such period, and/or
- b) Any of the used instruments to determine the relative density of Gas is imprecise for a margin higher than one percent (1%), and/or
- c) Any of the used instruments to determine the Gross Caloric Value of Gas is imprecise for a margin higher than zero point five hundred and fifty-six percent (0.556%);

then the above readings of the equipment or from the measurement instruments used for the determination of the relative Density or the Gross Caloric Value, as may be the case, will be adjusted to a new calibration for any period clearly known, but in the case that the exact duration of the period is not known or if an agreement between the parties is not possible regarding the period in which the adjustment will be applied, this will be applied in a period that covers at least fifty percent (50%) of the time elapsed since the last verification.

Notwithstanding the above, when Transporter and User agree that there was an imprecision in the equipment, and they agree the exact period in which such imprecision occurred, the Volume will be adjusted, even if the imprecision is lower than the specified limits described in subsections (1), (2) and (3) above.

If Transporter does not calibrate the measuring equipment at least once in a year and it is determined that such equipment has an error above the limits specified in this Section, Transporter shall be liable for such imprecision in the measuring equipment.

### **23.11 Ownership of the measuring equipment**

The installed measurement equipment by any of the parties is and will be at any time property of the party that installed it, as well as any work performed by such party for its installation. .

Transporter and User, having being duly notified by the other party, will have the right that its representatives are present during any installation, reading, cleaning, change, reparation, inspection, verification, calibration or adjustment related with the measurement equipment of the other party, if such equipment is use to measure or verify the measurement of the delivered Gas under this contract. The registration of such measurement equipment will be property of its owner but under request of the other party, this one will provide to the other, for its inspection and verification with any calculation arising of the same, under condition that such registration are delivered back within the ten (10) following Days of its reception.

If as a result of the adjustment to the measurements its results necessary adjust differences between billed and measured, User will pay Transporter the quantities that he had had to pay and that he did not pay due the non-precision in the measurement, or, Transporter will reimburse the excesses quantities paid by User due the non-precision of the measurement..

### **23.12 Specific Gravity**

The specific gravity of the gas delivered hereunder shall be determined from the read-outs of continuously operating measuring instruments. The method shall consist of one of the following:

- a) gravitometer
- b) gas chromatography
- c) other instruments acceptable to both parties

Analysis of chromatograph shall comply with the standards set forth in ASTM D 1945. Calculation of the specific gravity from compositional analysis by gas chromatography shall comply with the standards set forth in ASTM D 3588. Measurement of the specific gravity with a gravitometer shall comply with the standards set forth in ASTM D 1070.

### **23.13 Flowing Temperature**

Flowing gas temperature shall be continuously measured and used in flow calculations.

## **24. INSPECTION OF EQUIPMENT AND RECORDS**

#### **24.1 Inspection of Equipment and Data**

Transporter and User shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the entity installing or furnishing same.

#### **24.2 Information for Billing**

When information necessary for billing by Transporter is in the control of User, the latter shall furnish such information to Transporter on or before the third (3rd) working day of the month following the month transportation service was rendered. If User does not have actual information it may furnish estimated information, and the actual information shall be furnished to Transporter on or before the fifth (5th) working day of the month following the month transportation service was rendered.

#### **24.3 Verification of Measurements**

Transporter and User shall have the right to examine at reasonable dates the books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to these Transportation General Conditions and to the rate schedules to which they apply, within twelve (12) months following any such statement, charge or computation. The time limitation for disputing statements, charges or computations shall be six (6) months from the last day of the month in which said statements, charges or computations were presented with a three-month rebuttal period, provided, however, that this limitation shall not apply in the case of a deliberate omission or misrepresentation or mutual mistake of fact, and shall not diminish the parties' other statutory or contractual rights. A meter adjustment or correction becomes a prior period adjustment after the fifth (5th) business day following the Business Month. Any measurement of prior period adjustments are taken back to the production month. These provisions are in accordance with GISB Standard 2.3.7, Version 1.4, which establishes a cutoff for the closing of measurement of 5 (five) business days after business month.

In accordance with GISB Standard 2.3.14, Version 1.4, measurement data corrections should be processed within 6 (six) months following the production month with a 3-month rebuttal period. However, it is recognized that this latter standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be diminished by this standard.

### **25. BILLING AND PAYMENT**

#### **25.1 Monthly Billing Date**

On or before the fifteenth (15th) Business Day of each month, Transporter shall invoice each User according to the Rate Schedules applicable to the Services rendered during the prior Month of Flow. The invoice will also include the charges for Authorized Additional Quantities, Non-Authorized Quantities and Imbalances applicable to the prior Month of Flow.

#### **25.2 Invoice information**

In the event that Transporter does not have the Receipt Quantities, User commits to furnish Transporter with all of the information and the material that the latter requires to calculate and verify

the Receipt Volume and the Delivery Volume, the Gross Caloric Value, the quality specifications and the components.

If Transporter does not receive such information in sufficient time to be able to invoice User as provided for in this Section, said invoices shall be calculated based on the Transporter's best estimate of the Delivery Quantity provided by User. Any excess or insufficient charges resulting from the differences between the aforementioned estimates and the real amounts shall be adjusted on the subsequent invoice without any interest thereon.

### **25.3 Monthly Payment Date**

User shall pay to Transporter, within the twenty five (25) Days following the receipt of the invoice, in the address set forth under the Agreement or in the banking institution notified for that purpose by Transporter, the amounts specified in the invoice, according to the following:

- a) if the payment date is not a Working Day, Transporter shall have to receive such payment no later than the following Working Day to the payment date;
- b) User shall pay to Transporter in lawful money of the United Mexican States in the form of Wire Transfer directed to a bank account designated by Transporter;
- c) For invoiced amounts of less than the equivalent of US\$50,000 (fifty thousand American dollars) the payment may be made by certified check;
- d) the Party making payment shall submit evidence of payment and the party receiving payment shall acknowledge receipt of such payment;
- e) User shall identify invoice numbers on all payments;
- f) In the event a User disputes any portion of the invoice, User shall pay the entire invoice and provide supporting documentation identifying the basis for the dispute.

### **25.4 Interest on Unpaid Amounts**

If User does not pay the total amount of an invoice on the due date, the pending amount due shall accrue interests from the due Working Day until payment is made; the interest rate shall not be higher than the TIIE issued by Banco de Mexico and published at the Daily Official Gazette on the date prior to actual payment, plus seven per cent (7%); both the principal amount and the accrued interests shall be immediately due and payable upon Transporter's request.

If a User's failure to pay an invoice continues for thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have, may suspend further delivery of gas until such amount is paid, and/or terminate the Service Agreement, according to Section 19.4.

Additionally, if User has not granted Financial Guarantees on behalf of Transporter, or such guarantees are not in full force, within the thirty (30) Days that follows the invoice date under request of Transporter, User shall have to provide enough Financial Guarantees, in one or more of the forms established in Section 6 "Credit Worthiness" of these General Conditions, to back up the



amount of the debts that is declared enforceable either by a mutual agreement between the parties, a judicial resolution or an arbitration award, depending the case. If User presents new or additional Financial Guarantees required by Transporter, Transporter will have no right to suspend the Gas delivery.

#### **25.5 Adjustment to excess payment, short payments or invoicing errors**

If User has paid in excess, no later than thirty (30) Days that follows the date in which the situation is clarified, Transporter will reimburse User the amount of the surcharge, plus interests to a rate equal to the TIIE, published in the Bank of México at the Official Gazette of the Federation, plus seven percent (7%), in the previous Day in which the payment is performed, calculated since the date in which the surcharge was paid until the date of reimbursement. The reimbursement shall be credited in the following invoice.

If User has been charged a lower amount than the due amount, User shall pay the remaining amount with no interests. If at any moment the parties find an error in any of the amounts invoiced by Transporter, such error shall be adjusted no later than thirty (30) Days following the date the error is determined; provided that the claim is filed within sixty (60) Days following the date the error was found, but in any event, within the twelve (12) Months period counted from the payment date.

#### **25.6 Extension of payment period in case of delays in invoicing**

If the presentation of an invoice by Transporter is delayed and exceeds the payment due date, the period of payment shall be extended in an equivalent period, unless User is responsible for such delay.

#### **25.7 FTS Invoices**

The FTS invoices will establish the amounts that User shall pay to Transporter by concept of:

- a) Capacity: for each Month, the payment for FTS capacity will be equal to the Capacity Charge or Contractual Rate, as the case may be, times the User's Maximum Daily Quantity, times the number of Days in the applicable Month. If during any Month there are fluctuations in the User's Maximum Daily Quantity, a weighted average of the Maximum Daily Quantity will be calculated, which will be used to calculate the debt for capacity applicable in that Month.
- b) Use: For each Month, the debit for FTS use will be equal to the applicable Charge for Use, times the User's Delivery Volume associated to the STF service.
- c) Authorized Additional Quantities: for each Month, the debit for the rendering of services for Authorized Additional Quantities will be equal to the amount of the Authorized Additional Quantities during such Month times the ITS Rate.
- d) Unauthorized Overrun Quantities, penalties and Imbalances: For each Month the debits for such concepts will be calculated according to Section 13 "Penalties and Gas Imbalances" of these General Conditions.

- e) For the calculation of invoices, Transporter will use the Rates and approved charges by the CRE established in Annex A, or, the Contractual Rate established in the Contract.

### **25.8 ITS Invoicing**

The ITS invoices will establish the amount that User shall have to pay to Transporter by concept of ITS and such amount will be equal to the Nomination Rate times the total User's Delivery Volume during the Month of Flow, which is billed under each ITS Agreement. With regard to Users who have contracted various types of Services, Transporter shall invoice in first place those Services that have been rendered with the highest Rate.

Additionally, the ITS invoice will describe all due payments for penalties, Unauthorized Overrun Quantities and Imbalances related to the immediate prior Month of Flow. The payment of Unauthorized Overrun Quantities and penalties will be calculated in accordance to Section 12 "Nominations and Confirmations" and 13 "Penalties and Gas Imbalances" of these General Conditions.

### **25.9 Currency**

The Rates approved by the CRE will be expressed and payable in Mexican currency.

The Contractual Rates will be expressed in the currency agreed between Transporter and User. When the Conventional Rates are payable in Mexican territory in terms of the Contract, those will have to be converted in Mexican pesos, in accordance with the Currency Law, at the exchange rate published by the Bank of México on the Official Gazette of the Federation, the day of the billing. When the Contractual Rates are payable outside Mexican territory, those can be paid in the currency agreed between the parties.

### **25.10 Invoice disputes**

User will pay the total amount of the invoice in the due date.

If User and Transporter do not solve the controversy related to undue payments or invoice errors, the dispute will be solved in accordance to the terms of Section 32 "Resolution of Disputes" of these General Conditions.

## **26. LIABILITIES RELATED TO THE POSSESSION, DELIVERY AND TRANSPORTATION OF GAS**

According to Articles 753 and 763 of the Federal Civil Code, the Gas that is transported in the System will be considered as a fungible and movable good.

User shall be liable before Transporter for any damage or loss if the Gas delivered to Transporter has any lien, property irregularities or any similar restriction. As a consequence, User shall be liable before Transporter of any claim, judicial or administrative controversy that is filed for any of those reasons.

The Gas transported will be considered as a deposit to Transporter, who will assume all the risks and control of Gas from its reception at the Point of Receipt until its delivery at the Point of Delivery, according to these General Conditions.

Transporter shall be liable for the Gas during the time that it is deposited, and shall deliver the Gas to User free of any lien or claim filed as a result of Transporter's actions.

Transporter is obliged to keep User free of any liability, claim, lawsuit or litigation that User may suffer if Transporter fails to deliver the Gas according to the terms described in the prior paragraph.

In case that Transporter or User breach totally or partially the obligations stated in the above paragraphs, the breaching party shall indemnify the other party for any expense incurred because of that breach; for that purpose, the parties shall have to prove with the corresponding documentation that such expenses were actually incurred.

Such provisions do not release to any of the parties, their agents or employees of the responsibilities resulting from a negligent or bad faith behavior.

User shall have control, possession and responsibility of all the Gas prior to the time that such Gas is received by Transporter at the Receipt Point and after it is delivered to User at the Delivery Point.

## **27. ACT OF GOD AND FORCE MAJEURE**

### **27.1 Force Majeure**

Force Majeure shall mean and include any act, that (a) renders Transporter or Shipper unable to provide or utilize the Transportation services, (b) is beyond the affected Party's reasonable control, (c) is not due to the affected Party's fault or negligence, and (d) be unforeseeable or even when foreseeable, could not have been avoided by the exercise of reasonable due diligence, including, but not limited to, the expenditure of reasonable sums of money as determined by prudent pipeline operator standards in light of the scope of service being provided.

Subject to the above, Force Majeure shall include, without limitation:

1. acts of God; such as storms, floods, downfalls, atmospheric discharges, freezing and earthquakes;
2. wars, civil disturbances, riots, insurrections, sabotages and commercial embargoes in or against Mexico or the US;
3. disasters in transportation either maritime, by railroad, earth or air; (iv) explosions; breakages; accidents or failures in facilities, machinery or pipelines;
4. strikes; lockouts or other industrial disturbances that have not been provoked by the violation of any agreement or labor Law by the affected party (either User or Transporter);
5. gross fires not provoked that make it impossible to render or receive the Service;
6. an action or omission from any Governmental Authority in Mexico or in the US that has not been voluntarily inducted or promoted by the affected party or that it is not the result of a violation of the obligations under the Agreement or any applicable Law;

7. the lack of capacity by the affected party, except for negligence or fault, to obtain in the appropriate way any permit that is required to comply with its obligations under the Agreement or these General Conditions as well as the delay in obtaining necessary governmental authorizations, including permits, concessions, or licenses, except those related to rights of way;
8. unless otherwise agreed the possibility to obtain the easements necessary to lay the pipes resulting in the unfeasibility either physical or economic to construct the System;
9. a change in Law defined as the promulgation or publication of a new law, decree, regulation, norm, or regulation from any governmental authority with jurisdiction over the subject matter or other legislative or administrative action by a governmental authority or an award, or resolution by a court related with the compliance, interpretation or application of the Agreement and these General Conditions;
10. a change in the route of the System or any Expansion or Enlargement of it that is required as the result of an archeological discovery or environmental considerations that provoke the economical or physical unfeasibility to construct or operate the system;
11. a force majeure in the system upstream on KMTP that disturbs or suspends the Gas deliveries from the KMTP system to the system;
12. acts of terrorism.

Force Majeure shall not include economic hardship or changes in market conditions.

The obligation to act with diligence in order to prevent that a foreseeable event derives in a Force Majeure event, does not oblige the affected party, in cases of labor disturbances, strikes or lockouts, to accept indiscriminately worker's claims. The affected party shall solve such labor conflicts according to Applicable Legal Provisions.

### **27.2 Notification of Force Majeure**

The Party invoking Force Majeure shall notify the other Party of the occurrence of such Force Majeure as soon as possible orally and in writing within ten (10) days from the occurrence of such Force Majeure; in the understanding that failure to notify within said period will result in the inability of such Party to invoke the corresponding Force Majeure.

### **27.3 Suspension of the obligations**

The obligations of the party invoking Force Majeure, 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, and such cause shall as far as possible be remedied with all reasonable dispatch.

Notwithstanding the foregoing, Force Majeure shall not suspend the following obligations:

- a) to balance gas volumes;
- b) to make payment for volumes delivered prior to the occurrence of a Force Majeure event, and
- c) to make payment for Gas volumes that can be delivered during the occurrence of a Force Majeure event, provided that Transporter can render the service partially.

### **27.4 Applicable payments during Force Majeure in the Transportation System**

When there is a Force Majeure case that prevents the provision of the Service, the User's payment obligations from the date of the corresponding notice by Transporter, will be suspended during the period that the event lasts and will be reestablished, without additional charges, once the Transporter's Force Majeure case ends and the conditions of the Service returns to normal.

If the Force Majeure case results in a partial encumbrance for Transporter to render the Service, User will only pay to Transporter the proportional part of the Rate (including, in its case, the Capacity Charge and the Use Charge) that correspond to the volume that User can receive in the Receipt Point each day.

If the Force Majeure case remains in the System more than one year, any party can terminate the Contract without responsibility, giving notice to the other party with thirty (30) Days of anticipation, without prejudice to any payment obligation which remains as an obligation for User by concept of the Service rendered prior the Transporter's Force Majeure.

### **27.5 Applicable payments during Force Majeure affecting User**

When a User's Force Majeure occurs preventing its compliance with its obligations; it will continue to pay the Charge for Capacity under the terms of this Contract upon a maximum period of one year.

If the user's Force Majeure event extends for more than one year, it will be able to: a) continue to pay the Charge for Capacity during the remaining period of the contract or b) terminates the contract, giving notice to Transporter with thirty (30) days of anticipation, in which case User will pay to Transporter, in one payment and within a period of sixty (60) days that follows such notice fifty percent (50%) of the charge of Capacity value applicable for the remaining period of the Contract, discounting to its Net Present Value with a discount rate of 10%.

### **27.6 Force Majeure under conventional Agreements**

In accordance to disposition 11.1 of the Directive on Prices and Rates, Transporter can agree with User on different conditions for payments and termination of the Contract before a Force Majeure event, when ever there is not a discrimination.

### **27.7 Allocation of capacity during Force Majeure**

When Transporter suffers a Force Majeure event, it can appoint between Users any Available capacity in the System in accordance to the priority order established in Section 11 "Priority of Service" of these General Conditions.

## **28. WAIVER**

Transporter may waive any of its rights under these General Conditions, for the User's benefit, on a basis which is not unduly discriminatory.

If Transporter or User waive to exert its rights set forth in case of the other party's breach of any provisions of an Agreement, such waiver shall operate as a waiver of any continuing or future default, whether of a like or different character. All waivers shall be in writing.

## **29. REPORTS AND COMPLAINTS**

### **29.1 Complaints and Incidents**

Transporter will have a telephone and a telefax number to allow User to immediately present any complaint related to the safety of the equipment or the services provided by Transporter. Pursuant to Article 80 of Natural Gas Regulations, Transporter shall review the User's complaints and claims within ten (10) days.

Transporter will record service-related complaints, and this record shall be in every moment available to the CRE. Transporter's complaints telephone number will be published in due time.

### **29.2 Incidents Report**

In accordance with Article 70 of the Natural Gas Regulations, Transporter has the following security liabilities:

1. Immediately notify to the CRE and to the competent authorities any event that as a result of its permitted activities, put in danger the health and public security; such notice will include the possible causes of the event, as well as the taken measures to resolve it;
2. In case of accident, present to the CRE, within ten (10) Days since the date of the accident is under control, a detailed inform of its causes and the measures to control it;
3. Annually present, in accordance to the applicable Mexican Official Standards, or in case of lacking of those one, to the regulations commonly used by the International Industry, the maintenance program of the System and show its accomplishment with the resolution of a verifying unit duly authorized;
4. To keep a logbook for the supervision, operation and maintenance of the works and facilities, which will be available for the CRE;
5. To train its personnel for the prevention and attention of accidents;
6. To provide the assistance that the competent authorities require in case of emergencies or accident; and
7. Any other obligation established under the Mexican Official Standards.

### **29.3 Specific Obligations**

In accordance to article 71 of the natural gas Regulation, Transporter has the following liabilities regarding the rendering of services:

1. To render the service efficiently in accordance with the principles of uniformity, homogeneity, regularity, security and continuity;
2. Opportunely published, in accordance to the terms that the CRE establish through Directives, the information related with the Available capacity;
3. Immediately notify to the CRE of any circumstance that implies the modification to these General Conditions;
4. Contract and maintain in full force the insurance policies established in the permit title to cover the responsibilities that Transporter can incur in the rendering of the service;
5. Have a permanent service to receive complains and emergency informs;
6. Immediately respond to emergency calls from Users;
7. Opportunely inform to the CRE any circumstance that can negatively affect the rendering of service;
8. Avoid to execute discriminations practices, and

9. Respond to all service requests in a period of one Month after receiving the applications.

### **30. EMERGENCY PROCEDURES AND REPORTS**

Transporter will maintain on file in its offices procedures for handling emergencies, and incidents. Transporter's emergency procedures shall include:

1. A detailed description of those facilities on which emergency procedures shall be applied;
2. A description of Gas pressure and flow, as well as a description of other normal operation conditions of the System;
3. Facilities' location and ways of access;
4. The initial actions that must be taken when an emergency situation arises;
5. The names and telephone numbers of Transporter's staff that must be reached in the case of an emergency, as well as each staff member responsibilities;
6. The names and telephone numbers of public services and other authorities that could be reached in the case of an emergency;
7. A description of the available emergency equipment, including its location;
8. The security procedures to follow in the location where the emergency occurs;
9. The safety actions to be taken in the case of an emergency, including isolation and closing of facilities procedures, as well as the methods to monitor the risk level, and
10. The evacuation procedures.

Transporter shall distribute to the civil protection authorities and the local media documents on the identification of emergency situations involving the System, as well as on the procedures to be observed in such cases.

Reports on all emergencies and incidents will also be kept in the Transporter's offices.

### **31. CONFIDENTIALITY**

The information furnished by User with respect to Agreements or Services shall be treated as confidential and shall not be disclosed without User's express consent.

Notwithstanding the above, this obligation will not apply to:

- a) Information previously known by Transporter prior to any disclosure in connection with any Agreement;

- b) Information which becomes available to the public at any time from a source other than Transporter;
- c) Information disclosed to Transporter from any third party, provided that such disclosure is not in violation of a confidentiality agreement;
- d) Information that must be disclosed pursuant to governmental or judicial requirements, provided that such disclosure is compulsory and that not revealing it would involve civil, administrative or criminal liability. Any such disclosure shall be limited to the information specifically required to be disclosed.

### **32. RESOLUTION OF DISPUTES**

Subject to any applicable legal action, any controversy between Transporter and User shall be settled, on the User's election, through the arbitration procedure proposed by Transporter or by the procedure established by the CRE.

The arbitration procedure proposed by Transporter, as well as the entity that will solve the controversy, will be registered in the public record mentioned in fraction XVI of Article 3 of CRE Act. If such registration is not made, the arbitration procedure shall be the one stipulated in Article 9 or CRE Act and such procedure will be pursuant to Title Four, Book Five of The Commerce Code and will be substantiated by the CRE.

Whenever Users fall into the category of consumers according to the Federal Law for Consumer's Protection, the disputes will be settled under such Act.



**ANNEX A  
LIST OF RATES**

**ANNEX B  
NOMINATION FORMAT**

ANNEX C

FORM OF SERVICE AGREEMENT  
FIRM BASE/ INTERRUPTIBLE BASE

Agreement No. \_\_\_\_\_

[Firm and Interruptible Base]

Kinder Morgan Gas Natural de México, S. de R.L. de C.V. (Kinder Morgan)

Contract Date \_\_\_\_\_

1. Shipper is \_\_\_\_\_ a \_\_\_\_\_  
\_\_\_\_\_
2. Total MDQ: \_\_\_\_\_ Dth/Day.
3. Term: \_\_\_\_\_ to \_\_\_\_\_
4. END USERS are: \_\_\_\_\_
5. This agreement supersedes and cancels the agreement number \_\_\_\_\_ dated as of \_\_\_\_\_

The capacity rights of this agreement were released from \_\_\_\_\_(only for firm base).

The service charges and reservation charges begin the latter of:

- (a) \_\_\_\_\_ and
- (b) The date when the capacity to render the service is available in the Kinder Morgan system

Others \_\_\_\_\_

6. User Address: \_\_\_\_\_

Kinder Morgan Address: \_\_\_\_\_

7. The Kinder Morgan General Terms and Conditions, revised from time to time, regulate this agreement and are herein incorporated. Annexes A and B are part of this agreement. This is the only agreement between the parties and no waiver or declaration shall affect it, except when they are expressed in writing. Shipper shall deliver to Kinder Morgan the name of the end users, provided they are requested by Mexican authorities to Kinder Morgan.

Agreed by:

KINDER MORGAN

Shipper

/Signature/ \_\_\_\_\_  
Name: \_\_\_\_\_  
Charge: \_\_\_\_\_

/Signature/ \_\_\_\_\_  
Name: \_\_\_\_\_  
Charge: \_\_\_\_\_

EXHIBIT "B"  
TO  
FIRM GAS TRANSPORTATION AGREEMENT  
DATED [REDACTED]  
BETWEEN  
KINDER MORGAN GAS NATURAL DE MEXICO, S. de R.L. de C.V.  
AND  
[REDACTED]

FEES

**Firm Transportation Services Fee**

**Monthly Firm Transportation Services Fee =** [REDACTED]  
[REDACTED]

**Unauthorized Overrun Rate =** [REDACTED]

END OF EXHIBIT "B"

EXHIBIT "C"  
TO  
INTRASTATE FIRM GAS TRANSPORTATION AGREEMENT  
DATED [REDACTED]  
BETWEEN  
KINDER MORGAN GAS NATURAL DE MEXICO, S. de R.L. de C.V.  
AND  
[REDACTED]

**RECEIPT AND DELIVERY POINT(S)**

**Receipt Point(s):**

The point at which Transporter's thirty-inch (30") pipeline connects to KMTP at or near the international border between the United States and Mexico. Measurement shall occur at KMTP's meter station located at "Bob West" – PIN #40564.

**Delivery Point(s):**

<b>Point Name:</b>	<b>PIN #</b>	<b>MDQ</b>
[REDACTED]	[REDACTED]	50,000*
[REDACTED]	[REDACTED]	50,000*

\*Note: The maximum aggregate quantity of gas deliverable to the Delivery Point(s) is 50,000 MMBtu per Day.

END OF EXHIBIT "C"